

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

2       NUVEDA, LLC,

3               Petitioner,

4       vs

5       EIGHTH JUDICIAL DISTRICT  
6       COURT OF THE STATE OF  
7       NEVADA, IN AND FOR THE  
8       COUNTY OF CLARK, THE  
9       HONORABLE ELIZABETH  
10       GONZALEZ, DISTRICT JUDGE,

11               Respondent,

12       SHANE TERRY, PHIL IVEY, AND  
13       DOTAN Y. MELECH, receiver for  
14       CWNEVADA, LLC, a Nevada limited  
15       liability company,

16               Real Parties in Interest.

Electronically Filed  
Jul 21 2021 02:23 p.m.  
Elizabeth A. Brown  
Clerk of Supreme Court

Supreme Court No. 82767

District Court Case No.  
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

---

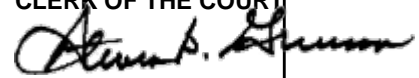
14                   **APPENDIX**

15                   **ANSWER TO PETITION FOR WRIT OF PROHIBITION OR, IN THE**  
16                   **ALTERNATIVE, PETITION FOR WRIT OF MANDAMUS**

---

17                   Michael R. Mushkin, Esq.  
18                   Nevada Bar No. 2421  
19                   L. Joe Coppedge, Esq.  
20                   Nevada Bar No. 4954  
21                   **MUSHKIN & COPPEDGE**  
22                   6070 S. Eastern Avenue, Suite 270  
                    Las Vegas, Nevada 89119  
                    (702) 454-3333 Telephone  
                    (702) 386-4979 Facsimile  
                    michael@mccnvlaw.com  
                    jcoppedge@mccnvlaw.com  
                    Attorneys for Real Parties in Interest

| <b>Document</b>   | <b>Bates No.</b>  |
|---|-------------------|
| Complaint   | RA 001-<br>RA 036 |
| 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 | RA 037-<br>RA 127 |
| Court Minutes re: Motion to Consolidate   | RA 128-<br>RA 129 |
| Order Denying Motion to Dismiss or for Summary Judgment   | RA 130-<br>RA 138 |
| Motion to Set Aside Dismissal   | RA 139-<br>RA 207 |
| Emails - Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al   | RA 208-<br>RA 210 |
| Order Denying Motion to Stay  | RA 211-<br>RA 216 |



CASE NO: A-20-817363-B  
Department 13

Michael R. Mushkin, Esq.  
Nevada Bar No. 2421  
L. Joe Coppedge  
Nevada Bar No. 4954  
MUSHKIN & COPPEDGE  
6070 S. Eastern Avenue, Suite 270  
Las Vegas, Nevada 89128  
Telephone: (702) 454-3333  
Fax: (702) 386-4979  
michael@mushlaw.com  
jcoppedge@mccnvlaw.com  
*Attorneys for Plaintiffs*

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

DOTAN Y. MELACH, as the Court Appointed  
Receiver of CWNevada, LLC, a Nevada Limited  
Company; SHANE TERRY, an individual, and  
PHILLIP D. IVEY, an individual;

Case No.:

Dept. No.:

Plaintiffs,

vs.

NUVEDA, LLC, a Nevada limited liability  
company; CLARK NMSD, LLC, a Nevada  
limited liability company; CLARK NATURAL  
MEDICINAL SOLUTIONS, LLC, a Nevada  
Limited Liability Company; NYE NATURAL  
MEDICAL SOLUTIONS, LLC a Nevada  
limited liability company; BCP 7, LLC, a  
Nevada limited liability company; PEJMAN  
BADY, an individual; POUYA MOHAJER, an  
individual; JOSEPH KENNEDY, an individual;  
BRIAN C. PADGETT, an individual; and DOES  
1 – 20 and ROE CORPORATIONS 1-20,

Defendants.

**COMPLAINT**

Plaintiffs, Dotan Y. Melech, as the Court Appointed Receiver of CWNevada, LLC,  
Shane Terry and Phillip D. Ivey, by and through their attorneys, for their Complaint against the  
Defendants, allege as follows:

1 **PARTIES, JURISDICTION, AND VENUE**

2 1. Defendant, NuVeda, LLC (“NuVeda”) is and has been since its formation, a  
3 Nevada liability company. NuVeda’s assets and principle place of business are in Clark County,  
4 Nevada.

5 2. Defendant, Clark NMSD, LLC (“Clark NMSD”) is a Nevada limited liability  
6 company and owner of two (2) Dispensary licenses issued by the Nevada Department of Health  
7 and Human Services, Nevada Division of Public and Behavioral Health and the Nevada  
8 Department of Taxation. The Clark Dispensary licenses are identified by Nevada Establishment  
9 numbers: 2502 5985 3578 6823 7824 and 9409 0342 9554 6702 0377

10 3. Defendant, Clark Natural Medicinal Solutions, LLC (“Clark Natural”) is a  
11 Nevada limited liability company and the owner of one (1) Cultivation license and one (1)  
12 Production license issued by the State of Nevada. The Clark Natural Cultivation license is  
13 identified by Nevada Establishment number: 6499 5797 7556 7012 2923. The Clark Natural  
14 Production license is identified by Nevada Establishment number: 5447 7437 9374 7929 7460.

15 4. Defendant, Nye Natural Medical Solutions LLC (“Nye Natural”) is a Nevada  
16 limited liability company and owner of a Cultivation License and Production license issued by  
17 the State of Nevada. The Nye Natural Cultivation license is identified by Nevada Establishment  
18 number: 4073 3091 6294 5475 1109. The Nye Natural Production license is identified by  
19 Nevada Establishment number: 9160 4693 9161 6650 7699.

20 5. Upon information and belief, Defendant Pejman Bady (“Bady”) is and at all  
21 relevant times was a resident of Clark County, Nevada. Defendant Bady was an initial member  
22 of NuVeda.

23 6. Upon information and belief, Defendant Pouya Mohajer (“Mohajer”) is and at all  
24 relevant times was a resident of Clark County, Nevada. Defendant Mohajer was an initial  
25 member of NuVeda.

26 7. Upon information and belief, Defendant Joseph Kennedy (“Kennedy”) is and at  
27 all relevant times was a resident of Clark County, Nevada. Defendant Bady was an initial  
28 member of NuVeda.

1           8. Defendant BCP 7, LLC ("BCP 7") is a Nevada limited liability Company. Upon  
2 information and belief, BCP 7 is the owner of Dispensary, Cultivation and Production licenses  
3 in Nevada and is managed by Defendant, Brian C. Padgett.

4           9. Defendant, Brian C. Padgett ("Padgett") is and at all relevant times was a  
5 resident of Clark County, Nevada. Padgett is the manager of BCP 7.

6           10. Plaintiff Dotan Y Melech is the court appointed receiver for CWNevada, LLC, a  
7 Nevada Limited Liability Company (the "Receiver"). The Order Appointing Receiver included  
8 all of CWNevada, LLC's assets, including, without limitation, all assets and rights to any  
9 subsidiary and affiliated entities (collectively, 'CWNevada') in which CWNevada has an  
10 ownership interest, including but not limited to CWNV, LLC".

11           11. Plaintiff Shane Terry ("Terry") is and at all relevant times has been a resident of  
12 Clark County, Nevada. Plaintiff has been a Manager, Voting Member, and at times, NuVeda's  
13 Chief Executive Officer. Plaintiff Terry is the owner of 22.88 percent of NuVeda, Clark NMSD,  
14 Clark Natural and Nye Natural (collectively, the "Terry Interest").

15           12. Plaintiff Phillip D. Ivey ("Ivey") is and at all relevant times has been a resident  
16 of Clark County, Nevada. Plaintiff Ivey owns a three percent (3%) ownership interest in Nye  
17 Natural and Clark Natural (collectively, the "Ivey Interest").

18           13. That the true names or capacities, whether individual, corporate, association or  
19 otherwise of Defendants DOES 1 through 20, and ROE CORPORATIONS 1 through 20 are  
20 unknown to Plaintiffs, who therefore sues said Defendants by such fictitious names. Plaintiffs  
21 are informed and believe and thereupon allege that each of the Defendants designated herein as  
22 DOE and ROE CORPORATIONS are responsible in some manner for the events and acts  
23 alleged and that they caused damages proximately to the Plaintiffs. The DOE and ROE  
24 CORPORATION Defendants include but are not limited to individuals and/or entities that may  
25 claim some interest NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or  
26 CWNV1. The DOE and ROE CORPORATION Defendants further include the successors in  
27 interest to NuVeda, Clark NMSD, Clark Natural Nye Natural, CWNV and/or CWNV1 and  
28 individuals and/or entities who may have received transfers of any interest from NuVeda, Clark

1 NMSD, Clark Natural Nye Natural, CWNV and/or CWNV1. Plaintiffs will ask leave of this  
2 Court to amend this Complaint to insert the true names and capacities of DOES 1 through 20  
3 and ROE CORPORATIONS 1 through 20 when the same have been ascertained and to join  
4 such Defendants in this action.

5 14. Pursuant to Nevada's long arm statute codified at NRS 14.065, a Court of this  
6 State may exercise jurisdiction over a party to a civil action on any basis not inconsistent with  
7 the Constitution of Nevada or the Constitution of the United States.

8 15. Venue is proper pursuant to NRS 13.040.

9 **FACTUAL ALLEGATIONS RELATED TO ALL CLAIMS**

10 16. On or about July 9, 2014, Terry entered into an Operating Agreement for  
11 NuVeda, LLC (the "NuVeda Operating Agreement") with Bady, Mohajer and Jennifer  
12 Goldstein ("Goldstein") to apply for and operate marijuana dispensaries, cultivation and  
13 processing facilities for medical marijuana pursuant to licenses obtained from certain  
14 governmental divisions.

15 17. The NuVeda Operating Agreement was also signed by Kennedy, John Penders  
16 and Ryan Winmill.

17 18. Since July 2014, NuVeda has been governed by the NuVeda Operating  
18 Agreement.

19 19. The NuVeda Operating Agreement is governed by, construed and interpreted in  
20 accordance with Nevada law.

21 20. Since NuVeda's formation, Terry has been a Manager, Voting Member and at  
22 times, NuVeda's Chief Executive Officer and Chief Operations Officer.

23 21. Initially, Terry owned 21.5% of NuVeda and its subsidiaries, Clark NMSD,  
24 Clark Natural, and Nye Natural. Terry's ownership interest was later increased to 22.88%.

25 22. On or about August 17, 2014, Ivey entered into a letter agreement (the "Ivey  
26 Letter Agreement") and accompanying Letter of Commitment whereby, in exchange for  
27 providing necessary financial statements to strengthen NuVeda's application and extending  
28 NuVeda a \$1.9 million line of credit (the "Ivey Credit Line"), Ivey was immediately granted a

1 three percent (3%) wholly vested share of NuVeda.

2 23. Ivey executed the Letter of Commitment on or about August 17, 2014.

3 24. Ivey's significant business experience and financial resources not only provided  
4 a solution in support of NuVeda's business strategy, but also provided critical proof of financial  
5 viability in support of NuVeda's competitive application, including the amount of taxes paid.

6 25. The points won by NuVeda in the tax section alone were awarded with Ivey  
7 individually contributing nearly 30% of the total score.

8 26. Ivey was listed and approved as an owner by the State of Nevada on all six (6) of  
9 NuVeda's licenses.

10 27. On or about June 1, 2015, Ivey's three percent (3%) interest in NuVeda was  
11 transferred to two of its subsidiaries, Nye Natural and Clark Natural.

12 28. As a result of the transfer, Ivey owns a three percent (3%) ownership interest in  
13 Nye Natural and Clark Natural (the "Ivey Interest").

14 29. Ivey has not sold, conveyed or otherwise transferred his ownership interest in  
15 Nye Natural or Clark Natural.

16 30. Bady, Mohajer and Kennedy, individually and at times through NuVeda or other  
17 entities, have engaged in additional fraudulent acts of self-dealing and other acts of misconduct  
18 that constituted a breach of their legal duties.

19 31. For instance, Terry and other members of NuVeda learned that Bady  
20 misrepresented the source of his funds he originally contributed to NuVeda in exchange for  
21 equity.

22 32. Nevada law and the regulatory agencies required in depth financial disclosures.

23 33. While Bady averred that his funding came from the sale of a business, upon  
24 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from  
25 money he acquired from his friend Majid Golpa ("Golpa").

26 34. Apparently, Bady and Mohajer promised that in exchange for the funds, Golpa  
27 would receive a 5.5% Membership interest in NuVeda, a pledge that is prohibited by law.

28 35. Mohsen Bahri ("Bahri") and Bady also negotiated the terms of a \$500,000

1 promissory note. Bady then made an undisclosed deal with Bahri to provide Bady with a  
2 \$500,000 investment, in which Bahri would receive a 4% interest in NuVeda.

3 36. This was contrary to NuVeda's understanding of the financing.

4 37. Following discovery of the true nature of Bady and Mohajer's wrongful side  
5 deals with third parties, a dispute arose between Terry and Goldstein on the one hand and Bady  
6 and Mohajer on the other hand regarding Defendants' clandestine and wrongful side deals,  
7 pursuant to which Bady and Mohajer attempted to allocate ownership interests to their friends,  
8 and the true source of Bady's capital contribution, Golpa and Bahri.

9 38. Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4%  
10 interest in NuVeda, yet Bady demanded that the Members, including Terry and Goldstein, agree  
11 to ratify his apparent promises to provide such interest to Golpa and Bahri.

12 39. Upon information and belief, the transfer of the interests, as proposed by Bady,  
13 would jeopardize NuVeda's licenses.

14 40. On or about November 1, 2015, a monthly payment was due to Bahri on the  
15 \$500,000 promissory note. Bady, long-time personal friends with Bahri, instructed Terry to not  
16 pay the monthly payment and stated he "would take care of it." On November 11, 2015, Bahri  
17 sent demand for the November 1, 2015 payment. Bady then admitted that he did not make the  
18 monthly payment but that Bady and Bahri had agreed to extend the monthly payment to  
19 November 15, 2015.

20 41. Bady's non-payment of the loan and subsequent negotiations were done without  
21 Terry's knowledge and jeopardized NuVeda's operations.

22 42. Bahri subsequently presented a lawsuit against Terry and Goldstein, individually,  
23 falsely alleging that they were liable for his investment through Bady.

24 43. Bady and Bahri then acted in concert to allege that Goldstein and Terry were  
25 liable for the \$500,000 promissory note, as neither the Company nor Bady, who single-handedly  
26 communicated with Bahri and who negotiated all of the terms of the clandestine deal with his  
27 friend Bahri, were named as defendants.

28 44. Bady and Bahri acted in concert to paralyze Terry and Goldstein from obtaining



1 the necessary funding by threatening to file frivolous and factually unfounded lawsuits against  
2 Terry and Goldstein for Bady's strategic gain.

3 45. Additionally, when Kennedy (an IRS enrolled agent) was preparing the  
4 Company's K-1s, Bady asked Terry to allocate his tax losses to Bady to offset Bady's income  
5 from an unrelated medical business, but Terry refused. Terry explained to Bady that loss-  
6 shifting was wrongful and potentially constituted fraud, but Bady ignored Terry's concern and  
7 went ahead with shifting Mohajer's losses to him. Bady then had nominal-Member Kennedy  
8 amend the K-1s to reflect loss-shifting to Bady in violation of the terms of the Operating  
9 Agreement.

10 46. Goldstein and Terry made demands for the original K-1s and other financial  
11 documents for NuVeda, but Bady and Kennedy denied the records request in violation of  
12 Terry's right to review the business records of NuVeda pursuant to Section 7.2 of the Operating  
13 Agreement.

14 47. It was also discovered that Bady engaged in rampant self-dealing on multiple  
15 occasions. An entity known as 2 Prime, LLC entered into a financing agreement with NuVeda.  
16 Bady exclusively negotiated the agreement with favorable terms to 2 Prime, LLC. Thereafter, it  
17 was discovered after the fact that Bady had an undisclosed 50% interest in 2 Prime, LLC which  
18 was also co-owned by Golpa.

19 48. On or about November 20, 2015 under guidance of NuVeda's general counsel,  
20 Bady's and Mohajer's NuVeda interests were terminated pursuant to Section 6.2 of the  
21 Operating Agreement.

22 49. However, Bady and Mohajer disregarded the expulsion and claimed they  
23 remained Voting Members, Managers, and officers with authority to act on behalf of NuVeda.

24 50. Between November 20th, 2015 and December 3, 2015, Bady and Mohajer,  
25 acting as purported representatives of NuVeda, attempted to sell NuVeda's interests in its highly  
26 valuable and privileged licenses to multiple parties, including CWNevada.

#### 27 **The District Court Action**

28 51. Over concerns that any attempted and unauthorized transfer of interest could

1 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and Terry filed a complaint, as  
2 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against  
3 Bady and Mohajer as Case Number A-15-728510-B (the "District Court Action"), and  
4 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin  
5 any transfer of NuVeda's membership interests.

6         52. The District Court Action sought, among other things, the issuance of a  
7 preliminary and permanent injunction maintaining the status quo pending a final resolution of  
8 the parties' disputes in an arbitral proceeding.

9         53. Although the District Court did not issue a preliminary injunction in the District  
10 Court Action, on January 13, 2016, the Court ordered (the "January 13, 2016 Order"), among  
11 other things, "IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the  
12 completion of the contemplated arbitration, the parties are to take no further action to expulse  
13 each other on the factual bases presented to the Court during the evidentiary hearing."

14         54. Goldstein and Terry commenced a private arbitration proceeding with the  
15 American Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al.*  
16 *v. NuVeda, LLC, et al.*, AAA Case No. 01-15-005-8574 (the "Arbitration").

17         55. During the month of December 2015, NuVeda's annual license renewal  
18 paperwork was due to the State of Nevada.

19         56. During this time, Terry was the designated and registered point of contact with  
20 the State of Nevada for all regulatory correspondence.

21         57. After Terry submitted the renewal application representing NuVeda's current  
22 ownership structure, Bady falsely submitted documentation to the State of Nevada that removed  
23 Ivey's license interest and redistributed it to himself and Mohajer.

24         58. NuVeda, Bady and Mohajer have claimed Ivey is no longer a member although  
25 Ivey did not execute any of the required transfer of ownership paperwork to release his license  
26 interest.

27         59. Notwithstanding the express language of the January 13, 2016 Order, in a March  
28 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda.

1           60.     Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in  
2 violation of the January 13, 2016 Order.

3           61.     The purported expulsion was further documented in a meeting on or about  
4 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry's interest in NuVeda  
5 was distributed to Bady and Mohajer.

6           62.     NuVeda, Bady and Mohajer purportedly transferred Terry's individual license  
7 interest in NuVeda directly to Bady and Mohajer without Terry's consent.

8           **Membership Interest Purchase Agreement**

9           63.     At or about the same time, NuVeda as "Transferor" along with Clark NMSD and  
10 Nye Natural and CWNevada as "Transferee" and CWNV, LLC, a to be formed Nevada limited  
11 liability company, entered into a Membership Interest Purchase Agreement (the "MIPA")  
12 effective as of December 6, 2015.

13          64.     Among other things, the MIPA provides in part as follows:

14           a.     NuVeda owned one hundred percent (100%) of the membership interest  
15 in Clark NMSD.

16           b.     NuVeda owned one hundred percent (100%) of Nye Natural, subject to  
17 certain disclosures.

18           c.     Clark NMSD had been issued certain provisional Medical Marijuana  
19 Establishment Certificates, identified as Application Identifier No. D186, Reference  
20 #25025985357868237824 for the dispensing of medical marijuana at a dispensary  
21 located at 1320 S. 3<sup>rd</sup> Street, Las Vegas, Nevada (the "Downtown Dispensary") and as  
22 Application Identifier No. 187, Reference # 94090342955467020377 for the dispensing  
23 of medical marijuana at a dispensary located at 2113 N. Las Vegas Blvd., North Las  
24 Vegas, Nevada (the "North Las Vegas Dispensary").

25           d.     Nye Natural had been issued certain provisional Medical Marijuana  
26 Establishment Certificates, identified as Application Identifier No. C166, Reference #  
27 40733091629454751109 for the cultivation of medical marijuana at a cultivation facility  
28 at 2801 E. Thousandaire Blvd., Pahrump, Nevada and as Application Identifier No.

1 P107, Reference # 91604693916166507699 for the production of medical marijuana  
2 products at a production facility located at the C&P Property.

3 e. Subject to the terms of the MIPA, CWNevada as Transferee agreed to  
4 purchase and NuVeda as Transferor agreed to sell 100% of the membership interests  
5 owned by NuVeda in Clark Natural NMSD and Nye Natural.

6 f. CWNevada agreed to cause to be formed a new manager-managed  
7 Nevada limited liability company defined as "CWNV".

8 g. Upon the formation of CWNV, CWNV was to be owned as follows: (i)  
9 thirty-five (35%) of the issued and outstanding membership interest in CWNV shall be  
10 issued and owned by NuVeda; and (ii) sixty-five (65%) of the issued and outstanding  
11 membership interests in CWNV shall be issued and owned by CWNevada.

12 **CWNV, LLC**

13 65. On or about January 21, 2016, CWNevada and NuVeda caused CWNV to be  
14 formed.

15 66. CWNV was formed as a joint venture between CWNevada and NuVeda to raise  
16 money to build and operate the Downtown Dispensary located at 1324 S. 3<sup>rd</sup> Street, Las Vegas,  
17 Nevada and the North Las Vegas Dispensary located at 2113 N. Las Vegas Blvd., North Las  
18 Vegas, Nevada.

19 67. On or about March 22, 2016, CWNevada and NuVeda entered into an Operating  
20 Agreement of CWNV, LLC (the "CWNV Operating Agreement").

21 68. The initial members of CWNV were CWNevada and NuVeda.

22 69. The initial managers of CWNV were Padgett, Bady and Jason Thompson.

23 70. The CWNV Operating Agreement listed CWNevada's membership interest as  
24 65% and NuVeda's membership interest as 35%.

25 71. The CWNV Operating Agreement identified CWNevada's capital contribution  
26 as "Full Construction Funding, Goods, Services, and Specified Debt Service."

27 72. CWNevada invested at least two million dollars into CWNV to provide  
28 construction funding to build the Downtown Dispensary and the North Las Vegas Dispensary.

1           73.     The Downtown Dispensary opened in or about December 2016 and the North  
2 Las Vegas Dispensary opened in January 2017, as a result of CWNevada's construction  
3 funding.

4           74.     The CWNV Operating Agreement identified NuVeda's capital contribution as  
5 "Medical Marijuana Licenses as referenced in the [MIPA]."

6           75.     NuVeda and its members, including Bady, Mohajer and Kennedy have  
7 separately and individually benefited from the construction of the Downtown Dispensary and  
8 the North Las Vegas Dispensary.

9           **First Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye**  
10           **Licenses**

11           76.     On or about April 17, 2018, Nye Natural and Clark NMSD entered into a First  
12 Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye Licenses (the "First  
13 Purchase Agreement").

14           77.     The First Purchase Agreement provided, among other things, that in exchange  
15 for NuVeda selling the remaining 35% of its interest in CWNV to CWNevada, CWNevada  
16 would increase the consideration paid to NuVeda from that contemplated under the MIPA to a  
17 to a total monthly payment of 2.625% of the gross sales of CWNevada, subject to a minimum  
18 payment of \$235,870.00 per month.

19           78.     The Parties to the First Purchase Agreement "acknowledge[d] that the joint  
20 application for the transfer of ownership of the NuVeda Licenses to CWNV must be submitted  
21 to the State of Nevada, Department of Taxation immediately for review and approval and the  
22 Parties further acknowledge that the intent of the [First Purchase Agreement was] to effectuate a  
23 100 percent ownership of the NuVeda Licenses in [CWNV] and NuVeda owners shall then  
24 remove themselves as listed owners of record on these licenses. If the transfer of the NuVeda  
25 Licenses to CWNV is not completed within 45 days of submittal, payment to NuVeda shall be  
26 held in abeyance until the NuVeda Licenses transfer to CWNV ownership."

27           79.     However, in attempting to effectuate the transfer of Clark NMSD and Nye  
28 Natural, NuVeda failed to follow Nevada law and misrepresented the information submitted to

1 the State of Nevada, including but not limited to misstating an October 13, 2017 Nevada  
2 Supreme Court ruling.

3 80. Through their counsel Amanda Connor (who simultaneously represented  
4 CWNevada) Clark NMSD, Nye Natural, NuVeda, Bady and Mohajer failed to follow Nevada  
5 law and misrepresented the information submitted to the State of Nevada, including but not  
6 limited to misstating an October 13, 2017 Nevada Supreme Court ruling by claiming “the Court  
7 found that the transfer of assets was proper” and that “Shane Terry has been expelled as a  
8 member.”

9 81. Specifically, Clark NMSD and Nye Natural, in the correspondence to the State of  
10 Nevada, Department of Taxation represented, among other things, that “[t]he Membership  
11 Interest Purchase Agreement dated December 6, 2015 between CWNevada, LLC, CWNV,  
12 LLC, NuVeda, Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC ... was signed  
13 by more than 60% of the membership interest of NuVeda, LLC...Please note in the October 13,  
14 2017 Nevada Supreme Court ruling..., the Court found that the transfer of assets was proper.”

15 82. However, the Nevada Supreme Court, acting in case number 69648, did not  
16 address the propriety of the “transfer of assets.”

17 83. The Nevada Supreme Court merely determined that the “appellants [Plaintiff  
18 Terry and Goldstein] failed to show a reasonable probability of irreparable harm” and thus, the  
19 Court concluded “that the district court did not abuse its discretion in denying appellants’  
20 motion [for a preliminary injunction]”.

21 84. Moreover, Clark NMSD and Nye Natural, in the correspondence to the State of  
22 Nevada, Department of Taxation, Connor further represented that “a majority of the members  
23 voted to expel Shane Terry pursuant to the applicable portions of the [Operating Agreement]”  
24 and attached purported “relevant pages” of the transcript of a March 10, 2016 NuVeda Officer  
25 Meeting which omitted key pages that would have been contrary to the conclusion that NuVeda  
26 was attempting to present through their misleading submission to the State. Had they actually  
27 represented the facts in the January 13, 2016 Order, the State would have clearly seen the  
28 Court’s prohibition of expulsion.

1           **Purchase and Sale Agreement for Terry's Ownership Interest in NuVeda and**  
2           **NuVeda-Managed Licenses**

3           85.     During the pendency of the District Court Action and Arbitration, on or about  
4 April 30, 2018, Terry entered into a "Purchase and Sale Agreement for Terry's Ownership  
5 Interest in NuVeda and NuVeda-Managed Licenses" (the "Purchase Agreement") with BCP 7,  
6 as the Buyer.

7           86.     Padgett personally guaranteed all payments and other performance obligations  
8 due under the Purchase Agreement.

9           87.     The Purchase Agreement provides, among other things, that Terry agreed to sell  
10 the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration  
11 and on specific terms.

12          88.     The total purchase price for BCP 7 to acquire the Terry Interest was \$1.75  
13 million (the "Purchase Price"), which was "substantially reduced" from fair market value.

14          89.     The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00  
15 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the "Initial  
16 Payment"), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,  
17 2028 with payments due monthly until paid in full (the "Monthly Payments").

18          90.     The Monthly Payments were to be made on or before the first day of the month  
19 in an amount not less than the interest accrued on the outstanding balance at an interest rate of  
20 18%.

21          91.     The Monthly Payments were to commence May 1, 2018, and the first payment  
22 was to have been made no later than May 2, 2018.

23          92.     The Purchase Agreement further provided that there shall be acceleration of the  
24 outstanding Balance and any unpaid accrued interest thereon upon (1) the sale or transfer of the  
25 Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP 7  
26 to a third party (other than CWNV, LLC); or (2) a default of a payment obligations, which shall  
27 result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the  
28 Balance following notice of failure to Padgett and no cure within 10 business days thereof.

1           93.     Upon execution of the Purchase Agreement and upon receipt of the first Monthly  
2 Payment, Terry agreed, among other things, to assign any and all claims and right in the  
3 Arbitration and District Court Action to BCP 7.

4           94.     BCP 7 made a partial payment toward the Initial Payment in the sum of  
5 \$250,000.00 on or about August 1, 2018.

6           95.     In addition to the partial Initial Payment, BCP 7 made partial interest and  
7 extension payments.

8           96.     However, BCP 7 has yet to pay Initial Payment or Monthly Payments in full.

9           97.     As a result of BCP 7's failure to pay the Initial Payment or any of the Monthly  
10 Payments in full, Terry provided notice of and right to cure this failure to BCP 7 and Padgett.

11           98.     BCP 7 and Padgett failed to cure the outstanding balance owed following notice  
12 of such failure and a right to cure within 10 business days.

13           99.     As a result of BCP 7's and Padgett's failure to pay the Initial Payment and  
14 Monthly Payments in full, including the first Monthly Payment, there has not been a valid  
15 transfer of the Terry Interest to BCP 7.

16           100.    Notwithstanding the fact that the Terry Interest was never properly transferred to  
17 BCP 7, in an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration, Padgett  
18 purported to dismiss "all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry  
19 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark  
20 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with  
21 prejudice."

22           101.    Not only did CWNevada never make or assert any claims related to the  
23 Arbitration, the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady  
24 and Mohajer to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, and  
25 then immediately attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett  
26 paying the agreed consideration.

27           **Amendment to Membership Interest Purchase Agreement**

28           102.    At or about the same time Padgett, NuVeda, Bady and Mohajer were conspiring



1 together to defraud Terry of the Terry Interest, CWNevada, NuVeda, Clark NMSD and Nye  
2 Natural entered into an Amendment to Membership Interest Purchase Agreement (the "MIPA  
3 Amendment").

4 103. The MIPA Amendment is dated the 2<sup>nd</sup> day of July, 2018 and provides in part  
5 that the licenses identified in the MIPA are to be transferred to a new manager-managed Nevada  
6 limited liability company defined as CWNV1 in place of CWNV as originally designated.

7 104. All references to CWNV in the MIPA were replaced and substituted with  
8 CWNV1.

9 105. The MIPA Amendment further provided that the parties agreed the Production  
10 license, Reference # 91604693916166507699 would remain with Nye Natural.

11 106. As set forth above, on or about July 3, 2018, Amanda Connor, purportedly  
12 writing on behalf of Clark NMSD, Nye Natural and CWNevada, submitted a transfer of  
13 ownership request with regards to the interest in the licenses with application IDs C166, D186  
14 and D187.

15 107. However, it does not appear that this transfer of ownership request was ever  
16 processed.

17 **Second Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye**  
18 **Licenses**

19 108. Then, on July 5, 2018, Clark NMSD, Nye Natural, Percelt, LLC ("Percelt") and  
20 CWNevada entered into a second Purchase and Sale Agreement for Remaining 35 Percent of  
21 Clark and Nye Licenses (the "Second Purchase Agreement").

22 109. The Second Purchase Agreement is substantively similar to the First Purchase  
23 Agreement with the notable exception that payments are to be made to Percelt and CWMV1 is  
24 substituted for CWNV.

25 110. The Second Purchase Agreement provides in part that in exchange for NuVeda  
26 selling the remaining 35% of its interest in CWNV1 to CWNevada, CWNevada would increase  
27 the consideration paid to Percelt from that contemplated under the MIPA to a total monthly  
28 payment of 2.625% of the gross sales of CWNevada, subject to a minimum payment of

1 \$235,870.00 per month.

2 111. The parties to the Second Purchase Agreement “acknowledge[d] that the joint  
3 application for the transfer of ownership of the NuVeda Licenses to CWNV1 must be submitted  
4 to the State of Nevada, Department of Taxation immediately for review and approval and the  
5 Parties further acknowledge that the intent of the [First Purchase Agreement was] to effectuate a  
6 100 percent ownership of the NuVeda Licenses in [CWNV1] and NuVeda owners shall then  
7 remove themselves as listed owners of record on these licenses. If the transfer of the NuVeda  
8 Licenses to CWNV is not completed within 45 days of submittal, payment to Percelt shall be  
9 held in abeyance until the NuVeda Licenses transfer to CWNV1 ownership.”

10 **Addendum to Purchases and Sale Agreement for the Remaining 35 Percent of the**  
11 **Clark and Nye Licenses**

12 112. Also on or about July 5, 2018, CWNevada, NuVeda, Clark NMSD, Nye Natural,  
13 NMSD, CWNV1, Percelt, LLC (“Percelt”) and 2113 Investors, LLC (“2113 Investors”) entered  
14 into an Addendum to Purchases and Sale Agreement for the Remaining 35 Percent of the Clark  
15 and Nye Licenses (“April 17, 2018 Agreement”) (the “July 5, 2018 Addendum”).

16 113. The July 5, 2018 Addendum provides, among other things, that the MIPA  
17 contemplated the transfer of 100% of Nye Natural to CWNV1. Subsequently, the parties agreed  
18 that the Nye Natural Production license, Reference # 91604693916166507699 would remain  
19 with Nye Natural.

20 **Acts of Self-Dealing and other Misconduct**

21 114. The partnership between CWNevada and NuVeda remained intact until an  
22 arbitration award was entered in favor of 4Front Advisor’s LLC (“4Front”) on or about  
23 November 27, 2018 against CWNevada in the sum of \$4,987,092.09 and against NuVeda in the  
24 sum of \$3,741,803.92.

25 115. The 4Front arbitration award was confirmed as a final judgment on or about  
26 March 14, 2019.

27 116. During the arbitration with 4Front, CWNevada and NuVeda entered into a  
28 Stipulation of Uncontested Facts (“Stipulation”) with 4Front, which among other things,

1 provided that “[t]he Membership Interest Purchase Agreement (“MIPA”<sup>0</sup> [J-249] was executed  
2 on December 6, 2015” and ... “is still in effect.”

3 117. The Stipulation further provided that neither NuVeda nor CWNevada had  
4 “breached the MIPA.”

5 118. Following the entry of the final judgment in favor of 4Front, Bady, Mohajer and  
6 Kennedy, individually and at times through NuVeda or other entities, engaged in fraudulent acts  
7 of self-dealing and other acts of misconduct that constituted a breach of their legal duties.

8 119. On April 2, 2019, Bady, Kennedy and Mohajer commenced a lawsuit against  
9 NuVeda and entered a confession of judgment for \$1,114,257.12 to their individual benefit  
10 against NuVeda without opposition.

11 120. Bady, acting without authority and contrary to the provisions of the CWNV  
12 Operating Agreement, purportedly dissolved CWNV on or about May 17, 2019.

13 121. At the time of the purported dissolution, Bady was not and had not been a  
14 manager of CWNV since February 7, 2018.

15 122. Further, the CWNV Operating Agreement provides in part that “[t]he Company  
16 shall be dissolved upon the occurrence of the following events ... (ii) By the unanimous written  
17 agreement of all Members ...”

18 123. CWNevada did not enter any written agreement for the dissolution of CWNV or  
19 CWNV1.

20 124. Since the purported dissolution, Bady and NuVeda have represented that  
21 NuVeda is serving in the role as trustee over CWNV.

22 125. In that self-appointed role, NuVeda and Bady have breached the terms of the  
23 CWNV Operating Agreement by, among other things,

- 24 a. Acting in the role of the Manager of CWNV without authority;
- 25 b. Failing to obtain and provide an accounting made by CWNV’s  
26 independent accountants of the CWNV’s accounts, assets, liabilities and operations;
- 27 c. Failing to allocate any profit or loss resulting from any sale of CWNV’s  
28 assets to the Members;

1           d.     Failing to discharge the liabilities of CWNV; and

2           e.     If assets or funds remain after discharging all liabilities, failing to  
3     distribute such assets and funds to the Members and/or Economic Interest Owners.

4     126.    Upon information and belief, CWNV1 has also been dissolved.

5     127.    Upon information and belief, Kennedy commingled CWNV funds with those of  
6     his own companies, Blakely Environmental, Panda Trading Inc., Glad 2B Home LLC, Joval  
7     LLC, NV Industrial LLC, 2113 Investors LLC, and FM1788 LLC, and has failed, despite  
8     request, to properly account for the CWNV funds.

9     128.    In addition, on or about March 17, 2017, CWNevada entered into a 301 Oxbow  
10    Avenue, Unit 14 Pahrump, Nevada 89048 Lease (the "Oxbow Lease") with the Eugene & Nelda  
11    Fay Toy Trust as landlord for Oxbow Unit 14.

12    129.    On June 28, 2017, Nye County issued its administrative approval of a  
13    "Recreational Marijuana Establishment License" to CWNevada for production at Oxbow Unit  
14    14.

15    130.    On June 13, 2019, the Temporary Receiver Order was entered, which provided,  
16    among other things in paragraph 20 that, "[n]o landlord or lessor may terminate any lease or  
17    commence or continue any eviction related to actions connected with the Receivership Estate  
18    without prior order of this Court."

19    131.    Later that same day, Nye Natural represented itself to be CWNevada's landlord,  
20    and in violation of the Temporary Receiver Order, caused an eviction order to be issued against  
21    CWNevada.

22    132.    Subsequently, on or about June 18, 2019, NuVeda's office manager, Sandy  
23    Kindler, acting at the direction of Bady, further violated the Temporary Receiver Order by  
24    having a locksmith change the locks to CWNevada's Oxbow Unit 14.

25    133.    Later that same day, the Receiver was provided only limited and supervised  
26    access to Oxbow Unit 14.

27    134.    The Receiver's agents were permitted to take photographs of the unit but were  
28    not allowed to remove anything. It appeared as if computers and a server had already been

1 removed.

2 135. Since allowing the inspection, NuVeda has continued to lock the Receiver from  
3 Oxbow Unit 14 in violation of the Temporary Receivership Order.

4 136. In further violation of the Temporary Receivership Order, Bady and NuVeda  
5 have continued to misrepresent that the Oxbow Lease was with Nye Natural and that  
6 CWNevada had been evicted from the property.

7 137. Plaintiffs have been advised by multiple individuals involved in Clark Natural  
8 and Clark NMSD that they claim an ownership interest in those licenses and that Bady and  
9 NuVeda are now minority partners.

10 138. Plaintiffs have also been advised that NuVeda has agreed to sell marijuana  
11 licenses to undisclosed third parties, including the licenses that were to be transferred to CWNV  
12 (substituted with CWNV1) including D186, D187, and CI66.

13 139. Members of Urban Leaf from San Diego have purportedly invested millions of  
14 dollars into NuVeda in exchange for operational control of the dispensaries, although a  
15 significant amount of that funding was purported to settle NuVeda's judgment owed to 4Front  
16 Advisors.

17 140. Upon information and belief, the interest in the cultivation and production  
18 licenses owned by Clark Natural have been all or in part sold to other investors associated with  
19 Solaris Farms and their associates.

20 141. During the original purchase of NuVeda's North Las Vegas dispensary on 2113  
21 N Las Vegas Blvd, NuVeda had entered a purchase agreement with the City of North Las Vegas  
22 to acquire the property.

23 142. Goldstein, then a member and NuVeda's general counsel, was working with the  
24 City to finalize the purchase when Bady provided Mohajer signing authority to usurp the  
25 opportunity from NuVeda and purchase the property under an entity owned by himself and  
26 Kennedy named 2113 Investors.

27 143. This transaction was not disclosed or approved by NuVeda members.

28 144. Subsequently 2113 Investors acquired NuVeda's 3<sup>rd</sup> St property in the City of

1 Las Vegas, and Bady unilaterally began to negotiate lease terms directly with Kennedy, his  
2 partner in 2113 Investors and at the time an unvested member in NuVeda.

3 145. Existing NuVeda members as well as another attorney who was hired as the  
4 Director of Operations raised major issues about the lease terms that enriched 2113 Investors at  
5 the detriment of NuVeda.

6 146. Bady attempted to force NuVeda members to vote on a security pledge that was  
7 specifically prohibited by the State, and if enacted would have given Bady and Kennedy control  
8 over NuVeda's licenses.

9 147. When Bady's actions of self-dealing were raised by NuVeda members, he  
10 claimed to divest himself of any interest in 2113 Investors, removed himself as an owner on the  
11 Nevada Secretary of State website and continued to negotiate the leases with Kennedy claiming  
12 he was no longer an interested party.

13 148. However, during the Arbitration, it was revealed that Bady had misrepresented  
14 his ownership interest, and without disclosing it to NuVeda members, had secretly executed a  
15 repurchase agreement that allowed him to repurchase 50% of 2113 Investors for \$0.01.

16 149. On March 27, 2019, NuVeda entered a Confession of judgement in the amount  
17 of \$1,462,3000 in favor of 2113 Investors in Eighth Judicial District Court case number A-15-  
18 727383-C related to a Settlement and Reorganization Agreement dated February 16, 2018,  
19 which references: (a) the formation of CWNV; a settlement between NuVeda and 2113  
20 Investors dated March 7, 2016; and (c) NuVeda entering into a promissory note in favor of 2113  
21 Investors to be secured by NuVeda's interest in CWNV.

22 150. Based upon information and belief, the March 7, 2016 settlement with 2113  
23 Investors arose out of 2113 Investors' requirement to get insurance on the building for  
24 NuVeda's 3<sup>rd</sup> Street dispensary per the lease agreement (that Bady negotiated with Kennedy),  
25 but 2113 Investors failed to have it in place when the building collapsed so 2113 Investors  
26 threatened NuVeda with a claim.

27 151. The building was rebuilt by CWNevada, so NuVeda (or 2113 Investors) never  
28 paid for the construction yet still benefited

1           152. The 2113 Investors filed a claim against NuVeda for the loss of rent and damage  
2 (even though it was rebuilt using CW Nevada funds, which likely increased property value.

3                                   **FIRST CLAIM FOR RELIEF**

4                                   **(“Declaratory Relief – All Plaintiffs against All Defendants”)**

5           153. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
6 through 152 of this Complaint and incorporates the same herein by reference as though fully set  
7 forth.

8           154. Under NRS 3040(1), “[a]ny person interested under a deed, written contract  
9 other writings constituting a contract ... may have determined any question of construction or  
10 validity arising under the instrument ... and obtain a declaration of rights, status or other legal  
11 relations thereunder.”

12          155. Actual controversies have arisen and now exist between the Receiver Plaintiff  
13 and Defendants NuVeda, Clark NMSD and Nye Natural regarding the parties respective legal  
14 rights and obligations under the Membership Interest Purchase Agreement, the First Purchase  
15 Agreement, the Amendment to Membership Interest Purchase Agreement, the Second Purchase  
16 Agreement and the July 5, 2018 Addendum, the respective legal rights and obligations under the  
17 agreements and with all Defendants regarding the ownership of CWNV, CWNV1, the purported  
18 dissolution of CWNV and CWNV1, and the licenses owned by each and/or those licenses  
19 allegedly owned by or previously owned by NuVeda, Clark NMSD and/or Nye Natural.

20          156. Actual controversies have arisen and now exist between Plaintiff Terry and  
21 Defendants BCP 7 and Padgett regarding the validity of the Purchase Agreement, the respective  
22 legal rights and obligations under the Purchase Agreement, and with all Defendants regarding  
23 the ownership of the Terry Interest.

24          157. Actual controversies have arisen and now exist between Plaintiff Ivy and  
25 Defendants regarding the validity of the Ivey Letter Agreement, the respective legal rights and  
26 obligations under the Ivey Letter Agreement, and with all Defendants regarding the ownership  
27 of the Ivey Interest.

28          158. Plaintiffs are entitled to a declaration of the rights and obligations of the parties

1 and specifically seek a judgment declaring that (i) the Membership Interest Agreement is valid  
2 and enforceable, (ii) the First Purchase Agreement is valid and enforceable, (iii) the Amendment  
3 to Membership Interest Purchase Agreement is valid and enforceable, (iv) the Second Purchase  
4 Agreement is valid and enforceable, (v) the July 5, 2018 Addendum is valid and enforceable,  
5 (vi) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada law or their  
6 respective operating agreements, (vii) CWNV or CWNV1 owns 100% of the membership  
7 interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey  
8 Interest, (viii) CWNevada owns 100% of the issued and outstanding membership interest in  
9 CWNV and/or CWNV1, except for the Nye Natural Production License that was to remain with  
10 Nye Natural, (ix) the Terry Purchase Agreement is null and void resulting from a fraud in the  
11 inducement and for a complete failure of consideration, (x) the Terry Interest was never  
12 transferred to BCP 7 or any other entity, (xi) Plaintiff Terry is the sole and only owner of the  
13 Terry Interest, (xii) the Ivey Letter Agreement is valid and enforceable, (xiii) the Ivey Interest  
14 was never transferred, and (xiv) Plaintiff Ivey is the sole and only owner of the Ivey Interest.

## 15 **SECOND CLAIM FOR RELIEF**

### 16 **(“Breach of Contract – the Receiver Plaintiff against NuVeda, Clark NMSD and Nye** 17 **Natural Defendants”)**

18 159. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
19 through 158 of this Complaint and incorporate the same herein by reference as though fully set  
20 forth.

21 160. NuVeda as “Transferor”, together with Clark NMSD and Nye Natural, and  
22 CWNevada as “Transferee” and CWNV, and additional parties, including Percelt and the 2113  
23 Investors, entered into a series of agreements (collectively, the Transfer Agreements”),  
24 including the Membership Interest Purchase Agreement, the First Purchase Agreement, the  
25 Amendment to MIPA, the Second Purchase Agreement and the July 5, 2018 Addendum,  
26 whereby NuVeda agreed to sell 100% of the membership interest it owned in Clark NMSD and  
27 Nye Natural to CWNV (substituted with CWNV1) for certain specified consideration and on  
28 specific terms.



161. The Transfer Agreements are valid and binding contracts.

162. NuVeda, Clark NMSD and Nye Natural breached the Transfer Agreements by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1), (ii) failing to transfer 100% of the ownership interest in CWNV (substituted with CWNV1) to CWNevada, and (iii) selling or attempting to sell all or part of licenses transferred to CWNV (substituted with CWNV1) .

163. NuVeda, Clark NMSD and Nye Natural's breach of the Transfer Agreements was not waived, suspended or otherwise excused.

164. As a direct and proximate result of the breach of the Transfer Agreements and wrongful conduct of NuVeda, Clark NMSD and Nye Natural, the Receiver Plaintiff has suffered damages in an amount more than \$15,000.00.

165. Plaintiffs have been required to retain counsel to prosecute this matter and is entitled to recover its reasonable attorney's fees and costs of this action.

### THIRD CLAIM FOR RELIEF

**(“Breach of the Covenant of Good Faith and Fair Dealing – the Receiver Plaintiff against NuVeda, Clark NMSD and Nyc Natural Defendants”)**

166. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 165 of this Complaint and incorporate the same herein by reference as though fully set forth.

167. Every contract in Nevada, including the Transfer Agreements, imposes upon the contracting parties the duty of good faith and fair dealing.

168. NuVeda, Clark NMSD and Nye Natural owed CWNevada a duty of good faith and fair dealing.

169. NuVeda, Clark NMSD and Nye Natural breached the duty of good faith and fair dealing when they performed in a manner that was unfaithful to the purpose of the Transfer Agreements by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1), (ii)

1 failing to transfer 100% of the ownership interest in CWNV (substituted with CWNV1) to  
2 CWNevada, and (iii) selling or attempting to sell all or part of licenses transferred to CWNV  
3 (substituted with CWNV1) .

4 170. As a direct and proximate result of the wrongful conduct of Defendants NuVeda,  
5 Clark NMSD and Nye Natural, CWNevada has been damaged in an amount more than  
6 \$15,000.00.

7 171. Plaintiffs have been required to retain counsel to prosecute this matter and are  
8 entitled to recover its reasonable attorney's fees and costs of this action.

#### 9 **FOURTH CLAIM FOR RELIEF**

##### 10 **("Rescission of Purchase Agreement for Fraud in the Inducement and/or Failure of** 11 **Consideration – Plaintiff Terry against Defendants BCP 7 and Padgett")**

12 172. Plaintiff Terry repeats and realleges each and every allegation contained in  
13 paragraphs 1 through 171 of this Complaint and incorporates the same herein by reference as  
14 though fully set forth.

15 173. The failure of BCP 7 and Padgett to pay the agreed upon consideration set forth  
16 in the Purchase Agreement renders the Purchase Agreement null and void for a complete failure  
17 of consideration.

18 174. Moreover, in or about April 2018, prior to Plaintiff Terry entering into the  
19 Purchase Agreement, Padgett represented that BCP 7 and he had the ability to and would pay  
20 the agreed consideration set forth in the Purchase Agreement.

21 175. Plaintiff Terry relied on Padgett's representations regarding the payment of the  
22 consideration in agreeing to the terms of the Purchase Agreement.

23 176. Based upon the assurances and in reliance on the statements made by Padgett,  
24 Plaintiff Terry executed the Purchase Agreement.

25 177. When those representations were made, Padgett knew or should have known  
26 them to be false as he did not have an ability to pay the agreed consideration, having failed to  
27 even pay the entire Initial Payment, and instead, was forced to seek multiple extensions of the  
28 Initial and Monthly Payments.

178. Plaintiff Terry advised BCP 7 and Padgett of his rescission of the Purchase Agreement, and the grounds therefor.

179. Plaintiff Terry received no benefit from the execution of the Purchase Agreement, and therefore, there is no benefit to return to BCP 7 and/or Padgett.

180. Plaintiff Terry has no adequate remedy at law to regain and/or confirm his ownership of the Terry Interest.

181. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover its reasonable attorney's fees and costs of this action

## FIFTH CLAIM FOR RELIEF

**(“In the alternative, Breach of Contract – Plaintiff Terry against Defendants BCP 7 and Padgett”)**

182. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 181 of this Complaint and incorporate the same herein by reference as though fully set forth.

183. Plaintiff Terry and BCP 7 entered into the Purchase Agreement whereby BCP 7 agreed to purchase the Terry Interest from Plaintiff Terry for certain specified consideration and on specific terms.

184. The Purchase Agreement was guaranteed by Defendant Padgett.

185. BCP 7 and Padgett breached their obligations under the Purchase Agreement, by failing, among other things, to pay the agreed consideration for the Terry Interest.

186. BCP 7's and Padgett's breach of the Purchase Agreement was not waived, suspended or otherwise excused.

187. As a direct and proximate result of the breach of the Purchase Agreement and wrongful conduct of BCP 7 and Padgett, Plaintiff Terry has suffered damages in an amount more than \$15,000.00.

188. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover its reasonable attorney's fees and costs of this action.

1 **SIXTH CLAIM FOR RELIEF**

2 **("In the alternative, Breach of the Covenant of Good Faith and Fair Dealing – Plaintiff**  
3 **Terry against Defendants BCP 7 and Padgett")**

4 189. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
5 through 188 of this Complaint and incorporate the same herein by reference as though fully set  
6 forth.

7 190. Every contract in Nevada imposes upon the contracting parties the duty of good  
8 faith and fair dealing.

9 191. Defendants BCP 7 and Padgett owed Plaintiff Terry a duty of good faith and fair  
10 dealing.

11 192. Defendants BCP 7 and Padgett breached the duty of good faith and fair dealing  
12 when they performed in a manner that was unfaithful to the purpose of the Purchase Agreement  
13 and to the justified expectations of Plaintiff Terry by failing, among other things, to pay the  
14 agreed consideration for the Terry Interest.

15 193. As a direct and proximate result of the wrongful conduct of Defendants BCP 7  
16 and Padgett, Plaintiff Terry has been damaged in an amount more than \$15,000.00.

17 194. Plaintiff Terry has been required to retain counsel to prosecute this matter and is  
18 entitled to recover its reasonable attorney's fees and costs of this action.

19 **SEVENTH CLAIM FOR RELIEF**

20 **("Breach of Contract – Plaintiff Ivey against Defendant NuVeda, Nye Natural and Clark**  
21 **Natural")**

22 195. Plaintiffs hereby repeat and reallege each and every allegation contained in  
23 paragraphs 1 through 194 of this Complaint and incorporate the same herein by reference as  
24 though fully set forth.

25 196. The Ivey Letter Agreement is a valid and enforceable contract.

26 197. Plaintiff Ivey fully performed under the Ivey Letter Agreement by executing the  
27 Letter of Commitment on August 17, 2014.

28 198. As a result, and due to a subsequent transfer, Plaintiff Ivey owns a three percent

1 (3%) ownership interest in Nye Natural and Clark Natural.

2 199. Upon information and belief, Plaintiff Ivey believes and alleges that NuVeda  
3 and/or its subsidiaries, Nye Natural and Clark Natural have transferred or attempted to transfer  
4 the Ivey Interest without his knowledge and consent.

5 200. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff  
6 Ivey has suffered damages in an amount in excess of \$15,000.00.

7 201. Plaintiff Ivey has been required to retain counsel to prosecute this matter and is  
8 entitled to recover his reasonable attorney's fees and costs of this action.

9 **EIGHTH CLAIM FOR RELIEF**

10 **("Breach of the Covenant of Good Faith and Fair Dealing – Plaintiff Ivey against**  
11 **Defendant NuVeda, Nye Natural and Clark Natural")**

12 202. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
13 through 201 of this Complaint and incorporate the same herein by reference as though fully set  
14 forth.

15 203. Every contract in Nevada imposes upon the contracting parties the duty of good  
16 faith and fair dealing.

17 204. Defendants NuVeda, Nye Natural and Clark Natural owed Plaintiff Ivey a duty  
18 of good faith and fair dealing, specifically including but not limited to recognizing his three  
19 percent (3%) ownership interest in Nye Natural and Clark Natural and to not transfer nor  
20 attempt to transfer the Ivey Interest without Plaintiff Ivey's knowledge and consent.

21 205. Defendants NuVeda, Nye Natural and Clark Natural breached the duty of good  
22 faith and fair dealing when they performed in a manner that was unfaithful to the purpose of the  
23 Ivey Letter Agreement and to the justified expectations of Plaintiff Ivey by purportedly  
24 transferring the Ivey Interest without Plaintiff Ivey's knowledge and consent.

25 206. As a direct and proximate result of the wrongful conduct of Defendants NuVeda,  
26 Nye Natural and Clark Natural, Plaintiff Ivey has been damaged in an amount more than  
27 \$15,000.00.

28 207. Plaintiff Ivey has been required to retain counsel to prosecute this matter and is

1 entitled to recover its reasonable attorney's fees and costs of this action

2 **NINTH CLAIM FOR RELIEF**

3 **("Unjust Enrichment – Plaintiffs against NuVeda, Bady, Mohajer and Kennedy**  
4 **Defendants")**

5 208. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
6 through 207 of this Complaint and incorporate the same herein by reference as though fully set  
7 forth.

8 209. Unjust enrichment occurs whenever a party has retained a benefit which in  
9 equity and good conscience belongs to another.

10 210. NuVeda and its members, including Bady, Mohajer and Kennedy have benefitted  
11 separately and individually from the construction of the Downtown Dispensary and North Las  
12 Vegas Dispensary through the use of CWNevada funds.

13 211. Upon information and belief, NuVeda and its members, including Bady, Mohajer  
14 and Kennedy have also benefitted separately and individually from the wrongful sale of all or  
15 part of the licenses in Clark Natural, Clark NMSD and Nye Natural.

16 212. The benefit of the foregoing actions properly belongs to Plaintiffs.

17 213. As a direct and proximate result of the foregoing wrongful conduct, Plaintiffs  
18 have suffered damages in an amount in excess of \$15,000.00.

19 214. Plaintiffs have been required to retain counsel to prosecute this matter and is  
20 entitled to recover his reasonable attorney's fees and costs of this action.

21 **TENTH CLAIM FOR RELIEF**

22 **("Accounting – Plaintiffs against NuVeda, Bady, Mohajer and Kennedy Defendants")**

23 215. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
24 through 214 of this Complaint and incorporate the same herein by reference as though fully set  
25 forth.

26 216. The right to an accounting has been long recognized in disputes among members  
27 in limited liability companies or during the dissolution thereof.

28 217. In the self-anointed role as trustee of CWNV (substituted with CWNV1),

1 NuVeda and Bady owed a duty to CWNevada to account for CWNV's and/or CWNV1's assets,  
2 liabilities and operations, including any profit or loss resulting from any sale of CWNV's and/or  
3 CWNV1's assets, and after discharging all liabilities, to distribute any remaining assets and  
4 funds to CWNevada.

5 218. Moreover, the CWNV Operating Agreement requires an accounting upon the  
6 alleged dissolution of CWNV.

7 219. Similarly, NuVeda, Bady Mohajer and Kennedy owed a duty to CWNevada,  
8 Terry and Ivey to account for any profit or loss resulting from the wrongful sale of all or part of  
9 the licenses in Clark Natural, Clark NMSD and Nye Natural.

10 220. In addition, Kennedy owed a duty to CWNevada to account for the CWNV funds  
11 he commingled with those of his own companies.

12 221. Plaintiffs have been required to retain counsel to prosecute this matter and are  
13 entitled to recover their reasonable attorney's fees and costs of this action

#### 14 **ELEVENTH CLAIM FOR RELIEF**

15 **("Violation of 225.084 – Plaintiffs against NuVeda, Bady, Mohajer and Kennedy**  
16 **Defendants")**

17 222. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
18 through 221 of this Complaint and incorporate the same herein by reference as though fully set  
19 forth.

20 223. NRS 225.084 provides in part:

21 1. A person shall not willfully file, promote the filing of, or cause to  
22 be filed, or attempt or conspire to file, promote the filing of, or cause to be  
23 filed, any record in the Office of the Secretary of State if the person has  
actual knowledge that the record:

- 24 (a) Is forged or fraudulently altered;
- 25 (b) Contains a false statement of material fact; or
- 26 (c) Is being filed in bad faith or for the purpose of harassing or  
defrauding any person.

27 2. Any person who violates this section is liable in a civil action  
brought pursuant to this section for:

- 28 (a) Actual damages caused by each separate violation of this  
section or \$10,000 for each separate violation of this section,  
whichever is greater;

- 1 (b) All costs of bringing and maintaining the action, including  
2 investigative expenses and fees for expert witnesses;  
3 (c) Reasonable attorney's fees; and  
4 (d) Any punitive damages that the facts may warrant.  
5 3. A civil action may be brought pursuant to this section by:  
6 (a) Any person who is damaged by a violation of this section,  
7 including, without limitation, any person who is damaged as the  
8 result of an action taken in reliance on a record filed in violation of  
9 this section; or ...

10 224. NuVeda, Clark NMSD, Clark Natural and Nye Natural, by and through Bady  
11 and Mohajer, failed to follow Nevada law and knowingly misrepresented the information  
12 submitted to the State of Nevada regarding the ownership of NuVeda, Clark NMSD, Clark  
13 Natural and Nye Natural and the licenses owned by each.

14 225. As a result, Clark NMSD, Clark Natural and Nye Natural, Bady and Mohajer are  
15 liable to Plaintiffs for the actual damages for each violation or \$10,000 for each separate  
16 violation, whichever is greater.

17 226. As a direct and proximate result of the foregoing wrongful conduct, Plaintiffs  
18 have suffered damages in an amount in excess of \$15,000.00.

19 227. In addition, the conduct of NuVeda, Clark NMSD, Clark Natural and Nye Natural,  
20 by and through Bady and Mohajer, was intentionally done to injure Plaintiffs with a willful and  
21 conscious disregard for Plaintiff's rights, constituting oppression, fraud and/or malice.

22 228. In addition to compensatory damages, Plaintiffs are entitled to recover punitive  
23 damages for the sake of example and by way of punishing Defendants to deter similar conduct  
24 in the future.

25 229. Plaintiffs have been required to retain counsel to prosecute this matter and are  
26 entitled to recover their reasonable attorney's fees and costs of this action.

## 27 **TWELTH CLAIM FOR RELIEF**

### 28 **("Breach of Fiduciary Duty – Receiver Plaintiff against Defendant Padgett")**

29 230. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
30 through 229 of this Complaint and incorporate the same herein by reference as though fully set  
31 forth.



1           231.   CWNevada is a manager managed limited liability company.

2           232.   Since its formation, Padgett served as a manager of CWNevada until the  
3 Receiver was appointed on or about June 13, 2019.

4           233.   During his tenure as manager, Padgett engaged in intentional misconduct  
5 designed to and which did cause damage to CWNevada.

6           234.   Padgett's misconduct, includes but is not limited to the following:

7               a.    Failing and refusing to cooperate with an investigation or inspection by  
8 the Marijuana Enforcement Division of the Department of Taxation, State of Nevada  
9 (the "Department");

10              b.    Intentionally destroying and/or concealing evidence;

11              c.    Intentionally making false statements to the Department in e-mails and  
12 METRC data;

13              d.    Transporting and storing marijuana and/or marijuana products from an  
14 unlicensed source;

15              e.    Storing or delivering unapproved marijuana product;

16              f.    Picking up, unloading and/or delivering marijuana at an unauthorized  
17 location;

18              g.    Intentionally failing to pay Retail Marijuana Tax to the Department;

19              h.    Failing to pay Sales and Use Tax to the Department;

20              i.    Failing to submit sale reports to the Department;

21              j.    Failing to pay Modified Business Tax to the Department;

22              k.    Failing to pay Wholesale Marijuana Tax to the Department;

23              l.    Failing to maintain required records, including seed-to-sale tracking  
24 requirements;

25              m.    Selling marijuana products that were not in METRC and products that  
26 did not have certificates of analysis before consumer purchase; and

27              n.    Failing to tag plants and/or marijuana product.

28           235.   By engaging in the misconduct outlined above, Padgett caused the Department to

1 file an administrative proceeding against Padgett and CWNevada to consider the allegations  
2 arising from Padgett's misconduct and to determine the disciplinary action to be imposed upon  
3 both.

4 236. Padgett's conduct subjected CWNevada to disciplinary action by the  
5 Department, which risked the revocation of ten (10) of CWNevada's fourteen (14) licenses and  
6 \$2.2 million in civil penalties.

7 237. The Receiver has negotiated a settlement, subject to approval by the  
8 Receivership Court and the Cannabis Compliance Board, reducing the revocation to six (6) of  
9 CWNevada's licenses and \$1.25 million in civil penalties, but the damage caused by Padgett to  
10 CWNevada remains.

11 238. In addition, Padgett failed to pay CWNevada employees approximately  
12 \$300,000.00 in wages, which caused the Labor Commissioner to fine CWNevada an additional  
13 \$700,000.00.

14 239. Padgett's misconduct subjected CWNevada to judgments in favor of 4Front and  
15 Cima, which included attorney's fees, costs, and in the case of Cima, an injunction preventing  
16 CWNevada from manufacturing or selling marijuana gummies similar to Cima's marijuana  
17 gummies.

18 240. Padgett failed to convert Series A and Series B investors into equity, which  
19 resulted in millions of dollars of claims, including penalties of 1.5 to 3 times the original  
20 investment amounts.

21 241. The claims filed in the Receivership case exceeded \$200,000,000.00, including  
22 attorney's fees and penalties, would not have been incurred but for Padgett's misconduct.

23 242. Padgett's conduct was intentionally done to injure CWNevada with a willful and  
24 conscious disregard for Plaintiff's rights, constituting oppression, fraud and/or malice.

25 243. In addition to compensatory damages in an amount in excess of millions of  
26 dollars, Plaintiff is entitled to recover punitive damages for the sake of example and by way of  
27 punishing Padgett to deter similar conduct in the future.

28 244. Plaintiff has been required to retain counsel to prosecute this matter and are

1 entitled to recover their reasonable attorney's fees and costs of this action.

2 **THIRTEENTH CLAIM FOR RELIEF**

3 **("Injunctive Relief – Plaintiffs against All Defendants")**

4 245. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
5 through 244 of this Complaint and incorporate the same herein by reference as though fully set  
6 forth.

7 246. As set forth above, Defendants have engaged, in concert, in extensive acts of  
8 self-dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise  
9 dispose of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV  
10 and/or CWNV1.

11 247. Plaintiffs have a reasonable likelihood of success on the merits of their claims for  
12 relief and will suffer irreparable harm absent the entry of injunctive relief.

13 248. Accordingly, Plaintiffs are entitled to injunctive relief preventing Defendants  
14 from selling, transferring, pledging or otherwise disposing of any interest in NuVeda, Clark  
15 NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1 pending further court order.

16 249. Plaintiffs have been required to retain counsel to prosecute this matter and are  
17 entitled to recover their reasonable attorney's fees and costs of this action.

18 **FOURTEENTH CLAIM FOR RELIEF**

19 **("Appointment of Receiver – Plaintiffs against Defendant NuVeda")**

20 250. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
21 through 249 of this Complaint and incorporate the same herein by reference as though fully set  
22 forth.

23 251. The appointment of a receiver to maintain assets relating property in conjunction  
24 with a contractual dispute is consistent with the proper use of a receiver in Nevada.

25 252. The appointment of a receiver is proper where it is shown that property is in  
26 danger of being lost, removed or materially injured.

27 253. In addition, the appointment of a receiver in situations involving fraud, gross  
28 mismanagement or where the assets of an entity are in danger of waste.

254. As set forth above, Defendants have engaged, in concert, in extensive acts of self-dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise dispose of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNVI.

255. Plaintiffs are entitled to the appointment of a receiver over NuVeda, and all of its business interests, including any interest it may have or assert in Clark NMSD, Nye Natural, Clark Natural, CWNV and CWNV1.

256. Plaintiffs have been required to retain counsel to prosecute this matter and are entitled to recover their reasonable attorney's fees and costs of this action.

## PRAYER

WHEREFORE, Plaintiff prays this Court enter its judgment against Defendants, and each of them, jointly and severally as follows:

1) For a declaratory judgment against all Defendants that (i) the Membership Interest Agreement is valid and enforceable, (ii) the First Purchase Agreement is valid and enforceable, (iii) the Amendment to Membership Interest Purchase Agreement is valid and enforceable, (iv) the Second Purchase Agreement is valid and enforceable, (v) the July 5, 2018 Addendum is valid and enforceable, (vi) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada law or their respective operating agreements, (vii) CWNV or CWNV1 owns 100% of the membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey Interest, (viii) CWNevada owns 100% of the issued and outstanding membership interest in CWNV and/or CWNV1, except for the Nye Natural Production License that was to remain with Nye Natural, (ix) the Terry Purchase Agreement is null and void resulting from a fraud in the inducement and for a complete failure of consideration, (x) the Terry Interest was never transferred to BCP 7 or any other entity, (xi) Plaintiff Terry is the sole and only owner of the Terry Interest, (xii) the Ivey Letter Agreement is valid and enforceable, (xiii) the Ivey Interest was never transferred, and (xiv) Plaintiff Ivey is the sole and only owner of the Ivey Interest;

2) For a preliminary injunction preventing Defendants from selling, transferring,

pledging or otherwise disposing of any interest in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1 pending further court order;

3) For damages in an amount more than \$15,000.00 in favor of the Receiver against NuVeda, Clark NMSD and Nye Natural on the Second Claim for Relief;

4) For damages in an amount more than \$15,000.00 in favor of the Receiver against NuVeda, Clark NMSD and Nye Natural on the Third Claim for Relief;

5) For Rescission of the Terry Purchase Agreement in favor of Plaintiff Terry and against Defendants BCP 7 and Padgett on the Fourth Claim for Relief;

6) In the alternative, for damages in an amount more than \$15,000.00 in favor of Plaintiff Terry and against Defendants BCP 7 and Padgett on the Fifth Claim for Relief;

7) In the alternative, for damages in an amount more than \$15,000.00 in favor of Plaintiff Terry and against Defendants BCP 7 and Padgett on the Sixth Claim for Relief;

8) For damages in an amount more than \$15,000.00 in favor of Plaintiff Ivey against NuVeda, Clark Natural and Nye Natural on the Seventh Claim for Relief;

9) For damages in an amount more than \$15,000.00 in favor of Plaintiff Ivey against NuVeda, Clark Natural and Nye Natural on the Eighth Claim for Relief;

10) For damages in an amount more than \$15,000.00 in favor of Plaintiffs against NuVeda, Bady, Mohajer and Kennedy on the Ninth Claim for Relief

11) For an Accounting in favor of Plaintiffs against NuVeda, Bady, Mohajer and Kennedy on the Tenth Claim for Relief;

12) For compensatory damages in an amount more than \$15,000.00 and punitive damages in favor of Plaintiffs against NuVeda, Bady, Mohajer and Kennedy on the Eleventh Claim for Relief;

13) For compensatory damages in an amount more than \$15,000.00 and punitive damages in favor of the Receiver against Padgett on the Twelfth Claim for Relief

14) For injunctive relief preventing Defendants from selling, transferring, pledging or otherwise disposing of any interest in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1 pending further court order;

15) For the appointment of a receiver over NuVeda, and all of its business interests, including any interest it may have or assert in Clark NMSD, Nye Natural, Clark Natural, CWNV and CWNV1

16) For reasonable attorney's fees as provided by Nevada law;

17) For such other and further relief as this Court deems just and proper;

18) For interest allowed by law; and

19) For costs of suit.

DATED this 30 day of June, 2020.

MUSHKIN &amp; COPPEDGE

MICHAEL R. MUSHKIN, ESQ.

Nevada State Bar No. 2421

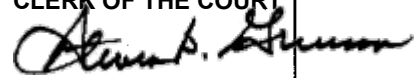
L. JOE COPPEDGE, ESQ.

Nevada State Bar No. 4954

6070 S. Eastern Avenue, Suite 270

Las Vegas, Nevada 89128

*Attorneys for Plaintiffs*



Michael R. Mushkin, Esq.  
Nevada Bar No. 2421  
L. Joe Coppedge  
Nevada Bar No. 4954  
MUSHKIN & COPPEDGE  
6070 S. Eastern Avenue, Suite 270  
Las Vegas, Nevada 89128  
Telephone: (702) 454-3333  
Fax: (702) 386-4979  
michael@mushlaw.com  
jcoppedge@mccnvlaw.com

**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.

NUVEDA, LLC, a Nevada limited liability  
company; CLARK NMSD, LLC, a Nevada  
limited liability company; and NYE NATURAL  
MEDICINAL SOLUTIONS, LLC, a Nevada  
limited liability company

Plaintiffs,

v.

CWNEVADA, LLC, a Nevada limited liability  
company; CWNV, LLC, a Nevada limited  
liability company; CWNV1, LLC, a Nevada  
limited liability company; DOES I to X,  
inclusive; and ROES I to X, inclusive,

Defendants.

Case No.: A-17-755479-B

Dept. No.: XI

**HEARING REQUESTED**

**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**

Case No.: A-19-791405-C

Dept. No.: I

Date of Hearing: 08/07/2020 - In Chambers

1 SHANE TERRY, an individual,

2 Plaintiff,

3 vs.

4  
5 BCP 7, LLC, a Nevada limited liability  
6 company, BRIAN C. PADGETT, an  
7 individual, and DOES I and X, and ROE  
8 CORPORATIONS I through X inclusive,

9 Defendants.

Case No.: A-19-796300-B

Dept. No.: XVI

9 DOTAN Y. MELACH, as the Court Appointed  
10 Receiver of CWNevada, LLC, a Nevada Limited  
11 Company; SHANE TERRY, an individual, and  
12 PHILLIP D. IVEY, an individual;

12 Plaintiffs,

13 vs.

14 NUVEDA, LLC, a Nevada limited liability  
15 company; CLARK NMSD, LLC, a Nevada  
16 limited liability company; CLARK NATURAL  
17 MEDICINAL SOLUTIONS, LLC, a Nevada  
18 Limited Liability Company; NYE NATURAL  
19 MEDICAL SOLUTIONS, LLC a Nevada  
20 limited liability company; BCP 7, LLC, a  
21 Nevada limited liability company; PEJMAN  
22 BADY, an individual; POUYA MOHAJER, an  
23 individual; JOSEPH KENNEDY, an individual;  
24 BRIAN C. PADGETT, an individual; and DOES  
25 1 – 20 and ROE CORPORATIONS 1-20,

22 Defendants.

Case No.: A-20-817363-B

Dept. No.: XIII

23 **MOTION TO CONSOLIDATE CASES**

24 **A-19-791405-C, A-19-796300-B, AND A-20-817363-B**

25 **WITH THE RECEIVERSHIP ACTION ON ORDER SHORTENING TIME**

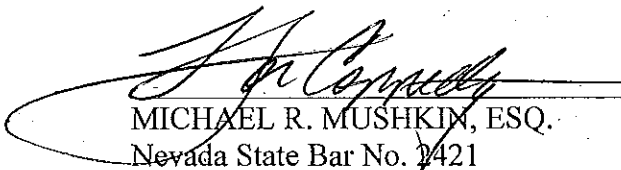
26 Plaintiffs, Dotan Y. Melech, as the Court Appointed Receiver of CWNevada, LLC,  
27 Shane Terry and Phillip D. Ivey, by and through their attorneys, hereby moves this Court for an  
28 Order Consolidating Cases a-19-791405-C, A-19-796300-B, and A-20-817363-B with the



1 Receivership Action pursuant to NRCP 42. This Motion is based on the pleading and papers on  
2 file herein, the following affidavit of counsel, Memorandum of Points and Authorities, and any  
3 oral argument that this Court may entertain at the time of hearing.

4 DATED this 14 day of July, 2020.

5 MUSHKIN & COPPEDGE

6  
7   
8 MICHAEL R. MUSHKIN, ESQ.  
9 Nevada State Bar No. 2421  
10 L. JOE COPPEDGE, ESQ.  
11 Nevada State Bar No. 4954  
12 6070 S. Eastern Avenue, Suite 270  
13 Las Vegas, Nevada 89128

14 **ORDER SHORTENING TIME**

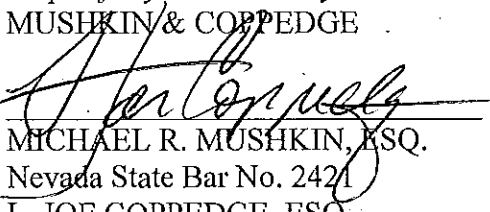
15 With good cause appearing therefore:

16 IT IS HEREBY ORDERED that the foregoing Motion To Consolidate Cases A-19-  
17 791405-C, A-19-796300-B, and A-20-817363-B With the Receivership Action on Order  
18 Shortening Time shall be heard in the above-entitled proceeding on the 7th day of  
19 August, 2020, at \_\_\_\_\_ in, in Department \_\_\_\_\_ of the Eighth Judicial District  
20 Court of the State of Nevada, in and for the County of Clark, located at the Regional Justice  
21 Center, 200 Lewis Avenue, Las Vegas, Nevada 89101.

22 DATED this 15th day of July, 2020.

23   
24 DISTRICT COURT JUDGE

25 Respectfully Submitted By:  
26 MUSHKIN & COPPEDGE

27   
28 MICHAEL R. MUSHKIN, ESQ.  
Nevada State Bar No. 2421  
L. JOE COPPEDGE, ESQ.  
Nevada State Bar No. 4954  
6070 S. Eastern Avenue, Suite 270  
Las Vegas, Nevada 89128

1                                   **DECLARATION OF L. JOE COPPEDGE, ESQ.**

2           Declarant, upon penalty of perjury, states as follows:

3           1.     I am an attorney licensed to practice law in the State of Nevada and I am an  
4 attorney at the law firm of Mushkin & Coppedge, which currently represents the Plaintiffs,  
5 Dotan Y. Melech, as the Court Appointed Receiver of CWNevada, LLC, Shane Terry and  
6 Phillip D. Ivey;

7           2.     I have personal knowledge of the following matters and believe that the  
8 following assertions are true to the best of my knowledge and belief;

9           3.     Plaintiffs seek to consolidate three matters with the pending Receivership matter  
10 – Case No. A-19-791405-C, *NuVeda, LLC, et al., v. CWNevada, LLC, et al.*, assigned to  
11 Department No. 1; Case No. A-19-796300-B, *Shane Terry v. Brian Padgett, et al.*, assigned to  
12 Department No. 16; and Case No. A-20-8177363-B, *Dotan Y Melech, as Receiver of*  
13 *CWNevada, LLC, et al., v. NuVeda, LLC, et al.*, assigned to Department No. 13.

14          4.     Prior to filing the Complaint in Case No. A-20-8177363-B, I reviewed the court  
15 dockets in Case No. A-19-791405-C and Case No. A-19-796300-B.

16          5.     The Complaint in Case No. A-19-791405-C (the “NuVeda Complaint”) was filed  
17 on March 19, 2019 with an Errata to Complaint filed on March 21, 2019, which alleged claims  
18 by NuVeda, Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC against  
19 CWNevada, CWNV, LLC and CWNV1, LLC for breach of contract, breach of the implied  
20 covenant of good faith and fair dealing, unjust enrichment and preliminary and permanent  
21 injunctive relief. See NuVeda Complaint, attached hereto as Ex. 1.

22          6.     The NuVeda Complaint involved, among other things, issues related to the  
23 Membership Interest Purchase Agreement between NuVeda and CWNevada.

24          7.     The court docket in Case No. A-19-791405-C indicated that the case was closed  
25 on May 22, 2019. See Court Docket, attached hereto as Exhibit 2.

26          8.     The Complaint in Case No. A-19-796300-B (the “Terry Complaint”) was filed  
27 by Mr. Terry’s former counsel against Defendants, BCP 7, LLC and Brian Padgett on June 7,  
28 2019, and included claims for breach of contract, unjust enrichment and breach of the implied

1 covenant of good faith and fair dealing. See Terry Complaint attached hereto as Exhibit 3.

2 9. The Terry Complaint involved, among other things, issues related to the  
3 Purchase and Sale Agreement for Terry's Ownership Interest in NuVeda and NuVeda-Managed  
4 Licenses.

5 10. However, there was no indication in the court docket that the Terry Complaint  
6 was served, subjecting it to dismissal without prejudice pursuant to NRCP 4.<sup>1</sup> See Court Docket  
7 attached hereto as Exhibit 4.

8 11. Because Case No. A-19-791405-C was closed and Case No. A-19-796300-B was  
9 subject to dismissal without prejudice for failure to timely serve the complaint, I determined it  
10 was proper to file the complaint on behalf of the Receiver, Mr. Terry and Mr. Ivey (the  
11 "Receiver Complaint") as a new matter in Business Court. See Receiver Complaint attached  
12 hereto as Exhibit 5.

13 12. That Receiver Complaint was filed on June 30, 2020 by Plaintiffs, Dotan Y.  
14 Melech, as the Court Appointed Receiver of CWNevada, LLC, Shane Terry and Phillip D. Ivey  
15 against Defendants, NuVeda, LLC, Clark NMSD, LLC, Clark Natural Medicinal Solutions,  
16 LLC, Nye Natural Medical Solutions, LLC BCP 7, LLC, Pejman Bady, Pouya Mohajer, Joseph  
17 Kennedy and Brian C. Padgett, and asserts fourteen (14) claims for relief, generally including  
18 claims for relief arising out of some of the same facts as those in the NuVeda Complaint and  
19 Terry Complaint.

20 13. On July 8, 2020, NuVeda filed an Opposition to Motion to Approve  
21 CWNevada's Settlement with Nevada Department of Taxation and Countermotion to Determine  
22 the Joint Venture Between CWNevada and NuVeda is not Enforceable due to Impossibility in  
23

---

24 <sup>1</sup>NRCP 4 provides in part:

25 (d) **Proof of Service.** Unless a defendant voluntarily appears or waives or admits service, a plaintiff must file proof  
26 of service with the court stating the date, place, and manner of service no later than the time permitted for the  
27 defendant to respond to the summons.

\*\*\*

28 (e) **Time Limit for Service.**

(1) **In General.** The summons and complaint must be served upon a defendant no later than 120 days after the  
complaint is filed, unless the court grants an extension of time under this rule.

(2) **Dismissal.** If service of the summons and complaint is not made upon a defendant before the 120-day service  
period — or any extension thereof — expires, the court must dismiss the action, without prejudice, as to that  
defendant upon motion or upon the court's own order to show cause.

1 the Receivership case and a Motion for Preliminary Injunction Preventing the Liquidation of  
2 CWNevada Pending Trial in the closed case before Judge Cory.

3 14. The Motion for Preliminary Injunction Preventing the Liquidation of CWNevada  
4 Pending Trial in the closed case before Judge Cory has been scheduled for a hearing on August  
5 13, 2020.

6 15. NuVeda has also filed a Motion to Dismiss Causes of Action Asserted by  
7 CWNevada and Shane Terry and for Sanctions under EDCR 7.60 in the case assigned to Judge  
8 Denton.

9 16. On July 9, 2020, the Court approved the Receiver's settlement with the  
10 Department of Taxation (the "Department") regarding the disciplinary action pending against  
11 CWNevada ("Disciplinary Settlement"). The Disciplinary Settlement also needs to be approved  
12 by the Cannabis Compliance Board (the "Board"). It is expected that the Disciplinary  
13 Settlement will be on the Board's agenda for its meeting scheduled for July 21, 2020.

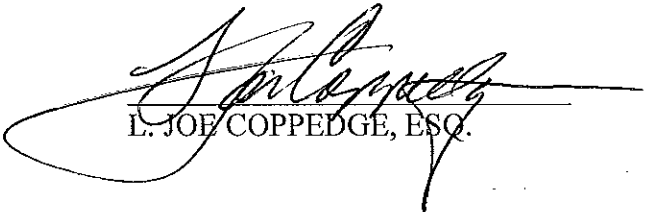
14 17. I am advised that NuVeda, through counsel, has represented that it intends to use  
15 its pending Motion for Preliminary Injunction as a basis to oppose the Board's approval of the  
16 Disciplinary Settlement.

17 18. As such, it is important to hear the instant Motion on shortened time and before  
18 the Board's meeting on July 21, 2020 in order to preserve and protect the Estate's assets  
19 (through the Disciplinary Settlement).

20 19. There is not sufficient time to have this matter heard in the ordinary course.  
21 Accordingly, the Trustee respectfully requests that a hearing on the instant motion be scheduled  
22 at the earliest available date.

23 I declare under penalty of perjury that the foregoing is true and correct.

24 DATED this 14 day of July, 2020.

25  
26   
27 L. JOE COPPEDGE, ESQ.  
28

**1**

## 2

3

9

15

28

1 Receiver, Terry and Ivey against all of the named Defendants. As such, it is appropriate to  
2 consolidate the aforementioned actions with the Receivership Action.

## 3 **II. Argument**

4 Courts may consolidate actions that involve a common question of law or fact. *See*  
5 NRCP 42. “Motions for consolidation of two or more cases must be heard by the judge assigned  
6 to the case first commenced.” EDCR 2.50(a)(1). “If consolidation is granted, the consolidated  
7 case will be heard before the judge ordering consolidation.” *Id.*

8 Under NRCP 42, a trial court has broad discretion to consolidate actions that involve a  
9 common question of law or fact. *See* NRCP 42(a); *Marcuse v. Del Webb Communities, Inc.*, 123  
10 Nev. 278, 286, 163 P.3d 462, 468 (2007) (explaining that federal district courts enjoy broad  
11 discretion in ordering consolidation “under FRCP 42(a), which is identical to NRCP 42(a)”;  
12 *Mikulich v. Carner*, 68 Nev. 161, 169–70, 228 P.2d 257, 261 (1951) (explaining that NRCP 42  
13 is “identical with” FRCP 42); ). “When common questions of law or fact exist consolidation is  
14 favored ‘as a matter of convenience and economy in administration’ of the courts.” *Fisher v.*  
15 *Donbar Dev. Corp.*, 42 F.R.D. 655, 656 (E.D.N.Y. 1967) (citing *Johnson v. Manhattan Ry. Co.*,  
16 289 U.S. 479, 53 S.Ct. 721, 77 L.Ed. 1331 (1933); *McAlister v. Guterma*, 263 F.2d 65, 68 (2d  
17 Cir. 1958); 5 Moore’s Fed.Prac. (2d Ed.) ¶ 42.02). Factors to be weighed in deciding whether to  
18 consolidate cases are “the saving of time and effort consolidation would produce against any  
19 inconvenience, delay, or expense that it would cause.” *Huene v. United States*, 743 F.2d 703,  
20 704 (9th Cir.).

21 “It is fundamental that the law frowns upon multiplicity of litigation...particularly where  
22 the court may order the consolidation of all actions involving common questions of law or fact  
23 in order to avoid unnecessary costs and delay.” *Johnson v. Mississippi Valley Barge Line Co.*,  
24 34 F.R.D. 140, 142 (W.D. Pa. 1963) (citing FRCP 42); *see also Maheu v. Eighth Judicial Dist.*  
25 *Court In & For Clark Cty., Dep’t No. 6*, 89 Nev. 214, 217, 510 P.2d 627, 629 (1973)  
26 (explaining that every court has the inherent power “to control the disposition of the causes on  
27 its docket with economy of time and effort for itself, for counsel, and for litigants”) (quoting  
28 *Landis v. North American Co.*, 299 U.S. 248, 254-255, 57 S.Ct. 163, 166, 81 L.Ed. 153 (1936));

1 *MacAlister v. Guterma*, 263 F.2d 65, 68 (2d Cir. 1958) (“The power to order consolidation prior  
2 to trial falls within the broad inherent authority of every court ‘to control the disposition of the  
3 causes on its docket with economy of time and effort for itself, for counsel and for litigants’”);  
4 *Air King Prod. Co. v. Hazeltine Research*, 10 F.R.D. 381, 383 (E.D.N.Y. 1950) (“piecemeal  
5 litigation is not to be favored since it may add to the burden not only of litigants but also of the  
6 courts”); *Exec. Mgmt., Ltd. v. Ticor Title Ins. Co.*, 118 Nev. 46, 53, 38 P.3d 872, 876 (2002)  
7 (“Federal cases interpreting the Federal Rules of Civil Procedure ‘are strong persuasive  
8 authority, because the Nevada Rules of Civil Procedure are based in large part upon their  
9 federal counterparts’”) (quoting *Las Vegas Novelty v. Fernandez*, 106 Nev. 113, 119, 787 P.2d  
10 772, 776 (1990)).

11 The United States District Court of Nevada articulated the following rationale for  
12 ordering consolidation of seven cases where the state court appointed a receiver to assume  
13 control over seven properties for which borrowers allegedly breached their respective loan  
14 documents:

15 this court concludes that consolidating all seven cases for pretrial case  
16 management, discovery, and motion practice, including summary judgment,  
17 would accomplish the goal of Rule 1 of the Federal Rules of Civil Procedure,  
18 “to secure the just, speedy and inexpensive determination” of these actions.  
19 Consolidation will allow all seven cases to proceed with common case  
20 management, lessen the burden and expense on the parties, witnesses, and the  
court posed by multiple lawsuits, reduce the length of time required to conclude  
multiple suits, and avoid the risk of inconsistent adjudication of common factual  
and legal issues in pretrial discovery and dispositive motion practice.

21 *U.S. Bank Nat. Ass’n v. Ribeiro*, No. 2:11-CV-01534-JCM, 2012 WL 40459, at \*4 (D. Nev. Jan.  
22 9, 2012).

23 In this case, consolidation should be granted based on the same rationale articulated in  
24 *U.S. Bank Nat. Ass’n v. Ribeiro*. The Receivership Action, the NuVeda Complaint, the Terry  
25 Complaint and the Receiver Complaint involve common questions of fact regarding the Terry  
26 Purchase Agreement, and the Membership Interest Purchase Agreement and related agreements,  
27 which directly impact the ownership of CWNV or CWNV1, and the membership interested  
28 previously owned in and by NuVeda in Clark NMSD, Nye Natural and Clark Natural.

1 Consolidation is particularly appropriate here because the Receiver has been appointed over  
2 CWNevada to “care for, manage, preserve, protect, sell, operate and collect the revenues  
3 generated by CWNevada’s business operations and the Receivership Estate in its reasonable  
4 business judgment as is most beneficial to CWNevada’s creditors and as instructed by the  
5 Court, consistent with the laws of Nevada, including the marijuana regulations of the  
6 Department of Taxation and the statutes of Nevada.” *See* Receivership Order, on file herein, at  
7 §1, 2:21-27. Moreover, NuVeda’s recent court filings in this Receivership Action, the closed  
8 case before Judge Cory and the case assigned to Judge Denton create the risk of inconsistent  
9 decisions.

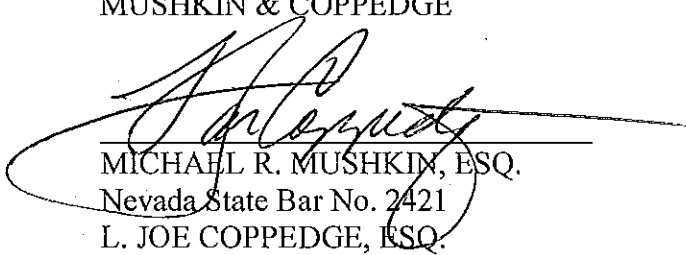
10 Because the Receivership Action was commenced prior to the filing of the NuVeda  
11 Complaint, Terry Complaint and Receiver Complaint, the instant Motion must be heard by the  
12 Receivership Court, and if granted, those cases would be consolidated with the Receivership  
13 Action and heard before the Receivership Court.

14 **III. Conclusion.**

15 Wherefore, based on the foregoing, Plaintiffs, Dotan Y. Melech, as the Court Appointed  
16 Receiver of CWNevada, LLC, Shane Terry and Phillip D. Ivey respectfully request that this  
17 Court consolidate Case No. A-19-791405-C, *NuVeda, LLC v. CWNevada, LLC* assigned to  
18 Department No. 1 (closed); Case No. A-19-796300-B, *Shane Terry v. Brian Padgett, et al*,  
19 assigned to Department No. 16 (subject to dismissal for failure to timely serve the Terry  
20 Complaint); and Case No. A-20-8177363-B, *Dotan Y Melech, as Receiver of CWNevada, LLC,*  
21 *et al., v. NuVeda, LLC, et al.*, assigned to Department No. 13 with the Receivership Action.

22 DATED this 14 day of July, 2020.

23 MUSHKIN & COPPEDGE

24   
25 MICHAEL R. MUSHKIN, ESQ.

26 Nevada State Bar No. 2421

27 L. JOE COPPEDGE, ESQ.

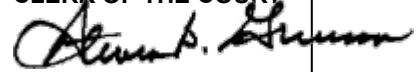
28 Nevada State Bar No. 4954

6070 S. Eastern Avenue, Suite 270

Las Vegas, Nevada 89128



# EXHIBIT “1”



**COMP**

JASON M. WILEY, ESQ.  
Nevada Bar No. 9274

RYAN S. PETERSEN, ESQ.  
Nevada Bar No. 10715

**WILEY PETERSEN**

1050 Indigo Drive  
Suite 130

Las Vegas, Nevada 89145

Telephone: 702.910.3329

jwiley@wileypetersenlaw.com

rpetersen@wileypetersenlaw.com

*Attorneys for NuVeda, LLC, Clark NMSD, LLC,  
and Nye Natural Medicinal Solutions, 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; CLARK NMSD, LLC, a Nevada  
limited liability company; and NYE NATURAL  
MEDICINAL SOLUTIONS, LLC, a Nevada  
limited liability company

Plaintiffs,

v.

CWNEVADA, LLC, a Nevada limited liability  
company; CWNV, LLC, a Nevada limited  
liability company; CWNV1, LLC, a Nevada  
limited liability company; DOES I to X,  
inclusive; and ROES I to X, inclusive,

Defendants.

Case No.:

Dept. No.:

**COMPLAINT**

**[Exempt from Arbitration Pursuant to NAR  
3(A) – Declaratory Relief Requested]**

Plaintiffs NUVEDA, LLC, a Nevada limited liability company, CLARK NMSD, LLC, a  
Nevada limited liability company, and NYE NATURAL MEDICINAL SOLUTIONS, LLC, a Nevada  
limited liability company, by and through their counsel of record, the law firm Wiley Petersen, allege  
and assert as follows:

## **JURISDICTIONAL ALLEGATIONS**

1. Plaintiff NUVEDA, LLC (“NuVeda”) is a Nevada limited liability company duly formed and existing under the laws of the State of Nevada.

2. Plaintiff CLARK NMSD, LLC (“Clark NMSD”) is a Nevada limited liability company duly formed and existing under the laws of the State of Nevada.

3. Plaintiff NYE NATURAL MEDICINAL SOLUTIONS, LLC (“Nye Natural”) is a Nevada limited liability company duly formed and existing under the laws of the State of Nevada.

4. Upon information and belief, Defendant CWNEVADA, LLC (“CW Nevada”) is a Nevada limited liability company duly formed and existing under the laws of the State of Nevada.

5. Upon information and belief, Defendant CWNV, LLC (“CWNV”) is a Nevada limited liability company duly formed and existing under the laws of the State of Nevada.

6. Upon information and belief, Defendant CWNV1, LLC (“CWNV1”) is a Nevada limited liability company duly formed and existing under the laws of the State of Nevada.

7. The true names of Defendants DOES I to X and ROE CORPORATIONS I to X, inclusive, are unknown to Plaintiffs currently and, therefore, Plaintiffs bring suit against them by the foregoing fictitious names. Plaintiffs allege that said Defendants are liable to Plaintiffs under the claims for relief set forth below. Plaintiffs request that when the true names are discovered for these DOE and ROE Defendants, that this Complaint, or subsequent pleading, if appropriate, may be amended by inserting their true names in lieu of the fictitious names together with apt and proper words to charge them.

8. The Court has original subject matter jurisdiction over this dispute pursuant to Article 6, Section 6, Clause 1 of The Constitution of the State of Nevada in that this dispute involves an amount in controversy that exceeds the jurisdictional limits of any Justice Court.

9. The Court also has original subject matter jurisdiction over this matter pursuant to Nevada Arbitration Rule 3(A) in that Plaintiffs’ Complaint asserts a cause of action for declaratory relief.

10. The Court can exercise personal jurisdiction over Defendants pursuant to NRS §14.605.

11. Pursuant to NRS §13.010(2), venue is proper in the Eighth Judicial District Court in and for Clark County, Nevada in that the underlying contract at issue was executed, and the obligations arising therefrom were performed, in Clark County, Nevada.

#### **GENERAL ALLEGATIONS**

12. NuVeda operates and serves as the parent company owning a 100% interest in Clark NMSD and Nye Natural (hereinafter, NuVeda, Clark NMSD, and Nye Natural, shall be referred to collectively as “the NuVeda Parties”).

13. The NuVeda members consist of Dr. Pejman Bady (“Bady”), Dr. Pouya Mohajer (“Mohajer”), and Joseph Kennedy (“Kennedy”).

14. On November 3, 2014, Clark NMSD was awarded two provisional licenses for marijuana dispensaries located at (a) 2113 North Las Vegas Boulevard, North Las Vegas, Nevada (Reference Number 94090342955467020377) (the “North Las Vegas Dispensary”); and (b) 1320 South Third Street, Las Vegas, Nevada (Reference Number 25025985357868237824) (the “City of Las Vegas Dispensary”).

15. Also, on November 3, 2014, Nye Natural was awarded one provisional license for marijuana cultivation in Nye County, Nevada (Reference Number 40733091629454751109) and one provisional license for marijuana production in Nye County, Nevada (Reference Number 91604693916166507699) (hereinafter, allegations pertaining to all four licenses shall be referred to collectively as the “Licenses”).

#### **The Membership Interest Purchase Agreement**

16. Throughout 2015, the NuVeda Parties sought an infusion of capital to assist with their business operations.

17. On November 17, 2015, CWNevada provided NuVeda with a Letter of Intent setting forth the general terms and conditions of a proposed joint venture between CWNevada, and the NuVeda Parties involving the Licenses.

18. On December 6, 2015, CWNevada, CWNV and the NuVeda Parties entered into and executed the Membership Interest Purchase Agreement (“MIPA”) formally memorializing the parties’ obligations as initially provided in the Letter of Intent.

1           19.     The MIPA expressly provides that the NuVeda Parties were to transfer the Licenses to  
2 a newly formed company – CWNV – and that CWNevada would own a 65% membership interest in  
3 CWNV with NuVeda retaining a 35% ownership interest in CWNV.

4           20.     In exchange for the aforementioned transfer, CWNevada was to “commence funding,  
5 and paying for, one hundred percent (100%) of: (i) all necessary tenant improvements, furniture,  
6 fixtures, equipment, and fees and expenses relating thereto, for the development of the facilities on the  
7 [Clark NMSD and Nye Natural] properties, and all matters relating [to a scheduled attached to the  
8 MIPA]; (ii) all fees and expenses to effectuate the transfer and obtain transfer approvals; and (iii)  
9 sufficient working capital for the operation of the businesses of [Clark NMSD and Nye Natural].

10          21.     The MIPA further expressly provided that CWNV was to pay or reimburse the NuVeda  
11 Parties for certain costs and expenses incurred after execution of the agreement.

12          22.     The MIPA further provided that, upon execution of the MIPA, CWNV and CWNevada  
13 would develop, manage, operate, and promote the facilities and were charged with the duties to protect  
14 the Licenses and maximize profits and the overall value and goodwill of the Clark NMSD and Nye  
15 Natural facilities.

16          23.     Through an amendment to the MIPA, cultivation and production operations were to “be  
17 up and running by the end of December 2016.”

18          24.     The same amendment expressly states that if the cultivation and productions operations  
19 were not “up and running in earnest by the end of 2016, CWNevada shall provide lost profits to CWNV  
20 based on the number of months the facilities are tardy in opening and based on the profits those facilities  
21 actually make for that same number of months upon opening.”

22     **Operations Pursuant to the MIPA**

23          25.     In December 2016, the City of Las Vegas dispensary began its business operations.

24          26.     In January 2017, the North Las Vegas dispensary began its business operations.

25          27.     CWNevada and/or CWNV representatives have managed both dispensary locations  
26 since their respective openings to present date.

27          28.     In [insert date] [insert status of the Nye cultivation and production]  
28

29. From the onset of CWNevada and CWNV's management of North Las Vegas Dispensary and City of Las Vegas Dispensary they have collected all revenues generated and have not made any disbursements to the NuVeda Parties.

30. More problematic, CWNevada and CWNV have engaged in conduct that subjects the NuVeda Parties to disciplinary proceedings.

#### **CWNevada and CWNV's Actions Jeopardizing NuVeda's Licenses**

31. The State of Nevada Department of Taxation ("Department of Taxation") has published documentation which provides for certain categories and penalties in the event of a cannabis business's failure to adhere to promulgated regulations (the "Violation Checklist").

32. Violations range from Category I (most severe) to Category V (least severe) and penalties accompanying the violations include revocation of the licenses, suspension of the licenses and/or fines.

#### **Failure to Pay Business License Fees/Operation with Expired License – North Las Vegas Dispensary**

33. On February 19, 2019, the NuVeda Parties received notice that City of North Las Vegas Business License Division ("North Las Vegas Business License Division") had not received renewal notices and fees for the North Las Vegas Dispensary.

34. The North Las Vegas Business License Division's notice provided that operation of North Las Vegas dispensary with an expired license jeopardized the closing of the location.

35. On that same date, the North Las Vegas Dispensary's business operations were halted as a result of CWNevada and CWNV's failure to remit renewal and notice fees.

36. CWNevada and CWNV's operation of the North Las Vegas Dispensary without the requisite permit and certification amounts to a Category I violation in the Violation Checklist.

#### **Unauthorized Personnel Handling Product and Hampering of a Department of Taxation Investigation**

35. On February 21, 2019, a Department of Taxation representative received notice that unauthorized personnel had entered a restricted area at the City of Las Vegas Dispensary and handled marijuana product.

36. The handled material was seized by the Department of Taxation and was quarantined during the department's investigation.

37. Thereafter, and upon information and belief, CWNevada/CWNV personnel has removed the quarantined material hampering the Department of Taxation's investigation.

38. On March 14, 2019, a Department of Taxation representative sent correspondence to CWNevada and CWNV (a) requesting the location of the quarantined product; (b) requesting that the product remain at said location until the Department of Taxation can take control of the product; (c) requesting the identity of the individual who removed the product from the City of Las Vegas Dispensary; and (d) putting CWNevada and CWNV on notice that said removal is prohibited and will likely lead to civil penalties.

39. CWNevada and CWNV's actions in destroying or concealing evidence amounts to a Category I or Category II violation subjecting the NuVeda dispensary license to suspension or revocation.

Failure to Comply and Assist in a Business License Division Audit

40. On March 7, 2019, a City of Las Vegas Business Licensing Auditor provided CWNevada and CWNV with correspondence requesting information to assist the Department of Planning, Business License Division ("City of Las Vegas Business License Division") with an audit pertaining to the City of Las Vegas Dispensary.

41. The correspondence requests that CWNevada and CWNV provide seventeen categories of information related to the organizational and ownership structure of the dispensary and accounting information.

42. NuVeda complied with the request but, upon information and belief, CWNevada and CWNV have failed to produce any document in response to the request.

43. The correspondence cites Las Vegas Municipal Code 6.95.110(K) and states that "[e]ach licensee must meet the accounting and auditing procedures established by the Department to track and record all sales for audit purposes. The Department must have access to such records as provided for under LVMC 6.02.020.

44. CWNevada and CWNV's failure to provide the information and comply with the cited code is a violation as set forth in the Violation Checklist.

1 Failure to Remit Payment for Business License

2 45. On March 13, 2019, NuVeda representatives received notice from the City of Las Vegas  
3 Department of Planning Business Licensing Division (“Las Vegas Business Licensing Division”) that  
4 the City of Las Vegas Dispensary license was going to be revoked due to non-payment of business  
5 license fees and accrued interest.

6 46. The Las Vegas Business Licensing Division representative states that the entity had  
7 extended the deadline eleven days based upon CWNevada and CWNV’s statements and  
8 representations which never materialized.

9 47. On March 14, 2019, the NuVeda Parties had to remit payment in the amount of \$28,205  
10 to the Las Vegas Business Licensing Division to prevent revocation.

11 48. Payment of such fees is CWNevada and CWNV’s responsibility pursuant to the MIPA.

12 Unauthorized Change of Business Name – City of Las Vegas Dispensary

13 49. In February 2019, CWNevada and CWNV representatives changed the City of Las  
14 Vegas Dispensary business name from “Canopi” to “Flower Depot” without governmental approval or  
15 authorization.

16 50. Such act constitutes a Category IV violation as set forth in the Violation Checklist and  
17 subjects the license to suspension and fine.

18 Failure to Remit Payment for Inspection – City of Las Vegas Dispensary

19 51. On February 28, 2019, CWNevada and CWNV were provided a 15 Day Notice by the  
20 Las Vegas Business Licensing Division for failure to remit payment for an inspection that occurred at  
21 the City of Las Vegas Dispensary.

22 52. CWNevada and CWNV’s continued to ignore and/or refuse to remit payment as  
23 requested.

24 53. CWNevada CWNV were obligated to remit payment pursuant to the terms and  
25 conditions of the MIPA.

26 54. The NuVeda Parties remit payment for the inspection fee to avoid suspension or  
27 revocation of the license.

28 ///



1 Underreporting of Gross Revenues and Procedural Issues

2 55. On February 25, 2019, CWNevada and CWNV were notified by the Las Vegas Business  
3 License Division that an audit of City of Las Vegas Dispensary accounting records evidenced the  
4 underreporting of “gross revenues by \$74,304.09 from charging the 3% city licensing fee to [its]  
5 customers.”

6 56. NRS Chapter 268 provides that the city licensing fee is to be borne by the marijuana  
7 establishment.

8 57. The Las Vegas Business License Division also provided that “unexplained under-  
9 reporting variances of \$52,938.55 were also noted.”

10 58. Finally, the division found six (6) accounting procedure errors and requested  
11 CWNevada provide a written response on how said errors would be corrected.

12 59. The NuVeda Parties are unaware whether CWNevada or CWNV has provided the  
13 requested response; if it has not, the failure to provide would result in a violation as set forth in the  
14 Violation Checklist.

15 Failure to Pay Requisite Taxes

16 60. On February 7, 2019, Clark NMSD received notice from the Department of Taxation  
17 that it had (a) failed to file and pay sales and use tax returns for October 2018, November, 2018, and  
18 December 2018; (b) failed to file and pay recreational marijuana tax returns for October 2018,  
19 November 2018, and December 2018; and (c) failed to file and pay modified business tax returns for  
20 quarters ending September 2018 and December 2018.

21 61. The combined tax arrearages as provided in the notice was \$91,035.86 and was the  
22 responsibility of CWNevada and CWNV pursuant to the MIPA.

23 62. The notice further provided that “[t]his letter constitutes a ‘warning,’ Category I, First  
24 Offense, per NAC 453D.905. Further violations of the same type(s) will result in disciplinary actions  
25 including, but not limited to civil penalties, suspension or revocation of your registration certificate,  
26 license, or both.”

27 63. On March 6, 2019, the NuVeda Parties were notified CWNevada and CWNV had failed  
28 to pay retail marijuana tax and sales/use tax for January 2019.

64. Upon information and belief, the tax arrearages set forth herein, in addition to constituting violations as provided in the Violation Checklist, directly and fatally affected the NuVeda Parties' chances in being awarded additional dispensary licenses during the Department of Taxations issuing of new licenses in December 2018.

Failure to Pay Dispensary Staff

65. CWNevada and CWNV, upon information and belief, have also failed to pay the dispensaries' staff in a timely manner.

Employment of Agents Possessing Expired Credentials

66. Upon information and belief, CWNevada and CWNV continue to employ individuals who do not possess a current agent card.

67. Employment of such individuals constitutes a Category IV violation as set forth in the Violation Checklist.

**FIRST CAUSE OF ACTION**

**(Breach of Contract)**

68. The NuVeda Parties repeat and reassert the allegations previously set forth and incorporate the same by reference herein.

69. The MIPA entered into and executed by and between the NuVeda Parties, on the one hand, and CWNevada and CWNV, on the other, is a valid and existing contract with reasonably definite and certain terms.

70. The NuVeda Parties have fully performed – or are willing to perform – all obligations required of them pursuant to the terms and conditions of the MIPA.

71. Conversely, CWNevada and CWNV, have breached the MIPA by failing to remit all payments required of them pursuant to the agreement, and failing to develop, manage, operate, and promote the facilities and fulfill the duties to protect the Licenses and maximize profits and the overall value and goodwill of the Clark NMSD and Nye Natural facilities.

72. The actions of CWNevada and CWNV as set forth herein constitute a breach of the MIPA.

73. CWNevada and CWNV's breach of the MIPA has caused the NuVeda Parties to incur damages in excess of Fifteen Thousand Dollars (\$15,000.00)

74. CWNevada and CWNV's breach of the MIPA has required the NuVeda Parties to retain the services of counsel to prosecute this action and, therefore, the NuVeda Parties are entitled to an award of reasonable attorneys' fees and costs of suit.

## **SECOND CAUSE OF ACTION**

### **(Breach of the Implied Covenant of Good Faith and Fair Dealing)**

75. The NuVeda Parties repeat and reassert the allegations previously set forth and incorporate the same by reference herein.

76. The NuVeda Parties and CWNevada and CWNV are parties to the MIPA.

77. Every contract entered into in Nevada provides that the parties owe a duty of good faith and fair dealing toward each other.

78. CWNevada and CWNV have breached that duty by performing in a manner that was unfaithful or inconsistent with the purposes of the contract.

79. CWNevada and CWNV's actions denied the NuVeda Parties of their justified expectations.

80. CWNevada and CWNV's breach of the MIPA and the implied covenant of good faith and fair dealing has caused the NuVeda Parties to incur damages in excess of Fifteen Thousand Dollars (\$15,000.00).

81. CWNevada and CWNV's breach of the MIPA has required the NuVeda Parties to retain the services of counsel to prosecute this action and, therefore, the NuVeda Parties are entitled to an award of reasonable attorneys' fees and costs of suit.

## **THIRD CAUSE OF ACTION**

### **(Preliminary and Permanent Injunctive Relief)**

82. The NuVeda Parties repeat and reassert the allegations previously set forth and incorporate the same by reference herein.

83. The Licenses are highly coveted assets, the number of which are regulated by governmental authorities.

84. As such, the Licenses are unique in nature and the NuVeda Parties will be irreparably harmed if the Licenses are suspended or revoked as a result of CWNevada and CWNV's actions.

85. CWNevada and CWNV, through their (a) Failure to Pay Business License Fees/Operation with Expired License – North Las Vegas Dispensary; (b) Unauthorized Personnel Handling Product and Hampering of a Department of Taxation Investigation; (c) Failure to Comply and Assist in a Business License Division Audit; (d) Failure to Remit Payment for Business License; (e) Unauthorized Change of Business Name – City of Las Vegas Dispensary; (f) Failure to Remit Payment for Inspection – City of Las Vegas Dispensary; (g) Underreporting of Gross Revenues and Procedural Issues; (h) Failure to Pay Requisite Taxes; (i) Failure to Pay Dispensary Staff; and (j) Employment of Agents Possessing Expired Credentials have breached their obligation under the MIPA.

86. The NuVeda Parties enjoy a likelihood of success on the merits based upon the allegations set forth herein.

87. Based upon the foregoing allegations, the NuVeda Parties are entitled to injunctive relief enjoining CWNevada and CWNV from operating and managing the City of Las Vegas Dispensary and North Las Vegas Dispensary, and ceasing all business operations at the City of Las Vegas Dispensary and North Las Vegas Dispensary until the time the NuVeda Parties can take possession of the dispensaries and operate and manage said dispensaries.

88. CWNevada and CWNV's actions have required the NuVeda Parties to retain the services of counsel to prosecute this action and, therefore, the NuVeda Parties are entitled to an award of reasonable attorneys' fees and costs of suit.

#### **FOURTH CAUSE OF ACTION**

**(Declaratory Relief)**

89. The NuVeda Parties repeat and reassert the allegations previously set forth and incorporate the same by reference herein.

90. Disputes and controversies have arisen between the NuVeda Parties and CWNevada and CWNV relative to their actions, controlling documents, and conduct by and between the parties.

///

1           91.     The disputes and controversies include, but are not limited to, the obligations of the  
2 parties and actions pursuant to the provisions of the MIPA and the various requirements and obligations  
3 required by those governmental bodies which regulate and oversee the cannabis industry in Nevada.

4           92.     NRS 30.030 provides that courts of record, within their respective jurisdictions, shall  
5 have the power to declare rights, status, and other legal relations whether further relief is or could be  
6 claimed. No action or proceeding shall be open to objection on the ground that a declaratory judgment  
7 is prayed for. The declaration may be either affirmative or negative in form and effect, and such  
8 declarations shall have the force and effect of a final judgment or decree.

9           93.     Based upon the language of NRS 30.030, this Court has the power to declare the rights,  
10 status, and other legal relations between the NuVeda Parties and CWNevada and CWNV.

11           94.     Plaintiffs request that this Court declare the rights, statuses, and other legal relations of  
12 the parties including, but not limited to CWNevada and CWNV's performance pursuant to the MIPA  
13 and all obligations arising therefrom.

14           WHEREFORE, the NuVeda Parties pray as follows:

15           1.     For judgment against CWNevada and CWNB, joint and severally, for damages in an  
16 amount in excess of Fifteen Thousand Dollars (\$15,000.00);

17           2.     For, first, a preliminary and, thereafter, a permanent injunction enjoining CWNevada  
18 and CWNV from operating and managing the City of Las Vegas Dispensary and North Las Vegas  
19 Dispensary, and ceasing all business operations at the City of Las Vegas Dispensary and North Las  
20 Vegas Dispensary until the time the NuVeda Parties can take possession of the dispensaries and operate  
21 and manage said dispensaries;

22           3.     For a declaration from the Court as to the rights, statuses, and other legal relations of  
23 the parties including, but not limited to, CWNevada and CWNV's performance pursuant to the MIPA  
24 and all obligations arising therefrom;

25           4.     For any and all pre-judgment and post-judgment interest that accrues;

26           5.     For reasonable attorneys' fees and costs incurred in the prosecution of this litigation;  
27 and

28           ///

6. For such other and further relief in equity or at law as the Court determines to be just and proper.

DATED this 21<sup>st</sup> day of March, 2018.

**WILEY PETERSEN**

/s/ Jason M. Wiley

JASON M. WILEY, ESQ.

Nevada Bar No. 9274

RYAN S. PETERSEN, ESQ.

Nevada Bar No. 10715

1050 Indigo Drive

Suite 130

Las Vegas, Nevada 89145

Telephone: 702.910.3329

[jwiley@wileypetersenlaw.com](mailto:jwiley@wileypetersenlaw.com)

[rpetersen@wileypetersenlaw.com](mailto:rpetersen@wileypetersenlaw.com)

*Attorneys for Plaintiffs NuVeda, LLC  
Clark NMSD, LLC and Nye Natural  
Medicinal Solutions, LLC*

# EXHIBIT “2”

# R. .... OF ACTIONS

## CASE NO. A-19-791405-C

NuVeda, LLC, Plaintiff(s) vs. CWNevada, LLC, Defendant(s)

§  
§  
§  
§  
§  
§Case Type: **Other Civil Matters**Date Filed: **03/19/2019**Location: **Department 1**Cross-Reference Case Number: **A791405**

### PARTY INFORMATION

|           |                                      | Lead Attorneys                                |
|-----------|--------------------------------------|---|
| Defendant | CWNevada, LLC                        |   |
| Defendant | CWNV, LLC                            |   |
| Defendant | CWNV1 LLC                            |   |
| Plaintiff | Clark NMSD, LLC                      | Jason M. Wiley<br>Retained<br>702-910-3329(W) |
| Plaintiff | NuVeda, LLC                          | Jason M. Wiley<br>Retained<br>702-910-3329(W) |
| Plaintiff | NYE Natural Medicinal Solutions, LLC | Jason M. Wiley<br>Retained<br>702-910-3329(W) |

### EVENTS ☐ ORDERS OF THE COURT

|            | OTHER EVENTS AND HEARINGS   |
|------------|---|
| 03/19/2019 | <b>Complaint</b><br><i>Complaint</i>  |
| 03/19/2019 | <b>Initial Appearance Fee Disclosure</b><br><i>Initial Appearance Fee Disclosure</i>  |
| 03/21/2019 | <b>Errata</b><br><i>Errata to Complaint</i>   |
| 03/27/2019 | <b>Summons Electronically Issued - Service Pending</b><br><i>Summons</i>  |
| 03/27/2019 | <b>Summons Electronically Issued - Service Pending</b><br><i>Summons</i>  |
| 03/27/2019 | <b>Summons Electronically Issued - Service Pending</b><br><i>Summons</i>  |
| 03/27/2019 | <b>Order Shortening Time</b><br><i>Order Shortening Time</i>  |
| 03/27/2019 | <b>Motion</b><br><i>Motion for Preliminary Injunction on Order Shortening Time</i>  |
| 04/09/2019 | <b>Notice of Rescheduling of Hearing</b><br><i>Notice of Rescheduling of Hearing</i>  |
| 05/07/2019 | <b>Minute Order</b> (1:30 PM) (Judicial Officer Earley, Kerry)<br><a href="#">Minutes</a>   |
|            | Result: Minute Order - No Hearing Held  |
| 05/07/2019 | <b>Notice of Department Reassignment</b><br><i>Notice of Department Reassignment</i>  |
| 05/20/2019 | <b>Notice of Bankruptcy</b><br><i>Notice of Bankruptcy</i>  |
| 05/21/2019 | <b>CANCELED Motion for Preliminary Injunction</b> (9:00 AM) (Judicial Officer Cory, Kenneth)<br><i>Vacated</i><br><i>Motion for Preliminary Injunction on Order Shortening Time</i><br><i>04/09/2019 Reset by Court to 05/14/2019</i><br><i>05/14/2019 Reset by Court to 05/21/2019</i> |
| 05/22/2019 | <b>Order to Statistically Close Case</b><br><i>Civil Order to Statistically Close Case</i>  |
| 07/08/2019 | <b>Notice</b><br><i>Notice of Appointment of Receiver in Eighth Judicial District Court Case No. A-17-755479-C</i>  |
| 09/05/2019 | <b>Notice</b><br><i>Amended Notice of Appointment of Receiver in Eighth Judicial District Court Case No. A-17-755479-C</i>  |

RA 062



|            |  |
|------------|--|
| 09/17/2019 | <b>Notice</b><br><i>Notice of Motion for Order Establishing Bar Date and Related Procedures for Filing Proofs of Claim and Approving the Form and the Manner of Notice Thereof on Order Shortening Time in Eighth Judicial District Court Case no. A-17-755479-C</i> |
| 07/08/2020 | <b>Motion</b><br><i>Motion for Preliminary Injunction Preventing the Liquidation of CWNevada Pending Trial</i>   |
| 07/08/2020 | <b>Exhibits</b><br><i>EXHIBITS IN SUPPORT OF MOTION FOR PRELIMINARY INJUNCTION PREVENTING THE LIQUIDATION OF CWNEVADA PENDING TRIAL</i>  |
| 07/09/2020 | <b>Clerk's Notice of Hearing</b><br><i>Notice of Hearing</i>   |
| 08/13/2020 | <b>Motion for Preliminary Injunction</b> (3:00 AM) (Judicial Officer Cory, Kenneth)<br><i>Motion for Preliminary Injunction Preventing the Liquidation of CWNevada Pending Trial</i>   |

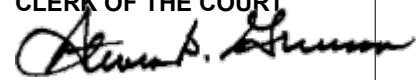
---

**FINANCIAL INFORMATION**


---

|            |                                     |                            |                      |
|------------|-------------------------------------|----------------------------|----------------------|
|            | <b>Plaintiff</b> NuVeda, LLC        |                            |                      |
|            | Total Financial Assessment          |                            | 330.00               |
|            | Total Payments and Credits          |                            | 330.00               |
|            | <b>Balance Due as of 07/09/2020</b> |                            | <b>0.00</b>          |
| 03/19/2019 | Transaction Assessment              |                            | 330.00               |
| 03/19/2019 | Efile Payment                       | Receipt # 2019-17260-CCCLK | NuVeda, LLC (330.00) |

# EXHIBIT “3”



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

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

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

SHANE TERRY, an individual,  
Plaintiff,

vs.

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

Case No: \_\_\_\_\_

Department No.: \_\_\_\_\_

**COMPLAINT**

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

**ARBITRATION EXEMPTION CLAIMED:**  
Amount Exceeds \$50,000

**JURY TRIAL DEMANDED**

**BUSINESS COURT ASSIGNMENT  
REQUESTED**

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

///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

## PARTIES

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

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

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

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

## JURISDICTION AND VENUE

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

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

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

### 3 **GENERAL ALLEGATIONS**

4  
5 7. Plaintiff entered into that certain Purchase and Sale Agreement for Shane Terry's  
6 Ownership Interest in NuVeda and NuVeda-Managed Licenses with BCP7 as "buyer" and  
7 Padgett as "guarantor" dated on or about April 30, 2018 together with Addendum #1 attached  
8 thereto and dated the same date ("PSA"). A true and accurate copy of the PSA is attached hereto  
9 as Exhibit "1."

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

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

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

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

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

23  
24 ///

25 ///

26 ///

27  
28 ///

1  
2  
3 **FIRST CAUSE OF ACTION**  
**(Breach of Contract-Defendants)**

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

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

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

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

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

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

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

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

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

26 ///

27 ///

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

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

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

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

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

8 25. Defendants breached their duties of good faith  
9 and fair dealing by, *inter alia*, failing to perform their obligations as required by their agreements  
10 in the Modified PSA.  
11

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

14 ///

15 ///

16 ///

17 ///

18 ///

19 ///

20 ///

21 ///

22 ///

23 ///

24 ///

25 ///

26 ///

27 ///

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for judgment as follows:

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

DATED this 31st day of May, 2019.

LAW OFFICE OF MITCHELL STIPP

*/s/ Mitchell Stipp*

---

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



# EXHIBIT 1

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

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

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

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

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

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

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

1 of 5  
45



ST  
Substantially reduced

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

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

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

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

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

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

#### Litigation, Releases and Cooperation:

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

Upon execution of this Agreement and receipt of the first Monthly Payment:

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

2 of 5  
ST



Arbitration and District Court Case to Buyer.

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

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

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

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

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

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

shall be awarded to the prevailing party.

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

Dated this 30<sup>th</sup> day April, 2018

BUYER:

BCP 7, LLC

By its Manager:



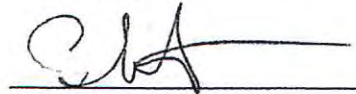
Name:

GUARANTOR:



Brian C. Padgett

SELLER:



Shane Terry

4 of 5



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

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

*Purchase price is substantially reduced*

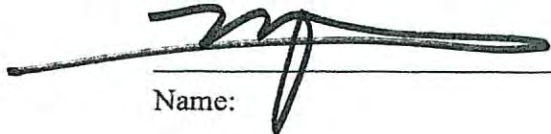
*YJP*

Dated this 30<sup>th</sup> day April, 2018

BUYER:

BCP 7, LLC

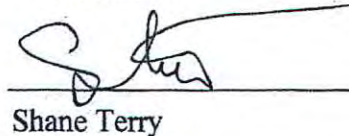
By its Manager:

  
Name:

GUARANTOR:


  
Brian C. Padgett

SELLER:

  
Shane Terry

*526*  
*Q*

## EXHIBIT 2

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



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

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

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

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

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

Regards,  
Shane

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



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

Agreed.

BCP

iPhone

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

Brian,  
Summarizing what we discussed via text today:

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

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

**Payment Schedule within 30 days:**

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

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

**Monthly Reoccurring Payments after 30 days:**

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



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

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

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

#### Additional Agreements:

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

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

If you agree, please affirmatively reply.  
Regards,

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

<TAPROOT\_emailsig.png>

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

Brian,

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

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

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

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

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

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

\$10,000 - Due 20 Feb

\$10,000 - Due 27 Feb

\$22,500 - Due 1 March

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

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

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

Regards,  
Shane

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

<TAPROOT\_emailsig.png>

On Feb 18, 2019, at 4:18 PM, Shane Terry <[shane@taprootbrands.com](mailto:shane@taprootbrands.com)> wrote:

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

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

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

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

Regards,  
Shane

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

<TAPROOT\_emailsig.png>

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

Shane,

I think we are in agreement on many general terms.

Here are a items for us to discuss:

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

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

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

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

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

BCP

iPhone

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

Brian,

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

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

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

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

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

an execution date of no later than 1 March 2019.

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

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

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

Regards,  
Shane

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

<TAPROOT\_emailsig.png>

Begin forwarded message:

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

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

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

As of 8 Feb the following is due:

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

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

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

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

Breakdown of individual charges is attached.

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

<TAPROOT\_emailsig.png>

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

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

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

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

<TAPROOT\_emailsig.png>

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

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

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

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

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

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

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

Let me know what you think.

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

<TAPROOT\_emailsig.png>

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

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

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

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

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

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

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

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

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

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

Sounds like long days for both of us.

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

BCP

iPhone

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

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

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

Shane Terry  
CEO, TapRoot Holdings  
702.858.2465

Sent from my iPhone

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

In the future cash is best.

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

Why \$15,000?

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

BCP

iPhone

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

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

Shane Terry  
CEO, TapRoot Holdings  
702.858.2465

Sent from my iPhone

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

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

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

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

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

Shane Terry  
CEO, TapRoot Holdings  
702.858.2465

Sent from my iPhone

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

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

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

BCP

iPhone

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

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

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

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

Best,  
Shane

Shane Terry  
CEO, TapRoot Holdings  
702.858.2465

Sent from my iPhone

Begin forwarded message:

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

I agree to the terms per my last email.

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

Do we have an understanding?

If so, just say "GOOD".

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

Las Vegas, Nevada 89101  
(702) 304-0123

[www.briancpadgett.com](http://www.briancpadgett.com)

<A9E75E53-2BEE-408C-80D5-65A27871BFA3[31].png>  
<02FB6BDA-A5D4-4C9A-B4A1-9592526E8853[31].png><0BA33676-1819-4E23-BEA0-F652CA6B8A41[31].png><09B7C04A-978C-4C8F-9458-1BFC61B27F33[31].png>  
<AE5C1DE7-3604-4651-8834-33CC0A92B4E6[31].png>

Notice: This electronic mail transmission, and any attachments hereto, may contain an attorney-client privilege that is privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone at (702) 304-0123 and email the sender that you have received this communication in error. We will remit any telephone expenses incurred by you. Thank you.

---

**From:** Shane Terry <[shane@taprootbrands.com](mailto:shane@taprootbrands.com)>

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

**To:** Brian Padgett <[brian@briancpadgett.com](mailto:brian@briancpadgett.com)>

**Subject:** Re: 5 Sept Extension Agreement

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

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

Best,  
Shane

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

<TAPROOT\_emailsig.png>

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

Please tell Tanaka the latter.

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

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

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

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

[www.briancpadgett.com](http://www.briancpadgett.com)

<A9E75E53-2BEE-408C-80D5-65A27871BFA3[30].png>  
<02FB6BDA-A5D4-4C9A-B4A1-9592526E8853[30].png><0BA33676-1819-4E23-BEA0-F652CA6B8A41[30].png><09B7C04A-978C-4C8F-9458-1BFC61B27F33[30].png><AE5C1DE7-3604-4651-8834-33CC0A92B4E6[30].png>

Notice: This electronic mail transmission, and any attachments hereto, may contain an attorney-client privilege that is privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone at (702) 304-0123 and email the sender that you have received this communication in error. We will remit any telephone expenses incurred by you. Thank you.

---

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

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

24 hour cure period will apply to:

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

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

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

Fair enough?

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

<TAPROOT\_emailsiq.png>



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

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

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

You can pick up the cash at 11:30

All other terms are acceptable.

Please confirm your acceptance.

**Brian C. Padgett**

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

<A9E75E53-2BEE-408C-80D5-65A27871BFA3[29].png>  
<02FB6BDA-A5D4-4C9A-B4A1-9592526E8853[29].png><0BA33676-1819-4E23-BEA0-F652CA6B8A41[29].png><09B7C04A-978C-4C8F-9458-1BFC61B27F33[29].png><AE5C1DE7-3604-4651-8834-33CC0A92B4E6[29].png>

Notice: This electronic mail transmission, and any attachments hereto, may contain an attorney-client privilege that is privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone at (702) 304-0123 and email the sender that you have received this communication in error. We will remit any telephone expenses incurred by you. Thank you.

---

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

Memorializing what we just discussed on the phone:

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

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

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

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

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

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

Regards,  
Shane

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

<TAPROOT\_emailsig.png>

<TAPROOT\_emailsig.png>

<TAPROOT\_emailsig.png>

<TAPROOT\_emailsig.png>

<S.Terry Outstanding Payments 2.2.19.xlsx>

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

<S.Terry Overdue Payments 2.17.19.xlsx>

<Notice of Default 2 Feb 19.pdf>

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

<S.Terry Overdue Payments 2.8.19.xlsx>

<TAPROOT\_emailsig.png><TAPROOT\_emailsig.png>

# EXHIBIT “4”

## R. .... OF ACTIONS

### CASE NO. A-19-796300-B

Shane Terry, Plaintiff(s) vs. Brian Padgett, Defendant(s)

§  
§  
§  
§  
§  
§

Case Type: **Purchase/Sale of Stock,  
Assets, or Real Estate**  
 Date Filed: **06/07/2019**  
 Location: **Department 16**  
 Cross-Reference Case Number: **A796300**

#### PARTY INFORMATION

|                  |                         |                       |
|------------------|-------------------------|-----------------------|
| <b>Defendant</b> | <b>BCP 7 LLC</b>        | <b>Lead Attorneys</b> |
| <b>Defendant</b> | <b>Padgett, Brian C</b> |                       |
| <b>Plaintiff</b> | <b>Terry, Shane</b>     | <b>Pro Se</b>         |

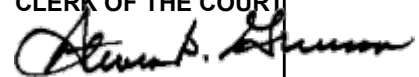
#### EVENTS ☐ ORDERS OF THE COURT

|  |   |
|--|---|
|  | <b>OTHER EVENTS AND HEARINGS</b><br>06/07/2019 <b>Complaint (Business Court)</b><br><i>Complaint</i><br>06/07/2019 <b>Initial Appearance Fee Disclosure</b><br><i>Initial Appearance and Fee Disclosure</i><br>06/07/2019 <b>Summons Electronically Issued - Service Pending</b><br><i>Summons-Brian Padgett</i><br>06/07/2019 <b>Summons Electronically Issued - Service Pending</b><br><i>Summons-BCP 7, LLC</i><br>04/20/2020 <b>Motion to Withdraw As Counsel</b><br><i>Ex Parte Application to Withdraw as Counsel for Plaintiff</i><br>04/20/2020 <b>Motion to Withdraw As Counsel</b><br><i>Motion to Withdraw as Counsel for Plaintiff</i><br>04/21/2020 <b>Clerk's Notice of Hearing</b><br><i>Notice of Hearing</i><br>04/22/2020 <b>Ex Parte Application</b><br><i>Ex Parte Application for Order Shortening Time on Motion to Withdraw as Counsel for Plaintiff</i><br>04/22/2020 <b>Order Shortening Time</b><br><i>Ex Parte Application for Order Shortening Time on Motion to Withdraw as Counsel for Plaintiff</i><br>04/27/2020 <b>Minute Order (8:00 AM)</b> (Judicial Officer Williams, Timothy C.)<br><i>re: 4/29/20 Hearing</i><br><a href="#">Minutes</a><br>04/29/2020 Result: Minute Order - No Hearing Held<br><b>Motion to Withdraw as Counsel (9:00 AM)</b> (Judicial Officer Williams, Timothy C.)<br><i>Motion to Withdraw as Counsel for Plaintiff</i><br><a href="#">Parties Present</a><br><a href="#">Minutes</a><br><i>06/03/2020 Reset by Court to 04/29/2020</i><br>Result: Motion Granted<br>05/01/2020 <b>Order Granting Motion</b><br><i>Order Granting Motion to Withdraw as Counsel for Plaintiff</i><br>05/05/2020 <b>Notice of Entry</b><br><b>NOTICE OF ENTRY OF ORDER GRANTING MOTION TO WITHDRAW AS COUNSEL FOR PLAINTIFF</b> |
|--|---|

#### FINANCIAL INFORMATION

|            |  |                                     |
|------------|--|-------------------------------------|
|            | <b>Plaintiff Terry, Shane</b><br>Total Financial Assessment<br>Total Payments and Credits<br><b>Balance Due as of 07/09/2020</b> | 1,530.00<br>1,530.00<br><b>0.00</b> |
| 06/07/2019 | Transaction Assessment   | 1,530.00                            |
| 06/07/2019 | Efile Payment      Receipt # 2019-34821-CCCLK      Terry, Shane  | (1,530.00)                          |

# EXHIBIT “5”



CASE NO: A-20-817363-B  
Department 13

Michael R. Mushkin, Esq.  
Nevada Bar No. 2421  
L. Joe Coppedge  
Nevada Bar No. 4954  
MUSHKIN & COPPEDGE  
6070 S. Eastern Avenue, Suite 270  
Las Vegas, Nevada 89128  
Telephone: (702) 454-3333  
Fax: (702) 386-4979  
michael@mushlaw.com  
jcoppedge@mccnvlaw.com  
*Attorneys for Plaintiffs*

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

DOTAN Y. MELACH, as the Court Appointed  
Receiver of CWNevada, LLC, a Nevada Limited  
Company; SHANE TERRY, an individual, and  
PHILLIP D. IVEY, an individual;

Case No.:

Dept. No.:

Plaintiffs,

vs.

NUVEDA, LLC, a Nevada limited liability  
company; CLARK NMSD, LLC, a Nevada  
limited liability company; CLARK NATURAL  
MEDICINAL SOLUTIONS, LLC, a Nevada  
Limited Liability Company; NYE NATURAL  
MEDICAL SOLUTIONS, LLC a Nevada  
limited liability company; BCP 7, LLC, a  
Nevada limited liability company; PEJMAN  
BADY, an individual; POUYA MOHAJER, an  
individual; JOSEPH KENNEDY, an individual;  
BRIAN C. PADGETT, an individual; and DOES  
1 – 20 and ROE CORPORATIONS 1-20,

Defendants.

**COMPLAINT**

Plaintiffs, Dotan Y. Melech, as the Court Appointed Receiver of CWNevada, LLC,  
Shane Terry and Phillip D. Ivey, by and through their attorneys, for their Complaint against the  
Defendants, allege as follows:

1 **PARTIES, JURISDICTION, AND VENUE**

2 1. Defendant, NuVeda, LLC (“NuVeda”) is and has been since its formation, a  
3 Nevada liability company. NuVeda’s assets and principle place of business are in Clark County,  
4 Nevada.

5 2. Defendant, Clark NMSD, LLC (“Clark NMSD”) is a Nevada limited liability  
6 company and owner of two (2) Dispensary licenses issued by the Nevada Department of Health  
7 and Human Services, Nevada Division of Public and Behavioral Health and the Nevada  
8 Department of Taxation. The Clark Dispensary licenses are identified by Nevada Establishment  
9 numbers: 2502 5985 3578 6823 7824 and 9409 0342 9554 6702 0377

10 3. Defendant, Clark Natural Medicinal Solutions, LLC (“Clark Natural”) is a  
11 Nevada limited liability company and the owner of one (1) Cultivation license and one (1)  
12 Production license issued by the State of Nevada. The Clark Natural Cultivation license is  
13 identified by Nevada Establishment number: 6499 5797 7556 7012 2923. The Clark Natural  
14 Production license is identified by Nevada Establishment number: 5447 7437 9374 7929 7460.

15 4. Defendant, Nye Natural Medical Solutions LLC (“Nye Natural”) is a Nevada  
16 limited liability company and owner of a Cultivation License and Production license issued by  
17 the State of Nevada. The Nye Natural Cultivation license is identified by Nevada Establishment  
18 number: 4073 3091 6294 5475 1109. The Nye Natural Production license is identified by  
19 Nevada Establishment number: 9160 4693 9161 6650 7699.

20 5. Upon information and belief, Defendant Pejman Bady (“Bady”) is and at all  
21 relevant times was a resident of Clark County, Nevada. Defendant Bady was an initial member  
22 of NuVeda.

23 6. Upon information and belief, Defendant Pouya Mohajer (“Mohajer”) is and at all  
24 relevant times was a resident of Clark County, Nevada. Defendant Mohajer was an initial  
25 member of NuVeda.

26 7. Upon information and belief, Defendant Joseph Kennedy (“Kennedy”) is and at  
27 all relevant times was a resident of Clark County, Nevada. Defendant Bady was an initial  
28 member of NuVeda.

1           8. Defendant BCP 7, LLC ("BCP 7") is a Nevada limited liability Company. Upon  
2 information and belief, BCP 7 is the owner of Dispensary, Cultivation and Production licenses  
3 in Nevada and is managed by Defendant, Brian C. Padgett.

4           9. Defendant, Brian C. Padgett ("Padgett") is and at all relevant times was a  
5 resident of Clark County, Nevada. Padgett is the manager of BCP 7.

6           10. Plaintiff Dotan Y Melech is the court appointed receiver for CWNevada, LLC, a  
7 Nevada Limited Liability Company (the "Receiver"). The Order Appointing Receiver included  
8 all of CWNevada, LLC's assets, including, without limitation, all assets and rights to any  
9 subsidiary and affiliated entities (collectively, 'CWNevada') in which CWNevada has an  
10 ownership interest, including but not limited to CWNV, LLC".

11           11. Plaintiff Shane Terry ("Terry") is and at all relevant times has been a resident of  
12 Clark County, Nevada. Plaintiff has been a Manager, Voting Member, and at times, NuVeda's  
13 Chief Executive Officer. Plaintiff Terry is the owner of 22.88 percent of NuVeda, Clark NMSD,  
14 Clark Natural and Nye Natural (collectively, the "Terry Interest").

15           12. Plaintiff Phillip D. Ivey ("Ivey") is and at all relevant times has been a resident  
16 of Clark County, Nevada. Plaintiff Ivey owns a three percent (3%) ownership interest in Nye  
17 Natural and Clark Natural (collectively, the "Ivey Interest").

18           13. That the true names or capacities, whether individual, corporate, association or  
19 otherwise of Defendants DOES 1 through 20, and ROE CORPORATIONS 1 through 20 are  
20 unknown to Plaintiffs, who therefore sues said Defendants by such fictitious names. Plaintiffs  
21 are informed and believe and thereupon allege that each of the Defendants designated herein as  
22 DOE and ROE CORPORATIONS are responsible in some manner for the events and acts  
23 alleged and that they caused damages proximately to the Plaintiffs. The DOE and ROE  
24 CORPORATION Defendants include but are not limited to individuals and/or entities that may  
25 claim some interest NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or  
26 CWNV1. The DOE and ROE CORPORATION Defendants further include the successors in  
27 interest to NuVeda, Clark NMSD, Clark Natural Nye Natural, CWNV and/or CWNV1 and  
28 individuals and/or entities who may have received transfers of any interest from NuVeda, Clark



1 NMSD, Clark Natural Nye Natural, CWNV and/or CWNV1. Plaintiffs will ask leave of this  
2 Court to amend this Complaint to insert the true names and capacities of DOES 1 through 20  
3 and ROE CORPORATIONS 1 through 20 when the same have been ascertained and to join  
4 such Defendants in this action.

5 14. Pursuant to Nevada's long arm statute codified at NRS 14.065, a Court of this  
6 State may exercise jurisdiction over a party to a civil action on any basis not inconsistent with  
7 the Constitution of Nevada or the Constitution of the United States.

8 15. Venue is proper pursuant to NRS 13.040.

9 **FACTUAL ALLEGATIONS RELATED TO ALL CLAIMS**

10 16. On or about July 9, 2014, Terry entered into an Operating Agreement for  
11 NuVeda, LLC (the "NuVeda Operating Agreement") with Bady, Mohajer and Jennifer  
12 Goldstein ("Goldstein") to apply for and operate marijuana dispensaries, cultivation and  
13 processing facilities for medical marijuana pursuant to licenses obtained from certain  
14 governmental divisions.

15 17. The NuVeda Operating Agreement was also signed by Kennedy, John Penders  
16 and Ryan Winmill.

17 18. Since July 2014, NuVeda has been governed by the NuVeda Operating  
18 Agreement.

19 19. The NuVeda Operating Agreement is governed by, construed and interpreted in  
20 accordance with Nevada law.

21 20. Since NuVeda's formation, Terry has been a Manager, Voting Member and at  
22 times, NuVeda's Chief Executive Officer and Chief Operations Officer.

23 21. Initially, Terry owned 21.5% of NuVeda and its subsidiaries, Clark NMSD,  
24 Clark Natural, and Nye Natural. Terry's ownership interest was later increased to 22.88%.

25 22. On or about August 17, 2014, Ivey entered into a letter agreement (the "Ivey  
26 Letter Agreement") and accompanying Letter of Commitment whereby, in exchange for  
27 providing necessary financial statements to strengthen NuVeda's application and extending  
28 NuVeda a \$1.9 million line of credit (the "Ivey Credit Line"), Ivey was immediately granted a

1 three percent (3%) wholly vested share of NuVeda.

2 23. Ivey executed the Letter of Commitment on or about August 17, 2014.

3 24. Ivey's significant business experience and financial resources not only provided  
4 a solution in support of NuVeda's business strategy, but also provided critical proof of financial  
5 viability in support of NuVeda's competitive application, including the amount of taxes paid.

6 25. The points won by NuVeda in the tax section alone were awarded with Ivey  
7 individually contributing nearly 30% of the total score.

8 26. Ivey was listed and approved as an owner by the State of Nevada on all six (6) of  
9 NuVeda's licenses.

10 27. On or about June 1, 2015, Ivey's three percent (3%) interest in NuVeda was  
11 transferred to two of its subsidiaries, Nye Natural and Clark Natural.

12 28. As a result of the transfer, Ivey owns a three percent (3%) ownership interest in  
13 Nye Natural and Clark Natural (the "Ivey Interest").

14 29. Ivey has not sold, conveyed or otherwise transferred his ownership interest in  
15 Nye Natural or Clark Natural.

16 30. Bady, Mohajer and Kennedy, individually and at times through NuVeda or other  
17 entities, have engaged in additional fraudulent acts of self-dealing and other acts of misconduct  
18 that constituted a breach of their legal duties.

19 31. For instance, Terry and other members of NuVeda learned that Bady  
20 misrepresented the source of his funds he originally contributed to NuVeda in exchange for  
21 equity.

22 32. Nevada law and the regulatory agencies required in depth financial disclosures.

23 33. While Bady averred that his funding came from the sale of a business, upon  
24 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from  
25 money he acquired from his friend Majid Golpa ("Golpa").

26 34. Apparently, Bady and Mohajer promised that in exchange for the funds, Golpa  
27 would receive a 5.5% Membership interest in NuVeda, a pledge that is prohibited by law.

28 35. Mohsen Bahri ("Bahri") and Bady also negotiated the terms of a \$500,000

1 promissory note. Bady then made an undisclosed deal with Bahri to provide Bady with a  
2 \$500,000 investment, in which Bahri would receive a 4% interest in NuVeda.

3 36. This was contrary to NuVeda's understanding of the financing.

4 37. Following discovery of the true nature of Bady and Mohajer's wrongful side  
5 deals with third parties, a dispute arose between Terry and Goldstein on the one hand and Bady  
6 and Mohajer on the other hand regarding Defendants' clandestine and wrongful side deals,  
7 pursuant to which Bady and Mohajer attempted to allocate ownership interests to their friends,  
8 and the true source of Bady's capital contribution, Golpa and Bahri.

9 38. Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4%  
10 interest in NuVeda, yet Bady demanded that the Members, including Terry and Goldstein, agree  
11 to ratify his apparent promises to provide such interest to Golpa and Bahri.

12 39. Upon information and belief, the transfer of the interests, as proposed by Bady,  
13 would jeopardize NuVeda's licenses.

14 40. On or about November 1, 2015, a monthly payment was due to Bahri on the  
15 \$500,000 promissory note. Bady, long-time personal friends with Bahri, instructed Terry to not  
16 pay the monthly payment and stated he "would take care of it." On November 11, 2015, Bahri  
17 sent demand for the November 1, 2015 payment. Bady then admitted that he did not make the  
18 monthly payment but that Bady and Bahri had agreed to extend the monthly payment to  
19 November 15, 2015.

20 41. Bady's non-payment of the loan and subsequent negotiations were done without  
21 Terry's knowledge and jeopardized NuVeda's operations.

22 42. Bahri subsequently presented a lawsuit against Terry and Goldstein, individually,  
23 falsely alleging that they were liable for his investment through Bady.

24 43. Bady and Bahri then acted in concert to allege that Goldstein and Terry were  
25 liable for the \$500,000 promissory note, as neither the Company nor Bady, who single-handedly  
26 communicated with Bahri and who negotiated all of the terms of the clandestine deal with his  
27 friend Bahri, were named as defendants.

28 44. Bady and Bahri acted in concert to paralyze Terry and Goldstein from obtaining

1 the necessary funding by threatening to file frivolous and factually unfounded lawsuits against  
2 Terry and Goldstein for Bady's strategic gain.

3 45. Additionally, when Kennedy (an IRS enrolled agent) was preparing the  
4 Company's K-1s, Bady asked Terry to allocate his tax losses to Bady to offset Bady's income  
5 from an unrelated medical business, but Terry refused. Terry explained to Bady that loss-  
6 shifting was wrongful and potentially constituted fraud, but Bady ignored Terry's concern and  
7 went ahead with shifting Mohajer's losses to him. Bady then had nominal-Member Kennedy  
8 amend the K-1s to reflect loss-shifting to Bady in violation of the terms of the Operating  
9 Agreement.

10 46. Goldstein and Terry made demands for the original K-1s and other financial  
11 documents for NuVeda, but Bady and Kennedy denied the records request in violation of  
12 Terry's right to review the business records of NuVeda pursuant to Section 7.2 of the Operating  
13 Agreement.

14 47. It was also discovered that Bady engaged in rampant self-dealing on multiple  
15 occasions. An entity known as 2 Prime, LLC entered into a financing agreement with NuVeda.  
16 Bady exclusively negotiated the agreement with favorable terms to 2 Prime, LLC. Thereafter, it  
17 was discovered after the fact that Bady had an undisclosed 50% interest in 2 Prime, LLC which  
18 was also co-owned by Golpa.

19 48. On or about November 20, 2015 under guidance of NuVeda's general counsel,  
20 Bady's and Mohajer's NuVeda interests were terminated pursuant to Section 6.2 of the  
21 Operating Agreement.

22 49. However, Bady and Mohajer disregarded the expulsion and claimed they  
23 remained Voting Members, Managers, and officers with authority to act on behalf of NuVeda.

24 50. Between November 20th, 2015 and December 3, 2015, Bady and Mohajer,  
25 acting as purported representatives of NuVeda, attempted to sell NuVeda's interests in its highly  
26 valuable and privileged licenses to multiple parties, including CWNevada.

#### 27 **The District Court Action**

28 51. Over concerns that any attempted and unauthorized transfer of interest could

1 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and Terry filed a complaint, as  
2 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against  
3 Bady and Mohajer as Case Number A-15-728510-B (the "District Court Action"), and  
4 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin  
5 any transfer of NuVeda's membership interests.

6         52. The District Court Action sought, among other things, the issuance of a  
7 preliminary and permanent injunction maintaining the status quo pending a final resolution of  
8 the parties' disputes in an arbitral proceeding.

9         53. Although the District Court did not issue a preliminary injunction in the District  
10 Court Action, on January 13, 2016, the Court ordered (the "January 13, 2016 Order"), among  
11 other things, "IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the  
12 completion of the contemplated arbitration, the parties are to take no further action to expulse  
13 each other on the factual bases presented to the Court during the evidentiary hearing."

14         54. Goldstein and Terry commenced a private arbitration proceeding with the  
15 American Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al.*  
16 *v. NuVeda, LLC, et al.*, AAA Case No. 01-15-005-8574 (the "Arbitration").

17         55. During the month of December 2015, NuVeda's annual license renewal  
18 paperwork was due to the State of Nevada.

19         56. During this time, Terry was the designated and registered point of contact with  
20 the State of Nevada for all regulatory correspondence.

21         57. After Terry submitted the renewal application representing NuVeda's current  
22 ownership structure, Bady falsely submitted documentation to the State of Nevada that removed  
23 Ivey's license interest and redistributed it to himself and Mohajer.

24         58. NuVeda, Bady and Mohajer have claimed Ivey is no longer a member although  
25 Ivey did not execute any of the required transfer of ownership paperwork to release his license  
26 interest.

27         59. Notwithstanding the express language of the January 13, 2016 Order, in a March  
28 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda.

1           60.     Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in  
2 violation of the January 13, 2016 Order.

3           61.     The purported expulsion was further documented in a meeting on or about  
4 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry's interest in NuVeda  
5 was distributed to Bady and Mohajer.

6           62.     NuVeda, Bady and Mohajer purportedly transferred Terry's individual license  
7 interest in NuVeda directly to Bady and Mohajer without Terry's consent.

8           **Membership Interest Purchase Agreement**

9           63.     At or about the same time, NuVeda as "Transferor" along with Clark NMSD and  
10 Nye Natural and CWNevada as "Transferee" and CWNV, LLC, a to be formed Nevada limited  
11 liability company, entered into a Membership Interest Purchase Agreement (the "MIPA")  
12 effective as of December 6, 2015.

13          64.     Among other things, the MIPA provides in part as follows:

14           a.     NuVeda owned one hundred percent (100%) of the membership interest  
15 in Clark NMSD.

16           b.     NuVeda owned one hundred percent (100%) of Nye Natural, subject to  
17 certain disclosures.

18           c.     Clark NMSD had been issued certain provisional Medical Marijuana  
19 Establishment Certificates, identified as Application Identifier No. D186, Reference  
20 #25025985357868237824 for the dispensing of medical marijuana at a dispensary  
21 located at 1320 S. 3<sup>rd</sup> Street, Las Vegas, Nevada (the "Downtown Dispensary") and as  
22 Application Identifier No. 187, Reference # 94090342955467020377 for the dispensing  
23 of medical marijuana at a dispensary located at 2113 N. Las Vegas Blvd., North Las  
24 Vegas, Nevada (the "North Las Vegas Dispensary").

25           d.     Nye Natural had been issued certain provisional Medical Marijuana  
26 Establishment Certificates, identified as Application Identifier No. C166, Reference #  
27 40733091629454751109 for the cultivation of medical marijuana at a cultivation facility  
28 at 2801 E. Thousandaire Blvd., Pahrump, Nevada and as Application Identifier No.

1 P107, Reference # 91604693916166507699 for the production of medical marijuana  
2 products at a production facility located at the C&P Property.

3 e. Subject to the terms of the MIPA, CWNevada as Transferee agreed to  
4 purchase and NuVeda as Transferor agreed to sell 100% of the membership interests  
5 owned by NuVeda in Clark Natural NMSD and Nye Natural.

6 f. CWNevada agreed to cause to be formed a new manager-managed  
7 Nevada limited liability company defined as "CWNV".

8 g. Upon the formation of CWNV, CWNV was to be owned as follows: (i)  
9 thirty-five (35%) of the issued and outstanding membership interest in CWNV shall be  
10 issued and owned by NuVeda; and (ii) sixty-five (65%) of the issued and outstanding  
11 membership interests in CWNV shall be issued and owned by CWNevada.

12 **CWNV, LLC**

13 65. On or about January 21, 2016, CWNevada and NuVeda caused CWNV to be  
14 formed.

15 66. CWNV was formed as a joint venture between CWNevada and NuVeda to raise  
16 money to build and operate the Downtown Dispensary located at 1324 S. 3<sup>rd</sup> Street, Las Vegas,  
17 Nevada and the North Las Vegas Dispensary located at 2113 N. Las Vegas Blvd., North Las  
18 Vegas, Nevada.

19 67. On or about March 22, 2016, CWNevada and NuVeda entered into an Operating  
20 Agreement of CWNV, LLC (the "CWNV Operating Agreement").

21 68. The initial members of CWNV were CWNevada and NuVeda.

22 69. The initial managers of CWNV were Padgett, Bady and Jason Thompson.

23 70. The CWNV Operating Agreement listed CWNevada's membership interest as  
24 65% and NuVeda's membership interest as 35%.

25 71. The CWNV Operating Agreement identified CWNevada's capital contribution  
26 as "Full Construction Funding, Goods, Services, and Specified Debt Service."

27 72. CWNevada invested at least two million dollars into CWNV to provide  
28 construction funding to build the Downtown Dispensary and the North Las Vegas Dispensary.

1           73.     The Downtown Dispensary opened in or about December 2016 and the North  
2 Las Vegas Dispensary opened in January 2017, as a result of CWNevada's construction  
3 funding.

4           74.     The CWNV Operating Agreement identified NuVeda's capital contribution as  
5 "Medical Marijuana Licenses as referenced in the [MIPA]."

6           75.     NuVeda and its members, including Bady, Mohajer and Kennedy have  
7 separately and individually benefited from the construction of the Downtown Dispensary and  
8 the North Las Vegas Dispensary.

9           **First Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye**  
10           **Licenses**

11           76.     On or about April 17, 2018, Nye Natural and Clark NMSD entered into a First  
12 Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye Licenses (the "First  
13 Purchase Agreement").

14           77.     The First Purchase Agreement provided, among other things, that in exchange  
15 for NuVeda selling the remaining 35% of its interest in CWNV to CWNevada, CWNevada  
16 would increase the consideration paid to NuVeda from that contemplated under the MIPA to a  
17 to a total monthly payment of 2.625% of the gross sales of CWNevada, subject to a minimum  
18 payment of \$235,870.00 per month.

19           78.     The Parties to the First Purchase Agreement "acknowledge[d] that the joint  
20 application for the transfer of ownership of the NuVeda Licenses to CWNV must be submitted  
21 to the State of Nevada, Department of Taxation immediately for review and approval and the  
22 Parties further acknowledge that the intent of the [First Purchase Agreement was] to effectuate a  
23 100 percent ownership of the NuVeda Licenses in [CWNV] and NuVeda owners shall then  
24 remove themselves as listed owners of record on these licenses. If the transfer of the NuVeda  
25 Licenses to CWNV is not completed within 45 days of submittal, payment to NuVeda shall be  
26 held in abeyance until the NuVeda Licenses transfer to CWNV ownership."

27           79.     However, in attempting to effectuate the transfer of Clark NMSD and Nye  
28 Natural, NuVeda failed to follow Nevada law and misrepresented the information submitted to



1 the State of Nevada, including but not limited to misstating an October 13, 2017 Nevada  
2 Supreme Court ruling.

3 80. Through their counsel Amanda Connor (who simultaneously represented  
4 CWNevada) Clark NMSD, Nye Natural, NuVeda, Bady and Mohajer failed to follow Nevada  
5 law and misrepresented the information submitted to the State of Nevada, including but not  
6 limited to misstating an October 13, 2017 Nevada Supreme Court ruling by claiming “the Court  
7 found that the transfer of assets was proper” and that “Shane Terry has been expelled as a  
8 member.”

9 81. Specifically, Clark NMSD and Nye Natural, in the correspondence to the State of  
10 Nevada, Department of Taxation represented, among other things, that “[t]he Membership  
11 Interest Purchase Agreement dated December 6, 2015 between CWNevada, LLC, CWNV,  
12 LLC, NuVeda, Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC ... was signed  
13 by more than 60% of the membership interest of NuVeda, LLC...Please note in the October 13,  
14 2017 Nevada Supreme Court ruling..., the Court found that the transfer of assets was proper.”

15 82. However, the Nevada Supreme Court, acting in case number 69648, did not  
16 address the propriety of the “transfer of assets.”

17 83. The Nevada Supreme Court merely determined that the “appellants [Plaintiff  
18 Terry and Goldstein] failed to show a reasonable probability of irreparable harm” and thus, the  
19 Court concluded “that the district court did not abuse its discretion in denying appellants’  
20 motion [for a preliminary injunction]”.

21 84. Moreover, Clark NMSD and Nye Natural, in the correspondence to the State of  
22 Nevada, Department of Taxation, Connor further represented that “a majority of the members  
23 voted to expel Shane Terry pursuant to the applicable portions of the [Operating Agreement]”  
24 and attached purported “relevant pages” of the transcript of a March 10, 2016 NuVeda Officer  
25 Meeting which omitted key pages that would have been contrary to the conclusion that NuVeda  
26 was attempting to present through their misleading submission to the State. Had they actually  
27 represented the facts in the January 13, 2016 Order, the State would have clearly seen the  
28 Court’s prohibition of expulsion.

1           **Purchase and Sale Agreement for Terry's Ownership Interest in NuVeda and**  
2           **NuVeda-Managed Licenses**

3           85.     During the pendency of the District Court Action and Arbitration, on or about  
4 April 30, 2018, Terry entered into a "Purchase and Sale Agreement for Terry's Ownership  
5 Interest in NuVeda and NuVeda-Managed Licenses" (the "Purchase Agreement") with BCP 7,  
6 as the Buyer.

7           86.     Padgett personally guaranteed all payments and other performance obligations  
8 due under the Purchase Agreement.

9           87.     The Purchase Agreement provides, among other things, that Terry agreed to sell  
10 the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration  
11 and on specific terms.

12          88.     The total purchase price for BCP 7 to acquire the Terry Interest was \$1.75  
13 million (the "Purchase Price"), which was "substantially reduced" from fair market value.

14          89.     The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00  
15 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the "Initial  
16 Payment"), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,  
17 2028 with payments due monthly until paid in full (the "Monthly Payments").

18          90.     The Monthly Payments were to be made on or before the first day of the month  
19 in an amount not less than the interest accrued on the outstanding balance at an interest rate of  
20 18%.

21          91.     The Monthly Payments were to commence May 1, 2018, and the first payment  
22 was to have been made no later than May 2, 2018.

23          92.     The Purchase Agreement further provided that there shall be acceleration of the  
24 outstanding Balance and any unpaid accrued interest thereon upon (1) the sale or transfer of the  
25 Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP 7  
26 to a third party (other than CWNV, LLC); or (2) a default of a payment obligations, which shall  
27 result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the  
28 Balance following notice of failure to Padgett and no cure within 10 business days thereof.

1           93.     Upon execution of the Purchase Agreement and upon receipt of the first Monthly  
2 Payment, Terry agreed, among other things, to assign any and all claims and right in the  
3 Arbitration and District Court Action to BCP 7.

4           94.     BCP 7 made a partial payment toward the Initial Payment in the sum of  
5 \$250,000.00 on or about August 1, 2018.

6           95.     In addition to the partial Initial Payment, BCP 7 made partial interest and  
7 extension payments.

8           96.     However, BCP 7 has yet to pay Initial Payment or Monthly Payments in full.

9           97.     As a result of BCP 7's failure to pay the Initial Payment or any of the Monthly  
10 Payments in full, Terry provided notice of and right to cure this failure to BCP 7 and Padgett.

11           98.     BCP 7 and Padgett failed to cure the outstanding balance owed following notice  
12 of such failure and a right to cure within 10 business days.

13           99.     As a result of BCP 7's and Padgett's failure to pay the Initial Payment and  
14 Monthly Payments in full, including the first Monthly Payment, there has not been a valid  
15 transfer of the Terry Interest to BCP 7.

16           100.    Notwithstanding the fact that the Terry Interest was never properly transferred to  
17 BCP 7, in an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration, Padgett  
18 purported to dismiss "all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry  
19 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark  
20 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with  
21 prejudice."

22           101.    Not only did CWNevada never make or assert any claims related to the  
23 Arbitration, the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady  
24 and Mohajer to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, and  
25 then immediately attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett  
26 paying the agreed consideration.

27           **Amendment to Membership Interest Purchase Agreement**

28           102.    At or about the same time Padgett, NuVeda, Bady and Mohajer were conspiring

1 together to defraud Terry of the Terry Interest, CWNevada, NuVeda, Clark NMSD and Nye  
2 Natural entered into an Amendment to Membership Interest Purchase Agreement (the "MIPA  
3 Amendment").

4 103. The MIPA Amendment is dated the 2<sup>nd</sup> day of July, 2018 and provides in part  
5 that the licenses identified in the MIPA are to be transferred to a new manager-managed Nevada  
6 limited liability company defined as CWNV1 in place of CWNV as originally designated.

7 104. All references to CWNV in the MIPA were replaced and substituted with  
8 CWNV1.

9 105. The MIPA Amendment further provided that the parties agreed the Production  
10 license, Reference # 91604693916166507699 would remain with Nye Natural.

11 106. As set forth above, on or about July 3, 2018, Amanda Connor, purportedly  
12 writing on behalf of Clark NMSD, Nye Natural and CWNevada, submitted a transfer of  
13 ownership request with regards to the interest in the licenses with application IDs C166, D186  
14 and D187.

15 107. However, it does not appear that this transfer of ownership request was ever  
16 processed.

17 **Second Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye**  
18 **Licenses**

19 108. Then, on July 5, 2018, Clark NMSD, Nye Natural, Percelt, LLC ("Percelt") and  
20 CWNevada entered into a second Purchase and Sale Agreement for Remaining 35 Percent of  
21 Clark and Nye Licenses (the "Second Purchase Agreement").

22 109. The Second Purchase Agreement is substantively similar to the First Purchase  
23 Agreement with the notable exception that payments are to be made to Percelt and CWMV1 is  
24 substituted for CWNV.

25 110. The Second Purchase Agreement provides in part that in exchange for NuVeda  
26 selling the remaining 35% of its interest in CWNV1 to CWNevada, CWNevada would increase  
27 the consideration paid to Percelt from that contemplated under the MIPA to a total monthly  
28 payment of 2.625% of the gross sales of CWNevada, subject to a minimum payment of

1 \$235,870.00 per month.

2 111. The parties to the Second Purchase Agreement “acknowledge[d] that the joint  
3 application for the transfer of ownership of the NuVeda Licenses to CWNV1 must be submitted  
4 to the State of Nevada, Department of Taxation immediately for review and approval and the  
5 Parties further acknowledge that the intent of the [First Purchase Agreement was] to effectuate a  
6 100 percent ownership of the NuVeda Licenses in [CWNV1] and NuVeda owners shall then  
7 remove themselves as listed owners of record on these licenses. If the transfer of the NuVeda  
8 Licenses to CWNV is not completed within 45 days of submittal, payment to Percelt shall be  
9 held in abeyance until the NuVeda Licenses transfer to CWNV1 ownership.”

10 **Addendum to Purchases and Sale Agreement for the Remaining 35 Percent of the**  
11 **Clark and Nye Licenses**

12 112. Also on or about July 5, 2018, CWNevada, NuVeda, Clark NMSD, Nye Natural,  
13 NMSD, CWNV1, Percelt, LLC (“Percelt”) and 2113 Investors, LLC (“2113 Investors”) entered  
14 into an Addendum to Purchases and Sale Agreement for the Remaining 35 Percent of the Clark  
15 and Nye Licenses (“April 17, 2018 Agreement”) (the “July 5, 2018 Addendum”).

16 113. The July 5, 2018 Addendum provides, among other things, that the MIPA  
17 contemplated the transfer of 100% of Nye Natural to CWNV1. Subsequently, the parties agreed  
18 that the Nye Natural Production license, Reference # 91604693916166507699 would remain  
19 with Nye Natural.

20 **Acts of Self-Dealing and other Misconduct**

21 114. The partnership between CWNevada and NuVeda remained intact until an  
22 arbitration award was entered in favor of 4Front Advisor’s LLC (“4Front”) on or about  
23 November 27, 2018 against CWNevada in the sum of \$4,987,092.09 and against NuVeda in the  
24 sum of \$3,741,803.92.

25 115. The 4Front arbitration award was confirmed as a final judgment on or about  
26 March 14, 2019.

27 116. During the arbitration with 4Front, CWNevada and NuVeda entered into a  
28 Stipulation of Uncontested Facts (“Stipulation”) with 4Front, which among other things,

1 provided that “[t]he Membership Interest Purchase Agreement (“MIPA”<sup>0</sup> [J-249] was executed  
2 on December 6, 2015” and ... “is still in effect.”

3 117. The Stipulation further provided that neither NuVeda nor CWNevada had  
4 “breached the MIPA.”

5 118. Following the entry of the final judgment in favor of 4Front, Bady, Mohajer and  
6 Kennedy, individually and at times through NuVeda or other entities, engaged in fraudulent acts  
7 of self-dealing and other acts of misconduct that constituted a breach of their legal duties.

8 119. On April 2, 2019, Bady, Kennedy and Mohajer commenced a lawsuit against  
9 NuVeda and entered a confession of judgment for \$1,114,257.12 to their individual benefit  
10 against NuVeda without opposition.

11 120. Bady, acting without authority and contrary to the provisions of the CWNV  
12 Operating Agreement, purportedly dissolved CWNV on or about May 17, 2019.

13 121. At the time of the purported dissolution, Bady was not and had not been a  
14 manager of CWNV since February 7, 2018.

15 122. Further, the CWNV Operating Agreement provides in part that “[t]he Company  
16 shall be dissolved upon the occurrence of the following events ... (ii) By the unanimous written  
17 agreement of all Members ...”

18 123. CWNevada did not enter any written agreement for the dissolution of CWNV or  
19 CWNV1.

20 124. Since the purported dissolution, Bady and NuVeda have represented that  
21 NuVeda is serving in the role as trustee over CWNV.

22 125. In that self-appointed role, NuVeda and Bady have breached the terms of the  
23 CWNV Operating Agreement by, among other things,

- 24 a. Acting in the role of the Manager of CWNV without authority;
- 25 b. Failing to obtain and provide an accounting made by CWNV’s  
26 independent accountants of the CWNV’s accounts, assets, liabilities and operations;
- 27 c. Failing to allocate any profit or loss resulting from any sale of CWNV’s  
28 assets to the Members;

1           d.     Failing to discharge the liabilities of CWNV; and

2           e.     If assets or funds remain after discharging all liabilities, failing to  
3     distribute such assets and funds to the Members and/or Economic Interest Owners.

4     126.    Upon information and belief, CWNV1 has also been dissolved.

5     127.    Upon information and belief, Kennedy commingled CWNV funds with those of  
6     his own companies, Blakely Environmental, Panda Trading Inc., Glad 2B Home LLC, Joval  
7     LLC, NV Industrial LLC, 2113 Investors LLC, and FM1788 LLC, and has failed, despite  
8     request, to properly account for the CWNV funds.

9     128.    In addition, on or about March 17, 2017, CWNevada entered into a 301 Oxbow  
10    Avenue, Unit 14 Pahrump, Nevada 89048 Lease (the "Oxbow Lease") with the Eugene & Nelda  
11    Fay Toy Trust as landlord for Oxbow Unit 14.

12    129.    On June 28, 2017, Nye County issued its administrative approval of a  
13    "Recreational Marijuana Establishment License" to CWNevada for production at Oxbow Unit  
14    14.

15    130.    On June 13, 2019, the Temporary Receiver Order was entered, which provided,  
16    among other things in paragraph 20 that, "[n]o landlord or lessor may terminate any lease or  
17    commence or continue any eviction related to actions connected with the Receivership Estate  
18    without prior order of this Court."

19    131.    Later that same day, Nye Natural represented itself to be CWNevada's landlord,  
20    and in violation of the Temporary Receiver Order, caused an eviction order to be issued against  
21    CWNevada.

22    132.    Subsequently, on or about June 18, 2019, NuVeda's office manager, Sandy  
23    Kindler, acting at the direction of Bady, further violated the Temporary Receiver Order by  
24    having a locksmith change the locks to CWNevada's Oxbow Unit 14.

25    133.    Later that same day, the Receiver was provided only limited and supervised  
26    access to Oxbow Unit 14.

27    134.    The Receiver's agents were permitted to take photographs of the unit but were  
28    not allowed to remove anything. It appeared as if computers and a server had already been

1 removed.

2 135. Since allowing the inspection, NuVeda has continued to lock the Receiver from  
3 Oxbow Unit 14 in violation of the Temporary Receivership Order.

4 136. In further violation of the Temporary Receivership Order, Bady and NuVeda  
5 have continued to misrepresent that the Oxbow Lease was with Nye Natural and that  
6 CWNevada had been evicted from the property.

7 137. Plaintiffs have been advised by multiple individuals involved in Clark Natural  
8 and Clark NMSD that they claim an ownership interest in those licenses and that Bady and  
9 NuVeda are now minority partners.

10 138. Plaintiffs have also been advised that NuVeda has agreed to sell marijuana  
11 licenses to undisclosed third parties, including the licenses that were to be transferred to CWNV  
12 (substituted with CWNV1) including D186, D187, and CI66.

13 139. Members of Urban Leaf from San Diego have purportedly invested millions of  
14 dollars into NuVeda in exchange for operational control of the dispensaries, although a  
15 significant amount of that funding was purported to settle NuVeda's judgment owed to 4Front  
16 Advisors.

17 140. Upon information and belief, the interest in the cultivation and production  
18 licenses owned by Clark Natural have been all or in part sold to other investors associated with  
19 Solaris Farms and their associates.

20 141. During the original purchase of NuVeda's North Las Vegas dispensary on 2113  
21 N Las Vegas Blvd, NuVeda had entered a purchase agreement with the City of North Las Vegas  
22 to acquire the property.

23 142. Goldstein, then a member and NuVeda's general counsel, was working with the  
24 City to finalize the purchase when Bady provided Mohajer signing authority to usurp the  
25 opportunity from NuVeda and purchase the property under an entity owned by himself and  
26 Kennedy named 2113 Investors.

27 143. This transaction was not disclosed or approved by NuVeda members.

28 144. Subsequently 2113 Investors acquired NuVeda's 3<sup>rd</sup> St property in the City of



1 Las Vegas, and Bady unilaterally began to negotiate lease terms directly with Kennedy, his  
2 partner in 2113 Investors and at the time an unvested member in NuVeda.

3 145. Existing NuVeda members as well as another attorney who was hired as the  
4 Director of Operations raised major issues about the lease terms that enriched 2113 Investors at  
5 the detriment of NuVeda.

6 146. Bady attempted to force NuVeda members to vote on a security pledge that was  
7 specifically prohibited by the State, and if enacted would have given Bady and Kennedy control  
8 over NuVeda's licenses.

9 147. When Bady's actions of self-dealing were raised by NuVeda members, he  
10 claimed to divest himself of any interest in 2113 Investors, removed himself as an owner on the  
11 Nevada Secretary of State website and continued to negotiate the leases with Kennedy claiming  
12 he was no longer an interested party.

13 148. However, during the Arbitration, it was revealed that Bady had misrepresented  
14 his ownership interest, and without disclosing it to NuVeda members, had secretly executed a  
15 repurchase agreement that allowed him to repurchase 50% of 2113 Investors for \$0.01.

16 149. On March 27, 2019, NuVeda entered a Confession of judgement in the amount  
17 of \$1,462,3000 in favor of 2113 Investors in Eighth Judicial District Court case number A-15-  
18 727383-C related to a Settlement and Reorganization Agreement dated February 16, 2018,  
19 which references: (a) the formation of CWNV; a settlement between NuVeda and 2113  
20 Investors dated March 7, 2016; and (c) NuVeda entering into a promissory note in favor of 2113  
21 Investors to be secured by NuVeda's interest in CWNV.

22 150. Based upon information and belief, the March 7, 2016 settlement with 2113  
23 Investors arose out of 2113 Investors' requirement to get insurance on the building for  
24 NuVeda's 3<sup>rd</sup> Street dispensary per the lease agreement (that Bady negotiated with Kennedy),  
25 but 2113 Investors failed to have it in place when the building collapsed so 2113 Investors  
26 threatened NuVeda with a claim.

27 151. The building was rebuilt by CWNevada, so NuVeda (or 2113 Investors) never  
28 paid for the construction yet still benefited

152. The 2113 Investors filed a claim against NuVeda for the loss of rent and damage (even though it was rebuilt using CW Nevada funds, which likely increased property value.

### FIRST CLAIM FOR RELIEF

**(“Declaratory Relief – All Plaintiffs against All Defendants”)**

153. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 152 of this Complaint and incorporates the same herein by reference as though fully set forth.

154. Under NRS 3040(1), “[a]ny person interested under a deed, written contract or other writings constituting a contract ... may have determined any question of construction or validity arising under the instrument ... and obtain a declaration of rights, status or other legal relations thereunder.”

155. Actual controversies have arisen and now exist between the Receiver Plaintiff and Defendants NuVeda, Clark NMSD and Nye Natural regarding the parties respective legal rights and obligations under the Membership Interest Purchase Agreement, the First Purchase Agreement, the Amendment to Membership Interest Purchase Agreement, the Second Purchase Agreement and the July 5, 2018 Addendum, the respective legal rights and obligations under the agreements and with all Defendants regarding the ownership of CWNV, CWNV1, the purported dissolution of CWNV and CWNV1, and the licenses owned by each and/or those licenses allegedly owned by or previously owned by NuVeda, Clark NMSD and/or Nye Natural.

156. Actual controversies have arisen and now exist between Plaintiff Terry and Defendants BCP 7 and Padgett regarding the validity of the Purchase Agreement, the respective legal rights and obligations under the Purchase Agreement, and with all Defendants regarding the ownership of the Terry Interest.

157. Actual controversies have arisen and now exist between Plaintiff Ivy and Defendants regarding the validity of the Ivey Letter Agreement, the respective legal rights and obligations under the Ivey Letter Agreement, and with all Defendants regarding the ownership of the Ivey Interest.

158. Plaintiffs are entitled to a declaration of the rights and obligations of the parties

1 and specifically seek a judgment declaring that (i) the Membership Interest Agreement is valid  
2 and enforceable, (ii) the First Purchase Agreement is valid and enforceable, (iii) the Amendment  
3 to Membership Interest Purchase Agreement is valid and enforceable, (iv) the Second Purchase  
4 Agreement is valid and enforceable, (v) the July 5, 2018 Addendum is valid and enforceable,  
5 (vi) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada law or their  
6 respective operating agreements, (vii) CWNV or CWNV1 owns 100% of the membership  
7 interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey  
8 Interest, (viii) CWNevada owns 100% of the issued and outstanding membership interest in  
9 CWNV and/or CWNV1, except for the Nye Natural Production License that was to remain with  
10 Nye Natural, (ix) the Terry Purchase Agreement is null and void resulting from a fraud in the  
11 inducement and for a complete failure of consideration, (x) the Terry Interest was never  
12 transferred to BCP 7 or any other entity, (xi) Plaintiff Terry is the sole and only owner of the  
13 Terry Interest, (xii) the Ivey Letter Agreement is valid and enforceable, (xiii) the Ivey Interest  
14 was never transferred, and (xiv) Plaintiff Ivey is the sole and only owner of the Ivey Interest.

## 15 **SECOND CLAIM FOR RELIEF**

### 16 **(“Breach of Contract – the Receiver Plaintiff against NuVeda, Clark NMSD and Nye** 17 **Natural Defendants”)**

18 159. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
19 through 158 of this Complaint and incorporate the same herein by reference as though fully set  
20 forth.

21 160. NuVeda as “Transferor”, together with Clark NMSD and Nye Natural, and  
22 CWNevada as “Transferee” and CWNV, and additional parties, including Percelt and the 2113  
23 Investors, entered into a series of agreements (collectively, the Transfer Agreements”),  
24 including the Membership Interest Purchase Agreement, the First Purchase Agreement, the  
25 Amendment to MIPA, the Second Purchase Agreement and the July 5, 2018 Addendum,  
26 whereby NuVeda agreed to sell 100% of the membership interest it owned in Clark NMSD and  
27 Nye Natural to CWNV (substituted with CWNV1) for certain specified consideration and on  
28 specific terms.

161. The Transfer Agreements are valid and binding contracts.

162. NuVeda, Clark NMSD and Nye Natural breached the Transfer Agreements by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1), (ii) failing to transfer 100% of the ownership interest in CWNV (substituted with CWNV1) to CWNevada, and (iii) selling or attempting to sell all or part of licenses transferred to CWNV (substituted with CWNV1) .

163. NuVeda, Clark NMSD and Nye Natural's breach of the Transfer Agreements was not waived, suspended or otherwise excused.

164. As a direct and proximate result of the breach of the Transfer Agreements and wrongful conduct of NuVeda, Clark NMSD and Nye Natural, the Receiver Plaintiff has suffered damages in an amount more than \$15,000.00.

165. Plaintiffs have been required to retain counsel to prosecute this matter and is entitled to recover its reasonable attorney's fees and costs of this action.

### THIRD CLAIM FOR RELIEF

**(“Breach of the Covenant of Good Faith and Fair Dealing – the Receiver Plaintiff against NuVeda, Clark NMSD and Nyc Natural Defendants”)**

166. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 165 of this Complaint and incorporate the same herein by reference as though fully set forth.

167. Every contract in Nevada, including the Transfer Agreements, imposes upon the contracting parties the duty of good faith and fair dealing.

168. NuVeda, Clark NMSD and Nye Natural owed CWNevada a duty of good faith and fair dealing.

169. NuVeda, Clark NMSD and Nye Natural breached the duty of good faith and fair dealing when they performed in a manner that was unfaithful to the purpose of the Transfer Agreements by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1), (ii)

1 failing to transfer 100% of the ownership interest in CWNV (substituted with CWNV1) to  
2 CWNevada, and (iii) selling or attempting to sell all or part of licenses transferred to CWNV  
3 (substituted with CWNV1) .

4 170. As a direct and proximate result of the wrongful conduct of Defendants NuVeda,  
5 Clark NMSD and Nye Natural, CWNevada has been damaged in an amount more than  
6 \$15,000.00.

7 171. Plaintiffs have been required to retain counsel to prosecute this matter and are  
8 entitled to recover its reasonable attorney's fees and costs of this action.

#### 9 **FOURTH CLAIM FOR RELIEF**

##### 10 **("Rescission of Purchase Agreement for Fraud in the Inducement and/or Failure of** 11 **Consideration – Plaintiff Terry against Defendants BCP 7 and Padgett")**

12 172. Plaintiff Terry repeats and realleges each and every allegation contained in  
13 paragraphs 1 through 171 of this Complaint and incorporates the same herein by reference as  
14 though fully set forth.

15 173. The failure of BCP 7 and Padgett to pay the agreed upon consideration set forth  
16 in the Purchase Agreement renders the Purchase Agreement null and void for a complete failure  
17 of consideration.

18 174. Moreover, in or about April 2018, prior to Plaintiff Terry entering into the  
19 Purchase Agreement, Padgett represented that BCP 7 and he had the ability to and would pay  
20 the agreed consideration set forth in the Purchase Agreement.

21 175. Plaintiff Terry relied on Padgett's representations regarding the payment of the  
22 consideration in agreeing to the terms of the Purchase Agreement.

23 176. Based upon the assurances and in reliance on the statements made by Padgett,  
24 Plaintiff Terry executed the Purchase Agreement.

25 177. When those representations were made, Padgett knew or should have known  
26 them to be false as he did not have an ability to pay the agreed consideration, having failed to  
27 even pay the entire Initial Payment, and instead, was forced to seek multiple extensions of the  
28 Initial and Monthly Payments.

178. Plaintiff Terry advised BCP 7 and Padgett of his rescission of the Purchase Agreement, and the grounds therefor.

179. Plaintiff Terry received no benefit from the execution of the Purchase Agreement, and therefore, there is no benefit to return to BCP 7 and/or Padgett.

180. Plaintiff Terry has no adequate remedy at law to regain and/or confirm his ownership of the Terry Interest.

181. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover its reasonable attorney's fees and costs of this action

## FIFTH CLAIM FOR RELIEF

**(“In the alternative, Breach of Contract – Plaintiff Terry against Defendants BCP 7 and Padgett”)**

182. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 181 of this Complaint and incorporate the same herein by reference as though fully set forth.

183. Plaintiff Terry and BCP 7 entered into the Purchase Agreement whereby BCP 7 agreed to purchase the Terry Interest from Plaintiff Terry for certain specified consideration and on specific terms.

184. The Purchase Agreement was guaranteed by Defendant Padgett.

185. BCP 7 and Padgett breached their obligations under the Purchase Agreement, by failing, among other things, to pay the agreed consideration for the Terry Interest.

186. BCP 7's and Padgett's breach of the Purchase Agreement was not waived, suspended or otherwise excused.

187. As a direct and proximate result of the breach of the Purchase Agreement and wrongful conduct of BCP 7 and Padgett, Plaintiff Terry has suffered damages in an amount more than \$15,000.00.

188. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover its reasonable attorney's fees and costs of this action.

1 **SIXTH CLAIM FOR RELIEF**

2 **("In the alternative, Breach of the Covenant of Good Faith and Fair Dealing – Plaintiff**  
3 **Terry against Defendants BCP 7 and Padgett")**

4 189. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
5 through 188 of this Complaint and incorporate the same herein by reference as though fully set  
6 forth.

7 190. Every contract in Nevada imposes upon the contracting parties the duty of good  
8 faith and fair dealing.

9 191. Defendants BCP 7 and Padgett owed Plaintiff Terry a duty of good faith and fair  
10 dealing.

11 192. Defendants BCP 7 and Padgett breached the duty of good faith and fair dealing  
12 when they performed in a manner that was unfaithful to the purpose of the Purchase Agreement  
13 and to the justified expectations of Plaintiff Terry by failing, among other things, to pay the  
14 agreed consideration for the Terry Interest.

15 193. As a direct and proximate result of the wrongful conduct of Defendants BCP 7  
16 and Padgett, Plaintiff Terry has been damaged in an amount more than \$15,000.00.

17 194. Plaintiff Terry has been required to retain counsel to prosecute this matter and is  
18 entitled to recover its reasonable attorney's fees and costs of this action.

19 **SEVENTH CLAIM FOR RELIEF**

20 **("Breach of Contract – Plaintiff Ivey against Defendant NuVeda, Nye Natural and Clark**  
21 **Natural")**

22 195. Plaintiffs hereby repeat and reallege each and every allegation contained in  
23 paragraphs 1 through 194 of this Complaint and incorporate the same herein by reference as  
24 though fully set forth.

25 196. The Ivey Letter Agreement is a valid and enforceable contract.

26 197. Plaintiff Ivey fully performed under the Ivey Letter Agreement by executing the  
27 Letter of Commitment on August 17, 2014.

28 198. As a result, and due to a subsequent transfer, Plaintiff Ivey owns a three percent

1 (3%) ownership interest in Nye Natural and Clark Natural.

2 199. Upon information and belief, Plaintiff Ivey believes and alleges that NuVeda  
3 and/or its subsidiaries, Nye Natural and Clark Natural have transferred or attempted to transfer  
4 the Ivey Interest without his knowledge and consent.

5 200. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff  
6 Ivey has suffered damages in an amount in excess of \$15,000.00.

7 201. Plaintiff Ivey has been required to retain counsel to prosecute this matter and is  
8 entitled to recover his reasonable attorney's fees and costs of this action.

9 **EIGHTH CLAIM FOR RELIEF**

10 **("Breach of the Covenant of Good Faith and Fair Dealing – Plaintiff Ivey against**  
11 **Defendant NuVeda, Nye Natural and Clark Natural")**

12 202. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
13 through 201 of this Complaint and incorporate the same herein by reference as though fully set  
14 forth.

15 203. Every contract in Nevada imposes upon the contracting parties the duty of good  
16 faith and fair dealing.

17 204. Defendants NuVeda, Nye Natural and Clark Natural owed Plaintiff Ivey a duty  
18 of good faith and fair dealing, specifically including but not limited to recognizing his three  
19 percent (3%) ownership interest in Nye Natural and Clark Natural and to not transfer nor  
20 attempt to transfer the Ivey Interest without Plaintiff Ivey's knowledge and consent.

21 205. Defendants NuVeda, Nye Natural and Clark Natural breached the duty of good  
22 faith and fair dealing when they performed in a manner that was unfaithful to the purpose of the  
23 Ivey Letter Agreement and to the justified expectations of Plaintiff Ivey by purportedly  
24 transferring the Ivey Interest without Plaintiff Ivey's knowledge and consent.

25 206. As a direct and proximate result of the wrongful conduct of Defendants NuVeda,  
26 Nye Natural and Clark Natural, Plaintiff Ivey has been damaged in an amount more than  
27 \$15,000.00.

28 207. Plaintiff Ivey has been required to retain counsel to prosecute this matter and is



1 entitled to recover its reasonable attorney's fees and costs of this action

2 **NINTH CLAIM FOR RELIEF**

3 **("Unjust Enrichment – Plaintiffs against NuVeda, Bady, Mohajer and Kennedy**  
4 **Defendants")**

5 208. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
6 through 207 of this Complaint and incorporate the same herein by reference as though fully set  
7 forth.

8 209. Unjust enrichment occurs whenever a party has retained a benefit which in  
9 equity and good conscience belongs to another.

10 210. NuVeda and its members, including Bady, Mohajer and Kennedy have benefitted  
11 separately and individually from the construction of the Downtown Dispensary and North Las  
12 Vegas Dispensary through the use of CWNevada funds.

13 211. Upon information and belief, NuVeda and its members, including Bady, Mohajer  
14 and Kennedy have also benefitted separately and individually from the wrongful sale of all or  
15 part of the licenses in Clark Natural, Clark NMSD and Nye Natural.

16 212. The benefit of the foregoing actions properly belongs to Plaintiffs.

17 213. As a direct and proximate result of the foregoing wrongful conduct, Plaintiffs  
18 have suffered damages in an amount in excess of \$15,000.00.

19 214. Plaintiffs have been required to retain counsel to prosecute this matter and is  
20 entitled to recover his reasonable attorney's fees and costs of this action.

21 **TENTH CLAIM FOR RELIEF**

22 **("Accounting – Plaintiffs against NuVeda, Bady, Mohajer and Kennedy Defendants")**

23 215. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
24 through 214 of this Complaint and incorporate the same herein by reference as though fully set  
25 forth.

26 216. The right to an accounting has been long recognized in disputes among members  
27 in limited liability companies or during the dissolution thereof.

28 217. In the self-anointed role as trustee of CWNV (substituted with CWNV1),

1 NuVeda and Bady owed a duty to CWNevada to account for CWNV's and/or CWNV1's assets,  
2 liabilities and operations, including any profit or loss resulting from any sale of CWNV's and/or  
3 CWNV1's assets, and after discharging all liabilities, to distribute any remaining assets and  
4 funds to CWNevada.

5 218. Moreover, the CWNV Operating Agreement requires an accounting upon the  
6 alleged dissolution of CWNV.

7 219. Similarly, NuVeda, Bady Mohajer and Kennedy owed a duty to CWNevada,  
8 Terry and Ivey to account for any profit or loss resulting from the wrongful sale of all or part of  
9 the licenses in Clark Natural, Clark NMSD and Nye Natural.

10 220. In addition, Kennedy owed a duty to CWNevada to account for the CWNV funds  
11 he commingled with those of his own companies.

12 221. Plaintiffs have been required to retain counsel to prosecute this matter and are  
13 entitled to recover their reasonable attorney's fees and costs of this action

#### 14 **ELEVENTH CLAIM FOR RELIEF**

#### 15 **("Violation of 225.084 – Plaintiffs against NuVeda, Bady, Mohajer and Kennedy** 16 **Defendants")**

17 222. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
18 through 221 of this Complaint and incorporate the same herein by reference as though fully set  
19 forth.

20 223. NRS 225.084 provides in part:

21 1. A person shall not willfully file, promote the filing of, or cause to  
22 be filed, or attempt or conspire to file, promote the filing of, or cause to be  
23 filed, any record in the Office of the Secretary of State if the person has  
actual knowledge that the record:

- 24 (a) Is forged or fraudulently altered;
- 25 (b) Contains a false statement of material fact; or
- 26 (c) Is being filed in bad faith or for the purpose of harassing or  
defrauding any person.

27 2. Any person who violates this section is liable in a civil action  
brought pursuant to this section for:

- 28 (a) Actual damages caused by each separate violation of this  
section or \$10,000 for each separate violation of this section,  
whichever is greater;

(b) All costs of bringing and maintaining the action, including investigative expenses and fees for expert witnesses;

(c) Reasonable attorney's fees; and

(d) Any punitive damages that the facts may warrant.

3. A civil action may be brought pursuant to this section by:

(a) Any person who is damaged by a violation of this section, including, without limitation, any person who is damaged as the result of an action taken in reliance on a record filed in violation of this section; or ...

224. NuVeda, Clark NMSD, Clark Natural and Nye Natural, by and through Bady and Mohajer, failed to follow Nevada law and knowingly misrepresented the information submitted to the State of Nevada regarding the ownership of NuVeda, Clark NMSD, Clark Natural and Nye Natural and the licenses owned by each.

225. As a result, Clark NMSD, Clark Natural and Nye Natural, Bady and Mohajer are liable to Plaintiffs for the actual damages for each violation or \$10,000 for each separate violation, whichever is greater.

226. As a direct and proximate result of the foregoing wrongful conduct, Plaintiffs have suffered damages in an amount in excess of \$15,000.00.

227. In addition, the conduct of NuVeda, Clark NMSD, Clark Natural and Nye Natural, by and through Bady and Mohajer, was intentionally done to injure Plaintiffs with a willful and conscious disregard for Plaintiff's rights, constituting oppression, fraud and/or malice.

228. In addition to compensatory damages, Plaintiffs are entitled to recover punitive damages for the sake of example and by way of punishing Defendants to deter similar conduct in the future.

229. Plaintiffs have been required to retain counsel to prosecute this matter and are entitled to recover their reasonable attorney's fees and costs of this action.

#### **TWELTH CLAIM FOR RELIEF**

##### **("Breach of Fiduciary Duty – Receiver Plaintiff against Defendant Padgett")**

230. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 229 of this Complaint and incorporate the same herein by reference as though fully set forth.

1           231.   CWNevada is a manager managed limited liability company.

2           232.   Since its formation, Padgett served as a manager of CWNevada until the  
3 Receiver was appointed on or about June 13, 2019.

4           233.   During his tenure as manager, Padgett engaged in intentional misconduct  
5 designed to and which did cause damage to CWNevada.

6           234.   Padgett's misconduct, includes but is not limited to the following:

7               a.    Failing and refusing to cooperate with an investigation or inspection by  
8 the Marijuana Enforcement Division of the Department of Taxation, State of Nevada  
9 (the "Department");

10              b.    Intentionally destroying and/or concealing evidence;

11              c.    Intentionally making false statements to the Department in e-mails and  
12 METRC data;

13              d.    Transporting and storing marijuana and/or marijuana products from an  
14 unlicensed source;

15              e.    Storing or delivering unapproved marijuana product;

16              f.    Picking up, unloading and/or delivering marijuana at an unauthorized  
17 location;

18              g.    Intentionally failing to pay Retail Marijuana Tax to the Department;

19              h.    Failing to pay Sales and Use Tax to the Department;

20              i.    Failing to submit sale reports to the Department;

21              j.    Failing to pay Modified Business Tax to the Department;

22              k.    Failing to pay Wholesale Marijuana Tax to the Department;

23              l.    Failing to maintain required records, including seed-to-sale tracking  
24 requirements;

25              m.    Selling marijuana products that were not in METRC and products that  
26 did not have certificates of analysis before consumer purchase; and

27              n.    Failing to tag plants and/or marijuana product.

28           235.   By engaging in the misconduct outlined above, Padgett caused the Department to

1 file an administrative proceeding against Padgett and CWNevada to consider the allegations  
2 arising from Padgett's misconduct and to determine the disciplinary action to be imposed upon  
3 both.

4 236. Padgett's conduct subjected CWNevada to disciplinary action by the  
5 Department, which risked the revocation of ten (10) of CWNevada's fourteen (14) licenses and  
6 \$2.2 million in civil penalties.

7 237. The Receiver has negotiated a settlement, subject to approval by the  
8 Receivership Court and the Cannabis Compliance Board, reducing the revocation to six (6) of  
9 CWNevada's licenses and \$1.25 million in civil penalties, but the damage caused by Padgett to  
10 CWNevada remains.

11 238. In addition, Padgett failed to pay CWNevada employees approximately  
12 \$300,000.00 in wages, which caused the Labor Commissioner to fine CWNevada an additional  
13 \$700,000.00.

14 239. Padgett's misconduct subjected CWNevada to judgments in favor of 4Front and  
15 Cima, which included attorney's fees, costs, and in the case of Cima, an injunction preventing  
16 CWNevada from manufacturing or selling marijuana gummies similar to Cima's marijuana  
17 gummies.

18 240. Padgett failed to convert Series A and Series B investors into equity, which  
19 resulted in millions of dollars of claims, including penalties of 1.5 to 3 times the original  
20 investment amounts.

21 241. The claims filed in the Receivership case exceeded \$200,000,000.00, including  
22 attorney's fees and penalties, would not have been incurred but for Padgett's misconduct.

23 242. Padgett's conduct was intentionally done to injure CWNevada with a willful and  
24 conscious disregard for Plaintiff's rights, constituting oppression, fraud and/or malice.

25 243. In addition to compensatory damages in an amount in excess of millions of  
26 dollars, Plaintiff is entitled to recover punitive damages for the sake of example and by way of  
27 punishing Padgett to deter similar conduct in the future.

28 244. Plaintiff has been required to retain counsel to prosecute this matter and are

1 entitled to recover their reasonable attorney's fees and costs of this action.

## 2 **THIRTEENTH CLAIM FOR RELIEF**

### 3 **("Injunctive Relief – Plaintiffs against All Defendants")**

4 245. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
5 through 244 of this Complaint and incorporate the same herein by reference as though fully set  
6 forth.

7 246. As set forth above, Defendants have engaged, in concert, in extensive acts of  
8 self-dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise  
9 dispose of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV  
10 and/or CWNV1.

11 247. Plaintiffs have a reasonable likelihood of success on the merits of their claims for  
12 relief and will suffer irreparable harm absent the entry of injunctive relief.

13 248. Accordingly, Plaintiffs are entitled to injunctive relief preventing Defendants  
14 from selling, transferring, pledging or otherwise disposing of any interest in NuVeda, Clark  
15 NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1 pending further court order.

16 249. Plaintiffs have been required to retain counsel to prosecute this matter and are  
17 entitled to recover their reasonable attorney's fees and costs of this action.

## 18 **FOURTEENTH CLAIM FOR RELIEF**

### 19 **("Appointment of Receiver – Plaintiffs against Defendant NuVeda")**

20 250. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
21 through 249 of this Complaint and incorporate the same herein by reference as though fully set  
22 forth.

23 251. The appointment of a receiver to maintain assets relating property in conjunction  
24 with a contractual dispute is consistent with the proper use of a receiver in Nevada.

25 252. The appointment of a receiver is proper where it is shown that property is in  
26 danger of being lost, removed or materially injured.

27 253. In addition, the appointment of a receiver in situations involving fraud, gross  
28 mismanagement or where the assets of an entity are in danger of waste.

254. As set forth above, Defendants have engaged, in concert, in extensive acts of self-dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise dispose of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNVI.

255. Plaintiffs are entitled to the appointment of a receiver over NuVeda, and all of its business interests, including any interest it may have or assert in Clark NMSD, Nye Natural, Clark Natural, CWNV and CWNV1.

256. Plaintiffs have been required to retain counsel to prosecute this matter and are entitled to recover their reasonable attorney's fees and costs of this action.

## PRAYER

WHEREFORE, Plaintiff prays this Court enter its judgment against Defendants, and each of them, jointly and severally as follows:

1) For a declaratory judgment against all Defendants that (i) the Membership Interest Agreement is valid and enforceable, (ii) the First Purchase Agreement is valid and enforceable, (iii) the Amendment to Membership Interest Purchase Agreement is valid and enforceable, (iv) the Second Purchase Agreement is valid and enforceable, (v) the July 5, 2018 Addendum is valid and enforceable, (vi) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada law or their respective operating agreements, (vii) CWNV or CWNV1 owns 100% of the membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey Interest, (viii) CWNevada owns 100% of the issued and outstanding membership interest in CWNV and/or CWNV1, except for the Nye Natural Production License that was to remain with Nye Natural, (ix) the Terry Purchase Agreement is null and void resulting from a fraud in the inducement and for a complete failure of consideration, (x) the Terry Interest was never transferred to BCP 7 or any other entity, (xi) Plaintiff Terry is the sole and only owner of the Terry Interest, (xii) the Ivey Letter Agreement is valid and enforceable, (xiii) the Ivey Interest was never transferred, and (xiv) Plaintiff Ivey is the sole and only owner of the Ivey Interest;

2) For a preliminary injunction preventing Defendants from selling, transferring,

pledging or otherwise disposing of any interest in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1 pending further court order;

3) For damages in an amount more than \$15,000.00 in favor of the Receiver against NuVeda, Clark NMSD and Nye Natural on the Second Claim for Relief;

4) For damages in an amount more than \$15,000.00 in favor of the Receiver against NuVeda, Clark NMSD and Nye Natural on the Third Claim for Relief;

5) For Rescission of the Terry Purchase Agreement in favor of Plaintiff Terry and against Defendants BCP 7 and Padgett on the Fourth Claim for Relief;

6) In the alternative, for damages in an amount more than \$15,000.00 in favor of Plaintiff Terry and against Defendants BCP 7 and Padgett on the Fifth Claim for Relief;

7) In the alternative, for damages in an amount more than \$15,000.00 in favor of Plaintiff Terry and against Defendants BCP 7 and Padgett on the Sixth Claim for Relief;

8) For damages in an amount more than \$15,000.00 in favor of Plaintiff Ivey against NuVeda, Clark Natural and Nye Natural on the Seventh Claim for Relief;

9) For damages in an amount more than \$15,000.00 in favor of Plaintiff Ivey against NuVeda, Clark Natural and Nye Natural on the Eighth Claim for Relief;

10) For damages in an amount more than \$15,000.00 in favor of Plaintiffs against NuVeda, Bady, Mohajer and Kennedy on the Ninth Claim for Relief

11) For an Accounting in favor of Plaintiffs against NuVeda, Bady, Mohajer and Kennedy on the Tenth Claim for Relief;

12) For compensatory damages in an amount more than \$15,000.00 and punitive damages in favor of Plaintiffs against NuVeda, Bady, Mohajer and Kennedy on the Eleventh Claim for Relief;

13) For compensatory damages in an amount more than \$15,000.00 and punitive damages in favor of the Receiver against Padgett on the Twelfth Claim for Relief

14) For injunctive relief preventing Defendants from selling, transferring, pledging or otherwise disposing of any interest in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1 pending further court order;



15) For the appointment of a receiver over NuVeda, and all of its business interests, including any interest it may have or assert in Clark NMSD, Nye Natural, Clark Natural, CWNV and CWNV1

16) For reasonable attorney's fees as provided by Nevada law;

17) For such other and further relief as this Court deems just and proper;

18) For interest allowed by law; and

19) For costs of suit.

DATED this 30 day of June, 2020.

MUSHKIN &amp; COPPEDGE

MICHAEL R. MUSHKIN, ESQ.

Nevada State Bar No. 2421

L. JOE COPPEDGE, ESQ.

Nevada State Bar No. 4954

6070 S. Eastern Avenue, Suite 270

Las Vegas, Nevada 89128

*Attorneys for Plaintiffs*

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

**Other Business Court Matters**

**COURT MINUTES**

**July 23, 2020**

---

|               |                                   |
|---------------|-----------------------------------|
| A-17-755479-B | Nuveda LLC, Plaintiff(s)          |
|               | vs.                               |
|               | 4Front Advisors LLC, Defendant(s) |

---

**July 23, 2020                      11:45 AM                      All Pending Motions**

**HEARD BY:** Gonzalez, Elizabeth                      **COURTROOM:** See below.

**COURT CLERK:** Dulce Romea

**RECORDER:** Jill Hawkins

**PARTIES**

|                 |   |   |
|-----------------|---|---|
| <b>PRESENT:</b> | Austin, Bradley<br>Backus, Leland Eugene<br><br>Holley, Richard F.<br>Humphrey III, Louis E.<br>Lenhard, Kirk Banks<br>Malley, David J.<br>Miltenberger, Chris<br>Renwick, Charlene<br>Stipp, Mitchell D.<br>Urga, William R.<br>Westergard, Brooks T | Attorney for Defendant<br>Attorney for Renaissance Blue<br>Diamond, LLC<br>Attorney for Receiver<br>Attorney for Intervenor<br>Attorney for Intervenor<br>Attorney for Intervenor<br>Attorney for Intervenor<br>Attorney for Intervenor<br>Attorney for Plaintiff<br>Attorney for Intervenor<br>Attorney for Stalking Horse Bidder<br>TRC |
|-----------------|---|---|

**JOURNAL ENTRIES**

- APPEARANCES CONTINUED: Attorney Joe Coppedge, counsel for Plaintiffs in A-20-817363-B.

Matter heard with A-19-791405-C, A-19-796300-B, and A-20-817363-B at the temporary court facility designated by the Chief Judge at the Las Vegas Convention Center. Parties appeared by telephone.

Court thanked Mr. Holley for submitting the order from the cannabis compliance board regarding the settlement.

PRINT DATE: 07/23/2020

Page 1 of 2

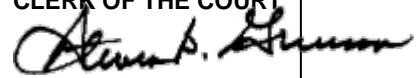
Minutes Date: July 23, 2020

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...NUVEDA'S OPPOSITION TO MOTION TO CONSOLIDATE AND COUNTERMOTION FOR RELATED RELIEF: Following arguments by Mr. Coppedge and Mr. Stipp, COURT ORDERED, motion GRANTED; countermotion DENIED WITHOUT PREJUDICE to be renewed as a motion for summary judgment before this Court so the Receiver can address the issues from the earlier Nuveda case which this Court handled, which may result in some clarification as to which claims are to be pursued. The receivership action (A-17-755479-B) will be the LEAD CASE.

RECEIVER'S MOTION TO APPROVE PROPOSED RECEIVER CERTIFICATE NUMBER 25 ON ORDER SHORTENING TIME: COURT ORDERED, motion is MOOT because of the consolidation.

RECEIVER'S MOTION TO ENFORCE RECEIVERSHIP ORDER ON OST...NUVEDA'S OPPOSITION TO MOTION TO ENFORCE RECEIVERSHIP ORDER AND COUNTERMOTION FOR RELATED RELIEF: COURT ORDERED, motion GRANTED as unopposed.

Court inquired of Mr. Holley if, given the settlement with the State, he can provide a timeframe in which they can be in a position for an auction and any joint venture requests. Mr. Holley advised he cannot; the receiver must liquidate assets within a 6-month date from the date of approval, but it is possible to have extensions, which must be take to the compliance board. Mr. Holley further advised of an integrated operation in Clark County with regards to cultivation, production, distribution, and dispensary; the licenses are location-specific; otherwise, they become location-specific; the joint venture is going very well; the next facility they are trying to preserve is the Highland facility which is a cultivation facility; they anticipate filing a motion to approve the joint venture; the other location they have is Ali Baba, which is a production facility, and the Receiver is speaking with 3 entities. COURT SO NOTED.



Michael R. Mushkin, Esq.  
Nevada Bar No. 2421  
L. Joe Coppedge  
Nevada Bar No. 4954  
MUSHKIN & COPPEDGE  
6070 S. Eastern Avenue, Suite 270  
Las Vegas, Nevada 89128  
Telephone: (702) 454-3333  
Fax: (702) 386-4979  
michael@mushlaw.com  
jcoppedge@mccnvlaw.com  
*Attorneys for Plaintiffs*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

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

Dept. No.: 11

AND RELATED MATTERS

**ORDER DENYING MOTION TO DISMISS OR FOR SUMMARY JUDGMENT**

This matter came before the Honorable Elizabeth Gonzalez on August 31, 2020 on NuVeda's Motion to Dismiss or for Summary Judgment (the "Motion") with Mitchell D. Stipp of the Law Office of Mitchell Stipp appearing for NuVeda, LLC; L Joe Coppedge of the law firm Mushkin & Coppedge appearing for the Court Appointed Receiver, Dotan Melech, for CWNevada, LLC, Shane Terry and Phillip Ivey; Christopher R. Miltenberger of the law firm Greenberg Traurig, LLP appearing on behalf of Intervenor, Green Pastures Fund, LLC Series 1 (CWNevada, LLC), Jakal Investments, LLC, Jonathan S. Fenn as Trustee for the Jonathan S.

1 Fenn Revocable Trust, and Growth Opportunities, LLC; and William Urga of the firm Jolley Urga  
2 Woodbury & Holthus appearing on behalf of Intervenor, Highland Partners NV LLC and the  
3 MI-CW related parties; and the Court, having reviewed and considered the record, the points and  
4 authorities on file, and the argument of counsel, this Court ORDERS, JUDGES AND DECREES  
5 AS FOLLOWS:

6 1. Given the Receiver's Declaration that the Receiver on behalf of CWNevada, LLC  
7 can perform the obligations of CWNevada, LLC under the various joint venture agreements with  
8 NuVeda, LLC, there is a genuine issue of material fact regarding the issue of impossibility, which  
9 precludes summary judgment.

10 2. The Motion related to the Intervenor's complaint-in-intervention, is moot (since  
11 resolution was depended on the court's determination that CWNevada, LLC's performance under  
12 the joint venture agreements was impossible).

13 3. With respect to Shane Terry, the Motion is stayed for a period of ninety (90) days  
14 from the date of the hearing for Mr. Terry to request any relief from the arbitrator, Ms. Nikki  
15 Baker, of the American Arbitration Association.

16 DATED this 18th day of September, 2020.

17  
18   
19 DISTRICT COURT JUDGE

20  
21 Respectfully Submitted:  
22 MUSHKIN & COPPEDGE

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

23 /s/L. Joe Coppedge  
24 L. JOE COPPEDGE, ESQ.  
25 Nevada Bar No. 4954  
26 6070 South Eastern Ave Ste 270  
Las Vegas, NV 89119

/s/Mitchell D. Stipp  
MITCHELL D. STIPP, ESQ.  
Nevada Bar No. 7531  
1180 N. Town Center Drive, Suite 100  
Las Vegas, Nevada 89144

27 *Attorneys for Dotan Y. Melech, Receiver,*  
28 *Shane Terry, and Phillip D. Ivey*

*Attorneys for NuVeda, LLC*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Approved as to Form and Content:  
JOLLEY URG A WOODBURY  
HOLTHUS & ROSE

/s/William R. Urga  
WILLIAM R. URG A, ESQ.  
Nevada Bar No. 1195  
DAVID J. MALLEY, ESQ.  
Nevada Bar No. 8171  
330 S. Rampart Boulevard, Suite 380  
Las Vegas, NV 89145

Approved as to Form and Content:  
GREENBERG TRAURIG

/s/Christopher R. Miltenberger  
MARK E. FERRARIO, ESQ.  
Nevada Bar No. 1625  
CHRISTOPHER R. MILTENBERGER, ESQ.  
Nevada Bar No. 10153  
10845 Griffith Peak Drive, Suite 600  
Las Vegas, NV 89135

## Karen Foley

---

**From:** Joe Coppedge  
**Sent:** Thursday, September 17, 2020 3:17 PM  
**To:** Karen Foley  
**Subject:** FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge  
Mushkin & Coppedge  
6070 S. Eastern Ave., Suite 270  
Las Vegas, Nevada 89119  
Tel. No. (702) 454-3333  
Dir. No. (702) 386-3942  
Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

---

**From:** William Urga <WURU@juwlaw.com>  
**Sent:** Thursday, September 17, 2020 2:27 PM  
**To:** Joe Coppedge <jcoppedge@mccnvlaw.com>; Mitchell Stipp <mstipp@stipplaw.com>; miltenbergerc@gtlaw.com  
**Subject:** RE: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Joe, I have no comments regarding the order and you can electronically sign my name.

William R. Urga, Esq.  
Jolley Urga Woodbury & Holthus  
Tivoli Village  
330 S. Rampart Boulevard, Suite 380  
Las Vegas, Nevada 89145  
Telephone: (702) 699-7500  
Facsimile: (702) 699-7555  
E-mail: [wru@juwlaw.com](mailto:wru@juwlaw.com)

Please consider the environment before printing this email.

JOLLEY URGA | attorneys  
WOODBURY & HOLTHUS | at law

Information contained in this electronic transmission (e-mail) is private and confidential and is the property of Jolley Urga Woodbury & Holthus. The information contained herein is privileged and is intended only for the use of the individual(s) or entity(ies) named above. If you are not the intended recipient, be advised that any unauthorized disclosure, copying, distribution or the taking of any action in reliance on the contents of this electronically transmitted (e-mail) information is strictly prohibited. If you have received this electronic transmission (e-mail) in error, please

immediately notify us by telephone and delete the e-mail from your computer. You may contact Jolley Urga Woodbury & Holthus at (702) 699-7500 (Las Vegas, NV).

---

**From:** Joe Coppedge <[jcoppedge@mccnvlaw.com](mailto:jcoppedge@mccnvlaw.com)>

**Sent:** Thursday, September 17, 2020 2:20 PM

**To:** Mitchell Stipp <[mstipp@stipplaw.com](mailto:mstipp@stipplaw.com)>; William Urga <[WRU@juwlaw.com](mailto:WRU@juwlaw.com)>; [miltenbergerc@gtlaw.com](mailto:miltenbergerc@gtlaw.com)

**Subject:** 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

Mushkin & Coppedge

6070 S. Eastern Ave., Suite 270

Las Vegas, Nevada 89119

Tel. No. (702) 454-3333

Dir. No. (702) 386-3942

Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.



## Karen Foley

---

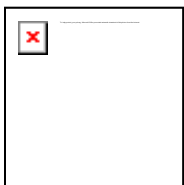
**From:** Joe Coppedge  
**Sent:** Thursday, September 17, 2020 3:18 PM  
**To:** Karen Foley  
**Subject:** FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge  
Mushkin & Coppedge  
6070 S. Eastern Ave., Suite 270  
Las Vegas, Nevada 89119  
Tel. No. (702) 454-3333  
Dir. No. (702) 386-3942  
Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

**From:** Mitchell Stipp <mstipp@stiplaw.com>  
**Sent:** Thursday, September 17, 2020 2:59 PM  
**To:** Joe Coppedge <jcoppedge@mccnvlaw.com>  
**Cc:** WRU@juwlaw.com; miltenbergerc@gtlaw.com  
**Subject:** Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

You need to update the footer. Otherwise, you may include my e-signature.



**Mitchell Stipp**

Law Office of Mitchell Stipp  
(O) 702.602.1242 | (M) 702.378.1907 | mstipp@stiplaw.com

**Address:** 1180 N. Town Center Drive, Suite 100  
Las Vegas, Nevada 89144

**Website:** www.stiplaw.com

On Thu, Sep 17, 2020 at 2:20 PM Joe Coppedge <[jcoppedge@mccnvlaw.com](mailto:jcoppedge@mccnvlaw.com)> wrote:

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

Mushkin & Coppedge

6070 S. Eastern Ave., Suite 270

Las Vegas, Nevada 89119

Tel. No. (702) 454-3333

Dir. No. (702) 386-3942

Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

## Karen Foley

---

**From:** Joe Coppedge  
**Sent:** Thursday, September 17, 2020 3:18 PM  
**To:** Karen Foley  
**Subject:** FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge  
Mushkin & Coppedge  
6070 S. Eastern Ave., Suite 270  
Las Vegas, Nevada 89119  
Tel. No. (702) 454-3333  
Dir. No. (702) 386-3942  
Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

---

**From:** miltenbergerc@gtlaw.com <miltenbergerc@gtlaw.com>  
**Sent:** Thursday, September 17, 2020 3:06 PM  
**To:** mstipp@stipplaw.com; Joe Coppedge <jcoppedge@mccnvlaw.com>  
**Cc:** WRU@juwlaw.com  
**Subject:** RE: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Joe – Good catch by Mitchell. You have my permission to e-sign as well.

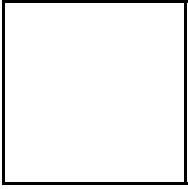
Thanks,

Chris Miltenberger  
Greenberg Traurig, LLP  
702.599.8024

**From:** Mitchell Stipp <mstipp@stipplaw.com>  
**Sent:** Thursday, September 17, 2020 2:59 PM  
**To:** Joe Coppedge <jcoppedge@mccnvlaw.com>  
**Cc:** [WRU@juwlaw.com](mailto:WRU@juwlaw.com); Miltenberger, Chris (Shld-LV-LT) <miltenbergerc@gtlaw.com>  
**Subject:** Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

**\*EXTERNAL TO GT\***

You need to update the footer. Otherwise, you may include my e-signature.



**Mitchell Stipp**

Law Office of Mitchell Stipp

(O) 702.602.1242 | (M) 702.378.1907 | [mstipp@stiplaw.com](mailto:mstipp@stiplaw.com)

**Address:** 1180 N. Town Center Drive, Suite 100  
Las Vegas, Nevada 89144

**Website:** [www.stiplaw.com](http://www.stiplaw.com)

On Thu, Sep 17, 2020 at 2:20 PM Joe Coppedge <[jcoppedge@mccnvlaw.com](mailto:jcoppedge@mccnvlaw.com)> wrote:

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

Mushkin & Coppedge

6070 S. Eastern Ave., Suite 270

Las Vegas, Nevada 89119

Tel. No. (702) 454-3333

Dir. No. (702) 386-3942

Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

---

If you are not an intended recipient of confidential and privileged information in this email, please delete it, notify us immediately at [postmaster@gtlaw.com](mailto:postmaster@gtlaw.com), and do not use or disseminate the information.

1 Michael R. Mushkin, Esq.  
2 Nevada Bar No. 2421  
3 L. Joe Coppedge  
4 Nevada Bar No. 4954  
5 MUSHKIN & COPPEDGE  
6 6070 S. Eastern Avenue, Suite 270  
7 Las Vegas, Nevada 89128  
8 Telephone: (702) 454-3333  
9 Fax: (702) 386-4979  
10 michael@mushlaw.com  
11 jcoppedge@mccnvlaw.com  
12 *Attorneys for Shane Terry*

9  
10 **AMERICAN ARBITRATION ASSOCIATION**

11 SHANE TERRY and JENNIFER  
12 GOLDSTEIN

AAA Case No.: 01-15-005-8574

13 Claimants,

14 vs.

15 PEJMAN BADY; POYA MOHAJER, and  
16 NUVEDA, LLC, a Nevada limited liability  
17 company

18 Respondents.

19 **MOTION TO SET ASIDE DISMISSAL**

20 Claimant, Shane Terry, by and through his undersigned attorneys, moves the Arbitrator to  
21 set aside the dismissal entered herein. This Motion is made and based upon the following  
22 Memorandum of Points and Authorities, the Declaration of Shane Terry (the "Terry Declaration")  
23 attached hereto as Exhibit 1, the papers, pleadings, and records on file herein, and any and all  
24 arguments that may be allowed at hearing of this motion.

25 **POINTS AND AUTHORITIES**

26 **I. Statement of the Case**

27 Shane Terry ("Terry"), together with Dotan Y. Melech, the Court-appointed receiver (the  
28 "Receiver") for CWNevada, LLC ("CWNevada") and Phillip D. Ivey ("Ivey", collectively, the

Receiver, Terry and Ivey are referred to as “Plaintiffs”) retained the undersigned counsel and firm to pursue claims each possesses against NuVeda, LLC (“NuVeda”), its subsidiaries, licensees, members and/or related entities and Brian C. Padgett (“Padgett”). The Receiver filed a motion to engage the undersigned firm as contingency counsel in Case No. A-17-755479-B (Dept. 11) (the “Receivership Action”), and after an initial objection by NuVeda, the Receiver and NuVeda entered into a stipulation approving the Receiver’s request to engage the undersigned firm as counsel for CWNevada, Terry and Ivey. The order approving the parties’ stipulation and counsels’ engagement was entered May 8, 2020.

Plaintiffs then filed their initial complaint on June 30, 2020 as Case No. A-20-817363-B (Dept. 13). After NuVeda file multiple motions to dismiss, Plaintiffs filed a motion to consolidate several related actions with the Receivership Actions. The Honorable Elizabeth Gonzalez granted the motion to consolidate following a hearing on August 18, 2020. NuVeda’s motion to dismiss concerning the Receiver’s and Terry’s claims came before the Receivership Court for a hearing on August 31, 2020. The Court denied NuVeda’s motion to dismiss with respect to the Receiver’s claims. However, with respect to Terry’s claims, the Court stayed the motion “for a period of ninety (90) days from the date o the hearing for Mr. Terry to request any relief from the arbitrator, Ms. Nikki Baker, of the American Arbitration Association.” See Order Denying Motion to Dismiss or for Summary Judgment, attached hereto as Exhibit 2. This Motion to Set Aside the Dismissal of Terry’s claims follows.

## **II. Statement of Facts**

1. On or about July 9, 2014, Terry entered into an Operating Agreement for NuVeda, LLC (the “NuVeda Operating Agreement”) with Pejman Bady (“Bady”), Pouya Mohajer (“Mohajer”) and Jennifer Goldstein (“Goldstein”) to apply for and operate marijuana dispensaries, cultivation and processing facilities for medical marijuana pursuant to licenses obtained from certain governmental divisions. Terry Declaration, ¶ 3; NuVeda Operating Agreement, Exhibit 3.

2. The NuVeda Operating Agreement was also signed by Joseph Kennedy, John Penders and Ryan Winmill. Terry Declaration, ¶ 4.

1           3.       Since July 2014, NuVeda has been governed by the NuVeda Operating  
2 Agreement. Terry Declaration, ¶ 5.

3           4.       The NuVeda Operating Agreement is governed by, construed and interpreted in  
4 accordance with Nevada law. Terry Declaration, ¶ 6.

5           5.       Since NuVeda's formation, Terry has been a manager, voting member and at  
6 times, NuVeda's Chief Executive Officer and Chief Operations Officer. Terry Declaration, ¶ 7.

7           6.       Initially, Terry owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark  
8 Natural, and Nye Natural. Terry's ownership interest was later increased to 22.88%. Terry  
9 Declaration, ¶ 8.

10          7.       During the month of December 2015, NuVeda's annual license renewal paperwork  
11 was due to the State of Nevada. Terry Declaration, ¶ 9.

12          8.       During this time, Terry was NuVeda's designated and registered point of contact  
13 with the State of Nevada for all regulatory correspondence. Terry Declaration, ¶ 10.

14          9.       During this time, NuVeda also removed Terry as NuVeda's State of Nevada  
15 designated point of contact and refused to provide Terry with access to any records. Terry  
16 Declaration, ¶ 11.

17               **Acts of Self-Dealing and other Misconduct**

18          10.       Bady, Mohajer and Kennedy, individually and at times through NuVeda or other  
19 entities, have engaged in additional fraudulent acts of self-dealing and other acts of misconduct  
20 that constituted a breach of their legal duties. Terry Declaration, ¶ 12.

21          11.       For instance, Terry and other members of NuVeda learned that Bady  
22 misrepresented the source of his funds Bady originally contributed to NuVeda in exchange for  
23 equity. Terry Declaration, ¶ 13.

24          12.       Nevada law and the state regulatory agencies required in depth financial  
25 disclosures. Terry Declaration, ¶ 14.

26          13.       While Bady averred that his funding came from the sale of a business, upon  
27 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from  
28 money he acquired from his friend, Majid Golpa ("Golpa"). Terry Declaration, ¶ 15.

1           14.     Upon information and belief, Bady and Mohajer then promised that in exchange  
2 for the funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was  
3 prohibited by Nevada law. Terry Declaration, ¶ 16.

4           15.     Mohsen Bahri (“Bahri”) and Bady also negotiated the terms of a \$500,000  
5 promissory note. Terry Declaration, ¶ 17.

6           16.     Bady then made an undisclosed deal with Bahri to provide Bady with a \$500,000  
7 investment in which Bahri would receive a 4% interest in NuVeda. Terry Declaration, ¶ 18

8           17.     This was contrary to NuVeda’s understanding of the financing. Terry Declaration,  
9 ¶ 19

10          18.     Following discovery of the true nature of Bady and Mohajer’s wrongful side deals  
11 with third parties, a dispute arose between Terry and Goldstein on the one hand and Bady and  
12 Mohajer on the other hand regarding Defendants’ clandestine and wrongful side deals, pursuant  
13 to which Bady and Mohajer attempted to allocate ownership interests to their friends, and the true  
14 source of Bady’s capital contribution, Golpa and Bahri. Terry Declaration, ¶ 20.

15          19.     Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4%  
16 interest in NuVeda, yet Bady demanded that the members, including Terry and Goldstein, agree  
17 to ratify his apparent promises to provide such interest to Golpa and Bahri. Terry Declaration, ¶  
18 21.

19          20.     Upon information and belief, the transfer of the interests, as proposed by Bady,  
20 would jeopardize NuVeda’s licenses. Terry Declaration, ¶ 22.

21          21.     On or about November 1, 2015, a monthly payment was due to Bahri on the  
22 \$500,000 promissory note. Terry Declaration, ¶ 23.

23          22.     Bady, long-time personal friends with Bahri, instructed Terry to not pay the  
24 monthly payment and stated he “would take care of it.” Terry Declaration, ¶ 24.

25          23.     On November 11, 2015, Bahri sent demand for the November 1, 2015 payment.  
26 Terry Declaration, ¶ 25.

27          24.     Bady admitted he did not make the monthly payment, but that he and Bahri had  
28 agreed to extend the monthly payment to November 15, 2015. Terry Declaration, ¶ 26.



1           25.     Bady's non-payment of the Bahri loan and subsequent negotiations were done  
2 without Terry's knowledge and jeopardized NuVeda's operations. Terry Declaration, ¶ 27.

3           26.     Bahri subsequently presented a lawsuit against Terry and Goldstein, individually,  
4 falsely alleging that they were liable for his investment through Bady. Terry Declaration, ¶ 28.

5           27.     Bady and Bahri then acted in concert to allege that Goldstein and Terry were liable  
6 for the \$500,000 promissory note, as neither NuVeda nor Bady, who single-handedly  
7 communicated with Bahri and who negotiated all terms of the clandestine deal with his friend  
8 Bahri, were named as defendants. Terry Declaration, ¶ 29.

9           28.     Bady and Bahri acted in concert to paralyze Terry and Goldstein from obtaining  
10 the necessary funding by threatening to file frivolous and factually unfounded lawsuits against  
11 Terry and Goldstein for Bady's strategic gain. Terry Declaration, ¶ 30.

12           29.     Additionally, when Kennedy (an IRS enrolled agent) was preparing NuVeda's K-  
13 1s, Bady asked Terry to allocate his tax losses to Bady to offset Bady's income from an unrelated  
14 medical business. Terry Declaration, ¶ 31.

15           30.     Terry refused and explained to Bady that loss-shifting was wrongful and  
16 potentially constituted fraud, but Bady ignored Terry's concern and collaborated with Mohajer to  
17 shift Mohajer's losses to him instead. Terry Declaration, ¶ 32.

18           31.     Bady and Mohajer then had nominal-member Kennedy amend the K-1s to reflect  
19 the loss-shifting to Bady in violation of the terms of the NuVeda Operating Agreement without  
20 notifying any other NuVeda members. Terry Declaration, ¶ 33.

21           32.     Goldstein and Terry made demands for the original K-1s and other financial  
22 documents for NuVeda, but Bady and Kennedy denied the records request in violation of Terry's  
23 right to review the business records of NuVeda pursuant to Section 7.2 of the NuVeda Operating  
24 Agreement. Terry Declaration, ¶ 34.

25           33.     It was also discovered that Bady engaged in rampant self-dealing on multiple  
26 occasions. An entity known as 2 Prime, LLC ("2 Prime") entered into a financing agreement with  
27 NuVeda. Terry Declaration, ¶ 35-36.

28           34.     Bady exclusively negotiated the agreement with favorable terms to 2 Prime.

1 Thereafter, it was discovered after the fact that Bady had an undisclosed 50% interest in 2 Prime,  
2 which was also co-owned by Golpa. Terry Declaration, ¶ 37-38.

3 35. On or about November 20, 2015 under the guidance of NuVeda's corporate  
4 counsel, who was hired directly by Bady, Bady's and Mohajer's NuVeda interests were  
5 terminated pursuant to Section 6.2 of the Operating Agreement. Terry Declaration, ¶ 39.

6 36. However, Bady and Mohajer disregarded the expulsion and claimed they remained  
7 voting members, managers, and officers with authority to act on behalf of NuVeda. Terry  
8 Declaration, ¶ 40.

9 37. Between November 20th, 2015 and December 3, 2015, Bady and Mohajer, acting  
10 as purported representatives of NuVeda, attempted to sell NuVeda's interests in its highly  
11 valuable and privileged licenses to multiple parties, including CWNevada. Terry Declaration, ¶  
12 41.

### 13 **The District Court Action**

14 38. Over concerns that any attempted and unauthorized transfer of interest could  
15 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and Terry filed a complaint, as  
16 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady  
17 and Mohajer as Case Number A-15-728510-B (the "District Court Action") and  
18 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin  
19 any transfer of NuVeda's membership interests. Terry Declaration, ¶ 42.

20 39. The District Court Action sought, among other things, the issuance of a  
21 preliminary and permanent injunction maintaining the status quo pending a final resolution of the  
22 parties' disputes in an arbitral proceeding. Terry Declaration, ¶ 43.

23 40. Although the District Court did not issue a preliminary injunction in the District  
24 Court Action, on January 13, 2016, the Court ordered (the "January 13, 2016 Order"), among  
25 other things, "IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the  
26 completion of the contemplated arbitration, the parties are to take no further action to expulse  
27 each other on the factual bases presented to the Court during the evidentiary hearing." Terry  
28 Declaration, ¶ 44.

1           41. Goldstein and Terry commenced a private arbitration proceeding with the  
2 American Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al.*  
3 *v. NuVeda LLC, et al.*, AAA Case No. 01-15-005-8574 (the “Arbitration”). Terry Declaration, ¶  
4 45.

5           42. Notwithstanding the express language of the January 13, 2016 Order, in a March  
6 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda. Terry  
7 Declaration, ¶ 46.

8           43. Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in  
9 violation of the January 13, 2016 Order. Terry Declaration, ¶ 47.

10           44. The purported expulsion was further documented in a meeting on or about  
11 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry’s interest in NuVeda  
12 was distributed to Bady and Mohajer in yet another act of blatant self-dealing. Terry Declaration,  
13 ¶ 48.

14           45. NuVeda, Bady and Mohajer transferred Terry’s individual license interest in  
15 NuVeda directly to Bady and Mohajer without Terry’s consent. Terry Declaration, ¶ 49.

16           **Purchase and Sale Agreement for Terry’s Ownership Interest in NuVeda and**  
17           **NuVeda-Managed Licenses**

18           46. During the pendency of the District Court Action and Arbitration, on or about  
19 April 30, 2018, Terry entered into a “Purchase and Sale Agreement for Terry’s Ownership Interest  
20 in NuVeda and NuVeda-Managed Licenses” (the “Terry Purchase Agreement”) with BCP 7 as  
21 the Buyer. Terry Declaration, ¶ 50; Terry Purchase Agreement, Ex. 4.

22           47. Padgett personally guaranteed all payments and other performance obligations due  
23 under the Terry Purchase Agreement. Terry Declaration, ¶ 51.

24           48. The Terry Purchase Agreement provides, among other things, that Terry agreed to  
25 sell the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration  
26 and on specific terms. Terry Declaration, ¶ 52.

27           49. The total purchase price for BCP 7 to acquire the Terry Interest was \$1.75 million  
28 (the “Purchase Price”), which was “substantially reduced” from fair market value. Terry

1 Declaration, ¶ 53.

2 50. Terry was induced to sign the Purchase Agreement in reliance upon Padgett's  
3 representations that the Purchase Price would be paid. Terry Declaration, ¶ 54.

4 51. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00  
5 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the "Initial  
6 Payment"), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,  
7 2028 with payments due monthly until paid in full (the "Monthly Payments"). Terry Declaration,  
8 ¶ 55

9 52. The Monthly Payments were to be made on or before the first day of the month in  
10 an amount not less than the interest accrued on the outstanding balance at an interest rate of 18%.  
11 Terry Declaration, ¶ 56.

12 53. The Monthly Payments were to commence May 1, 2018, and the first payment  
13 was to have been made no later than May 2, 2018. Terry Declaration, ¶ 57.

14 54. The Terry Purchase Agreement further provided that there shall be acceleration of  
15 the outstanding balance and any unpaid accrued interest thereon upon (1) the sale or transfer of  
16 the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP  
17 7 to a third party (other than CWNV, LLC); or (2) a default of a payment obligations, which shall  
18 result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the  
19 Balance following notice of failure to Padgett and no cure within 10 business days thereof. Terry  
20 Declaration, ¶ 58.

21 55. Upon execution of the Terry Purchase Agreement and upon receipt of the first  
22 Monthly Payment, Terry agreed, among other things, to assign any and all claims and right in the  
23 Arbitration and District Court Action to BCP 7. Terry Declaration, ¶ 59.

24 56. BCP 7 made a partial payment toward the Initial Payment in the sum of  
25 \$250,000.00 on or about August 1, 2018. Terry Declaration, ¶ 60.

26 57. In addition to the partial Initial Payment, BCP 7 made partial interest and extension  
27 payments. Terry Declaration, ¶ 61.

28 58. However, BCP 7 failed to pay the Initial Payment or Monthly Payments in full.

1 Terry Declaration, ¶ 62.

2 59. As a result of BCP 7's failure to pay the Initial Payment or any of the Monthly  
3 Payments in full, Terry provided notice of and right to cure this failure to BCP 7 and Padgett.  
4 Terry Declaration, ¶ 63.

5 60. BCP 7 and Padgett failed to cure the outstanding balance owed following notice  
6 of such failure and a right to cure within 10 business days. Terry Declaration, ¶ 64.

7 61. As a result of BCP 7's and Padgett's failure to pay the Initial Payment and Monthly  
8 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the  
9 Terry Interest to BCP 7. Terry Declaration, ¶ 65.

10 62. Notwithstanding the fact that the Terry Interest was never properly transferred to  
11 BCP 7, in an email dated June 5, 2018 from Padgett to the Arbitrator in the Arbitration, Padgett  
12 purported to dismiss "all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry  
13 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark  
14 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with  
15 prejudice." Terry Declaration, ¶ 66.; Electronic mail from Padgett to Nikki Baker, Ex. 5.

16 63. Ms. Baker then proceeded to dismiss the arbitration as to BCP Holding 7, LLC.  
17 See electronic mail dated October 9, 2018, Ex. 6. AAA then confirmed that BCP7, LLC was  
18 dismissed as a party. See letter from AAA dated October 9, 2018, Ex. 7.

19 64. Not only did CWNevada never make or assert any claims related to the Arbitration,  
20 the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady and Mohajer  
21 to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, and then immediately  
22 attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying the agreed  
23 consideration. Terry Declaration, ¶ 67.

### 24 **III. Argument**

#### 25 **A. Legal Standard**

26 The NuVeda Operating Agreement provides in part:

27 **11.3 Arbitration** Arbitration proceedings shall be conducted under the Rules of  
28 Commercial Arbitration of the AAA (the "Rules").

To the extent any provisions of the Rules conflict with any provision of this Section,

1 the provisions of this section shall control.

2 The arbitrator shall have all powers of law and equity, which it can lawfully assume,  
3 necessary to resolve the issues in dispute including, without limiting the generality  
4 of the foregoing, making awards of compensatory damages, issuing both  
5 prohibitory and mandatory orders in the nature of injunctions and compelling the  
6 production of documents and witnesses for presentation at the arbitration hearings  
7 on the merits of the case...The statutory, case law and common law of the State of  
8 Nevada shall govern in interpreting their respective rights, obligations and  
9 liabilities arising out of or related to the transactions provided for or contemplated  
10 by this Agreement, including without limitation, the validity, construction and  
11 performance of all or any portion of this Agreement, and the applicable remedy for  
12 any liability established thereunder, and the amount or method of computation of  
13 damages which may be awarded, but such governing law shall not include the law  
14 pertaining to conflicts or choice of laws of Nevada; provided however, that should  
15 the parties refer a dispute arising out of or in connection with an ancillary agreement  
16 or an agreement between some or all of the Members which specifically references  
17 this Article, then the statutory, case law and common law of the State whose law  
18 governs such agreement (except the law pertaining to conflicts or choice of law)  
19 shall govern in interpreting the respective rights, obligations and liabilities of the  
20 parties arising out of or related to the transactions provided for or contemplated by  
21 such agreement, including without limitation, the validity, construction and  
22 performance of all or any portion of such agreement, and the applicable remedy for  
23 any liability established thereunder, and the amount or method of computation of  
24 damages which may be awarded.

25 Any action or proceeding subsequent to any award rendered by the arbitrator in the  
26 Member Dispute, including but not limited to, any action to confirm, vacate,  
27 modify, challenge or enforce the arbitrator's decision or award shall be filed in a  
28 court of competent jurisdiction in the same county where the arbitration of the  
Member dispute was conducted, and Nevada law shall apply in any such  
subsequent action or proceeding.

Notwithstanding the provisions of the NuVeda Operating Agreement, the district court  
has directed Terry back to the Arbitrator for relief.

**B. The Terry Purchase Agreement should be rescinded for fraud in the  
inducement and failure of consideration.**

"Rescission is an equitable remedy which totally abrogates a contract, and which seeks to  
place the parties in the position they occupied prior to executing the contract." *Bergstrom v. Estate  
of DeVoe*, 109 Nev. 575, 577, 854 P.2d 860, 861 (1993). A party to a contract may seek rescission  
of that contract based upon fraud in the inducement or a failure of consideration. *Awada v. Shuffle  
Master, Inc.* 123 Nev. 613, 621, 173 P.2d 707, 713 (2007); *Sprouse v. Wentz*, 105 Nev. 597, 601,

1 781 P.2d 1136, \_\_\_\_ (1989). To establish fraud in the inducement of a contract, a party must prove  
2 that the other party made a false representation that was material to the transaction. *Awada*, 123  
3 Nev. at 621. To establish a failure of consideration, a party must demonstrate he failed to receive  
4 his bargained for consideration. *Sprouse*, 105 Nev. at 601.

5 When a contract has been partially performed, and one of the parties defaults, the other  
6 has a choice of remedies. He may rescind or affirm the contract, *but he cannot do both*. If he  
7 rescinds, he must return whatever of value he received under it and he may recover back whatever  
8 he has paid. He cannot at the same time affirm the contract by retaining its benefits and rescind it  
9 by repudiating its burdens. *Bergstrom*, 109 Nev. at 577, citing 5 Arthur Linton Corbin, CORBIN  
10 on Contracts § 1114 (1964) (emphasis in original). “Further, there can be no partial rescission; a  
11 contract is either valid or void *in toto*.’ *Bergstrom*, 109 Nev. at 577. quoting, *Holden v. Dubois*,  
12 665 P.2d 1175 (Okla. 1983). “Because a rescinded contract is void ab initio, following a lawful  
13 rescission the ‘injured’ party is precluded from recovering damages for breach just as though the  
14 contract had never been entered into by the parties.” *Bergstrom*, 109 Nev. at 577-78. Upon  
15 rescission, the parties should be returned as closely as possible to their respective positions prior  
16 to entering into the contract. *Bergstrom*, 109 Nev. at 578.

17 Here, the facts are not in dispute that Padgett fraudulently induced Terry to sign the Terry  
18 Purchase Agreement and after submitting the dismissal, failed to pay the agreed consideration. In  
19 these circumstances, where Terry was fraudulently induced to sign the Terry Purchase Agreement  
20 and where he did not receive his bargained for consideration, rescission is proper.

21 **C. The Dismissal entered herein should be set aside.**

22 It follows that if the Terry Purchase Agreement is void, then the dismissal entered herein,  
23 based solely on the electronic mail proffered by Mr. Padgett is equally void. Upon rescission, the  
24 dismissal should be set aside, the Terry Interest should be returned to Mr. Terry and he should be  
25 allowed to proceed with his claims in the arbitration.

26 NRCP 60(b) provides in part:

27 (b) *Grounds for Relief from a Final Judgment, Order, or Proceeding*. On motion  
28 and just terms, the court may relieve a party or its legal representative from a final  
judgment, order, or proceeding for the following reasons:

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

- 1 (2) newly discovered evidence that, with reasonable diligence, could not  
2 have been discovered in time to move for a new trial under Rule 59(b);  
3 (3) fraud (whether previously called intrinsic or extrinsic),  
4 misrepresentation, or misconduct by an opposing party;  
5 (4) the judgment is void;  
6 (5) the judgment has been satisfied, released, or discharged; it is based on an  
earlier judgment that has been reversed or vacated; or applying it  
prospectively is no longer equitable; or  
(6) any other reason that justifies relief.

7 Rule 60(b)(4) allows a court to set aside a judgment, in this case the dismissal, when it is  
8 void. *LN Mgmt. LLC Services 440 Sarment v. Wells Fargo Bank, N.A.*, 2018 Nev. App. Unpub.  
9 LEXIS 768 (Nev. App. 2018). This rule, which is a remedial in nature, is to be construed liberally  
10 to relieve the harshness of rigid form by applying the flexibility of discretion. *La-Tex Partnership*  
11 *v. Deters*, 111 Nev. 471, 893 P.2d 361 (1995).

12 Under the circumstances of this case, where the dismissal was submitted as a result of a  
13 void agreement, such dismissal must be set aside, and Terry allowed to proceed with his claims  
14 in the arbitration.

15 **D. Conclusion**

16 Based on the foregoing, Claimant, Shane Terry respectfully requests that the arbitrator  
17 rescind the Terry Purchase Agreement and upon such rescission, set aside the dismissal entered  
18 herein.

19 DATED this 30<sup>th</sup> day of November, 2020.

20 MUSHKIN & COPPEDGE

21  
22 /s/Michael R. Mushkin  
23 MICHAEL R. MUSHKIN, ESQ.  
24 Nevada State Bar No. 2421  
25 L. JOE COPPEDGE, ESQ.  
26 Nevada State Bar No. 4954  
27 6070 S. Eastern Avenue, Suite 270  
28 Las Vegas, Nevada 89128  
*Attorneys for Claimant, Shane Terry*



1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on this 30<sup>th</sup> day of November, 2020, the foregoing **Motion to Set**  
3 **Aside Dismissal** was served upon the following parties via electronic mail:

4 Brian C. Padgett: [brian@biranpadgett.com](mailto:brian@biranpadgett.com)

5 Pouya Mohajer: [pmohajer@hotmail.com](mailto:pmohajer@hotmail.com); [pmohajer@nuveda.org](mailto:pmohajer@nuveda.org)

6  
7 /s/Karen L. Foley

8 An Employee of  
9 MUSHKIN & COPPEDGE  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

# **EXHIBIT “1”**

1 Michael R. Mushkin, Esq.  
2 Nevada Bar No. 2421  
3 L. Joe Coppedge  
4 Nevada Bar No. 4954  
5 MUSHKIN & COPPEDGE  
6 6070 S. Eastern Avenue, Suite 270  
7 Las Vegas, Nevada 89128  
8 Telephone: (702) 454-3333  
9 Fax: (702) 386-4979  
10 michael@mushlaw.com  
11 jcoppedge@mccnvlaw.com  
12 *Attorneys for Shane Terry*

9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**AMERICAN ARBITRATION ASSOCIATION**

SHANE TERRY and JENNIFER  
GOLDSTEIN

AAA Case No.: 01-15-005-8574

Claimants,

vs.

PEJMAN BADY; POYA MOHAJER, and  
NUVEDA, LLC, a Nevada limited liability  
company

Respondents.

**DECLARATION OF SHANE M. TERRY IN SUPPORT OF  
MOTION TO SET ASIDE DISMISSAL**

SHANE M. TERRY, under penalty of perjury, states as follows:

1. I have personal knowledge of the facts stated herein, except for those facts stated to be based upon information and belief. If called to do so, I would truthfully and competently testify to the facts stated herein, except those facts stated to be based upon information and belief.

2. I make this Declaration in support of the Motion to Set Aside Dismissal (the "Motion").

3. On or about July 9, 2014, I entered into an Operating Agreement for NuVeda, LLC (the "NuVeda Operating Agreement") with Pejman Bady ("Bady"), Pouya Mohajer ("Mohajer")

1 and Jennifer Goldstein (“Goldstein”) to apply for and operate marijuana dispensaries, cultivation  
2 and processing facilities for medical marijuana pursuant to licenses obtained from certain  
3 governmental divisions. A true and correct copy of the NuVeda Operating Agreement is attached  
4 to the Motion as Exhibit 3.

5 4. The NuVeda Operating Agreement was also signed by Joseph Kennedy, John  
6 Penders and Ryan Winmill.

7 5. Since July 2014, I understand and believe that NuVeda has been governed by the  
8 NuVeda Operating Agreement.

9 6. The NuVeda Operating Agreement is governed by, construed and interpreted in  
10 accordance with Nevada law.

11 7. Since NuVeda’s formation, I have been a manager, voting member and at times,  
12 NuVeda’s Chief Executive Officer and Chief Operations Officer.

13 8. Initially, I owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark  
14 Natural, and Nye Natural. My ownership interest was later increased to 22.88%.

15 9. During the month of December 2015, NuVeda’s annual license renewal paperwork  
16 was due to the State of Nevada.

17 10. During this time, I was NuVeda’s designated and registered point of contact with  
18 the State of Nevada for all regulatory correspondence.

19 11. After I submitted the renewal application representing NuVeda’s then current  
20 ownership structure, Bady falsely submitted documentation to the State of Nevada that removed  
21 me as NuVeda’s State of Nevada designated point of contact and refused to provide me with  
22 access to any records.

### 23 **Acts of Self-Dealing and other Misconduct**

24 12. Bady, Mohajer and Kennedy, individually and at times through NuVeda or other  
25 entities, engaged in fraudulent acts of self-dealing and other acts of misconduct that constituted a  
26 breach of their legal duties.

27 13. For example, I and other members of NuVeda learned that Bady misrepresented  
28 the source of funds he originally contributed to NuVeda in exchange for equity.

1           14.     Nevada law and the state regulatory agencies required in depth financial  
2 disclosures.

3           15.     While Bady averred that his funding came from the sale of a business, upon  
4 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from  
5 money he acquired from his friend, Majid Golpa (“Golpa”).

6           16.     Upon information and belief, Bady and Mohajer then promised that in exchange  
7 for the funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was  
8 prohibited by Nevada law.

9           17.     Mohsen Bahri (“Bahri”) and Bady also negotiated the terms of a \$500,000  
10 promissory note.

11           18.     Bady then made an undisclosed deal with Bahri to provide Bady with a \$500,000  
12 investment in which Bahri would receive a 4% interest in NuVeda.

13           19.     This was contrary to NuVeda’s understanding of Bady’s financial contribution.

14           20.     Following discovery of the true nature of Bady and Mohajer’s wrongful side deals  
15 with third parties, a dispute arose between Goldstein and I on the one hand and Bady and Mohajer  
16 on the other hand regarding their clandestine and wrongful side deals, pursuant to which Bady  
17 and Mohajer attempted to allocate ownership interests to their friends, and the true source of  
18 Bady’s capital contribution, Golpa and Bahri.

19           21.     Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4%  
20 interest in NuVeda, yet Bady demanded that the members, including Goldstein and I, agree to  
21 ratify his apparent promises to provide such interest to Golpa and Bahri.

22           22.     Upon information and belief, the transfer of the interests, as proposed by Bady,  
23 would jeopardize NuVeda’s licenses.

24           23.     On or about November 1, 2015, a monthly payment was due to Bahri on the  
25 \$500,000 promissory note.

26           24.     Bady, a long-time personal friend with Bahri, instructed me to not pay the monthly  
27 payment and stated he “would take care of it.”

28           25.     On November 11, 2015, Bahri sent demand for the November 1, 2015 payment.

1           26.     Bady admitted he did not make the monthly payment, but that he and Bahri had  
2 agreed to extend the monthly payment to November 15, 2015.

3           27.     Bady's non-payment of the Bahri loan and subsequent negotiations were done  
4 without my knowledge and jeopardized NuVeda's operations.

5           28.     Bahri subsequently presented a lawsuit against Goldstein and I, individually,  
6 falsely alleging that we were liable for his investment through Bady.

7           29.     Bady and Bahri then acted in concert to allege that Goldstein and I were liable for  
8 the \$500,000 promissory note, as neither NuVeda nor Bady, who single-handedly communicated  
9 with Bahri and who negotiated all terms of the clandestine deal with his friend Bahri, were named  
10 as defendants.

11          30.     Bady and Bahri acted in concert to paralyze Goldstein and I from obtaining the  
12 necessary funding by threatening to file frivolous and factually unfounded lawsuits against  
13 Goldstein and I for Bady's strategic gain.

14          31.     Additionally, when Kennedy (an IRS enrolled agent) was preparing NuVeda's K-  
15 1s, Bady asked me to allocate his tax losses to Bady to offset Bady's income from an unrelated  
16 medical business.

17          32.     I refused and explained to Bady that loss-shifting was wrongful and potentially  
18 constituted fraud, but Bady ignored my concern and collaborated with Mohajer to shift Mohajer's  
19 losses to him instead.

20          33.     Bady and Mohajer then had nominal-member Kennedy amend the K-1s to reflect  
21 the loss-shifting to Bady in violation of the terms of the NuVeda Operating Agreement without  
22 notifying any other NuVeda members.

23          34.     Goldstein and I made demands for the original K-1s and other financial documents  
24 for NuVeda, but Bady and Kennedy denied the records request in violation of my right to review  
25 the business records of NuVeda pursuant to Section 7.2 of the NuVeda Operating Agreement.

26          35.     I also discovered that Bady engaged in rampant self-dealing on multiple occasions.

27          36.     An entity known as 2 Prime, LLC ("2 Prime") entered into a financing agreement  
28 with NuVeda.

1           37.     Bady exclusively negotiated the financing agreement with favorable terms to 2  
2 Prime.

3           38.     Thereafter, it was discovered after the fact that Bady had an undisclosed 50%  
4 interest in 2 Prime, which was also co-owned by Golpa.

5           39.     On or about November 20, 2015 under the guidance of NuVeda's corporate  
6 counsel, who was hired directly by Bady, Bady's and Mohajer's NuVeda interests were  
7 terminated pursuant to Section 6.2 of the Operating Agreement.

8           40.     However, Bady and Mohajer disregarded the expulsion and claimed they remained  
9 voting members, managers, and officers with authority to act on behalf of NuVeda.

10          41.     Between November 20th, 2015 and December 3, 2015, Bady and Mohajer, acting  
11 as purported representatives of NuVeda, attempted to sell NuVeda's interests in its highly  
12 valuable and privileged licenses to multiple parties, including CWNevada.

13 **The District Court Action**

14          42.     Over concerns that any attempted and unauthorized transfer of interest could  
15 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and I filed a complaint, as  
16 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady  
17 and Mohajer as Case Number A-15-728510-B (the "District Court Action") and  
18 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin  
19 any transfer of NuVeda's membership interests.

20          43.     The District Court Action sought, among other things, the issuance of a  
21 preliminary and permanent injunction maintaining the status quo pending a final resolution of the  
22 parties' disputes in an arbitration.

23          44.     Although the District Court did not issue a preliminary injunction in the District  
24 Court Action, on January 13, 2016, the Court ordered (the "January 13, 2016 Order"), among  
25 other things, "IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the  
26 completion of the contemplated arbitration, the parties are to take no further action to expulse  
27 each other on the factual bases presented to the Court during the evidentiary hearing."

28          45.     Goldstein and I commenced a private arbitration proceeding with the American

1 Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al. v. NuVeda*  
2 *LLC, et al.*, AAA Case No. 01-15-005-8574 (the “Arbitration”).

3 46. Notwithstanding the express language of the January 13, 2016 Order, in a March  
4 10, 2016 meeting I attended, Bady called for a vote to expel me from NuVeda.

5 47. Bady, Mohajer and Kennedy voted in favor of the motion to expel me in violation  
6 of the January 13, 2016 Order.

7 48. The purported expulsion was further documented in a meeting on or about  
8 September 19, 2017, where the NuVeda Meeting Minutes indicate my interest in NuVeda was  
9 distributed to Bady and Mohajer in yet another act of blatant self-dealing.

10 49. NuVeda, Bady and Mohajer transferred my individual license interest in NuVeda  
11 directly to Bady and Mohajer without my consent.

12 **Purchase and Sale Agreement for Terry’s Ownership Interest in NuVeda and NuVeda-**  
13 **Managed Licenses**

14 50. During the pendency of the District Court Action and Arbitration, on or about  
15 April 30, 2018, I entered into a “Purchase and Sale Agreement for Terry’s Ownership Interest in  
16 NuVeda and NuVeda-Managed Licenses” (the “Terry Purchase Agreement”) with BCP7 as the  
17 Buyer. A true and correct copy of the Terry Purchase Agreement to the Motion as Exhibit 4.

18 51. Padgett personally guaranteed all payments and other performance obligations due  
19 under the Terry Purchase Agreement.

20 52. The Terry Purchase Agreement provides, among other things, that I agreed to sell  
21 the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration and  
22 on specific terms.

23 53. The total purchase price for BCP 7 to acquire the Terry Interest was \$1.75 million  
24 (the “Purchase Price”), which was “substantially reduced” from fair market value.

25 54. I was induced to sign the Terry Purchase Agreement in reliance upon Padgett’s  
26 representations that the Purchase Price would be paid.

27 55. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00  
28 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the “Initial



1 Payment”), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,  
2 2028 with payments due monthly until paid in full (the “Monthly Payments”).

3 56. The Monthly Payments were to be made on or before the first day of the month in  
4 an amount not less than the interest accrued on the outstanding balance at an interest rate of 18%.

5 57. The Monthly Payments were to commence May 1, 2018, and the first payment  
6 was to have been made no later than May 2, 2018.

7 58. The Terry Purchase Agreement further provided that there shall be acceleration of  
8 the outstanding balance and any unpaid accrued interest thereon upon (1) the sale or transfer of  
9 the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP  
10 7 to a third party (other than CWNV, LLC); or (2) a default of a payment obligations, which shall  
11 result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the  
12 Balance following notice of failure to Padgett and no cure within 10 business days thereof.

13 59. Upon execution of the Terry Purchase Agreement and upon receipt of the first  
14 Monthly Payment, I agreed, among other things, to assign any and all claims and right in the  
15 Arbitration and District Court Action to BCP 7.

16 60. BCP 7 made a partial payment toward the Initial Payment in the sum of  
17 \$250,000.00 on or about August 1, 2018.

18 61. In addition to the partial Initial Payment, BCP 7 made partial interest and extension  
19 payments.

20 62. However, BCP 7 failed to pay the Initial Payment or Monthly Payments in full.

21 63. As a result of BCP 7’s failure to pay the Initial Payment or any of the Monthly  
22 Payments in full, I provided notice of and right to cure this failure to BCP 7 and Padgett.

23 64. BCP 7 and Padgett failed to cure the outstanding balance owed following notice  
24 of such failure and a right to cure within 10 business days.

25 65. As a result of BCP 7’s and Padgett’s failure to pay the Initial Payment and Monthly  
26 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the  
27 Terry Interest to BCP 7.

28 66. Notwithstanding the fact that the Terry Interest was never properly transferred to

1 BCP 7, in an email dated June 5, 2018 from Padgett to the Arbitrator in the Arbitration, Padgett  
2 purported to dismiss “all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry  
3 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark  
4 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with  
5 prejudice.” See electronic mail from Padgett to Nikki Baker, Exhibit 5 to the Motion.

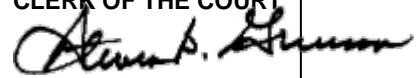
6 67. Not only did CWNevada never make or assert any claims related to the Arbitration,  
7 the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady and Mohajer  
8 to defraud me by having BCP 7 purportedly purchase the Terry Interest, and then immediately  
9 attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying the agreed  
10 consideration.

11 I declare under penalty of perjury under that the foregoing is true and correct.

12 DATED this 30<sup>th</sup> day of November, 2020

13  
14 /s/Shane M. Terry  
15 SHANE M. TERRY  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

# **EXHIBIT “2”**



Michael R. Mushkin, Esq.  
Nevada Bar No. 2421  
L. Joe Coppedge  
Nevada Bar No. 4954  
MUSHKIN & COPPEDGE  
6070 S. Eastern Avenue, Suite 270  
Las Vegas, Nevada 89128  
Telephone: (702) 454-3333  
Fax: (702) 386-4979  
michael@mushlaw.com  
jcoppedge@mccnvlaw.com  
*Attorneys for Plaintiffs*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

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

Dept. No.: 11

AND RELATED MATTERS

**ORDER DENYING MOTION TO DISMISS OR FOR SUMMARY JUDGMENT**

This matter came before the Honorable Elizabeth Gonzalez on August 31, 2020 on NuVeda's Motion to Dismiss or for Summary Judgment (the "Motion") with Mitchell D. Stipp of the Law Office of Mitchell Stipp appearing for NuVeda, LLC; L Joe Coppedge of the law firm Mushkin & Coppedge appearing for the Court Appointed Receiver, Dotan Melech, for CWNevada, LLC, Shane Terry and Phillip Ivey; Christopher R. Miltenberger of the law firm Greenberg Traurig, LLP appearing on behalf of Intervenor, Green Pastures Fund, LLC Series 1 (CWNevada, LLC), Jakal Investments, LLC, Jonathan S. Fenn as Trustee for the Jonathan S.

1 Fenn Revocable Trust, and Growth Opportunities, LLC; and William Urga of the firm Jolley Urga  
2 Woodbury & Holthus appearing on behalf of Intervenor, Highland Partners NV LLC and the  
3 MI-CW related parties; and the Court, having reviewed and considered the record, the points and  
4 authorities on file, and the argument of counsel, this Court ORDERS, JUDGES AND DECREES  
5 AS FOLLOWS:

6 1. Given the Receiver's Declaration that the Receiver on behalf of CWNevada, LLC  
7 can perform the obligations of CWNevada, LLC under the various joint venture agreements with  
8 NuVeda, LLC, there is a genuine issue of material fact regarding the issue of impossibility, which  
9 precludes summary judgment.

10 2. The Motion related to the Intervenor's complaint-in-intervention, is moot (since  
11 resolution was depended on the court's determination that CWNevada, LLC's performance under  
12 the joint venture agreements was impossible).

13 3. With respect to Shane Terry, the Motion is stayed for a period of ninety (90) days  
14 from the date of the hearing for Mr. Terry to request any relief from the arbitrator, Ms. Nikki  
15 Baker, of the American Arbitration Association.

16 DATED this 18th day of September, 2020.

17  
18   
19 DISTRICT COURT JUDGE

20  
21 Respectfully Submitted:  
22 MUSHKIN & COPPEDGE

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

23 /s/L. Joe Coppedge  
24 L. JOE COPPEDGE, ESQ.  
25 Nevada Bar No. 4954  
26 6070 South Eastern Ave Ste 270  
Las Vegas, NV 89119

/s/Mitchell D. Stipp  
MITCHELL D. STIPP, ESQ.  
Nevada Bar No. 7531  
1180 N. Town Center Drive, Suite 100  
Las Vegas, Nevada 89144

27 *Attorneys for Dotan Y. Melech, Receiver,*  
28 *Shane Terry, and Phillip D. Ivey*

*Attorneys for NuVeda, LLC*

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Approved as to Form and Content:  
JOLLEY URGAL WOODBURY  
HOLTHUS & ROSE

/s/William R. Urga  
WILLIAM R. URGAL, ESQ.  
Nevada Bar No. 1195  
DAVID J. MALLEY, ESQ.  
Nevada Bar No. 8171  
330 S. Rampart Boulevard, Suite 380  
Las Vegas, NV 89145

Approved as to Form and Content:  
GREENBERG TRAURIG

/s/Christopher R. Miltenberger  
MARK E. FERRARIO, ESQ.  
Nevada Bar No. 1625  
CHRISTOPHER R. MILTENBERGER, ESQ.  
Nevada Bar No. 10153  
10845 Griffith Peak Drive, Suite 600  
Las Vegas, NV 89135

## Karen Foley

---

**From:** Joe Coppedge  
**Sent:** Thursday, September 17, 2020 3:17 PM  
**To:** Karen Foley  
**Subject:** FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge  
Mushkin & Coppedge  
6070 S. Eastern Ave., Suite 270  
Las Vegas, Nevada 89119  
Tel. No. (702) 454-3333  
Dir. No. (702) 386-3942  
Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

---

**From:** William Urga <WURU@juwlaw.com>  
**Sent:** Thursday, September 17, 2020 2:27 PM  
**To:** Joe Coppedge <jcoppedge@mccnvlaw.com>; Mitchell Stipp <mstipp@stipplaw.com>; miltenbergerc@gtlaw.com  
**Subject:** RE: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Joe, I have no comments regarding the order and you can electronically sign my name.

William R. Urga, Esq.  
Jolley Urga Woodbury & Holthus  
Tivoli Village  
330 S. Rampart Boulevard, Suite 380  
Las Vegas, Nevada 89145  
Telephone: (702) 699-7500  
Facsimile: (702) 699-7555  
E-mail: [wru@juwlaw.com](mailto:wru@juwlaw.com)

**Please consider the environment before printing this email.**

 JOLLEY URGA | attorneys  
WOODBURY & HOLTHUS | at law

Information contained in this electronic transmission (e-mail) is private and confidential and is the property of Jolley Urga Woodbury & Holthus. The information contained herein is privileged and is intended only for the use of the individual(s) or entity(ies) named above. If you are not the intended recipient, be advised that any unauthorized disclosure, copying, distribution or the taking of any action in reliance on the contents of this electronically transmitted (e-mail) information is strictly prohibited. If you have received this electronic transmission (e-mail) in error, please

immediately notify us by telephone and delete the e-mail from your computer. You may contact Jolley Urga Woodbury & Holthus at (702) 699-7500 (Las Vegas, NV).

---

**From:** Joe Coppedge <[jcoppedge@mccnvlaw.com](mailto:jcoppedge@mccnvlaw.com)>

**Sent:** Thursday, September 17, 2020 2:20 PM

**To:** Mitchell Stipp <[mstipp@stipplaw.com](mailto:mstipp@stipplaw.com)>; William Urga <[WRU@juwlaw.com](mailto:WRU@juwlaw.com)>; [miltenbergerc@gtlaw.com](mailto:miltenbergerc@gtlaw.com)

**Subject:** 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

Mushkin & Coppedge

6070 S. Eastern Ave., Suite 270

Las Vegas, Nevada 89119

Tel. No. (702) 454-3333

Dir. No. (702) 386-3942

Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.



## Karen Foley

---

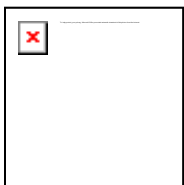
**From:** Joe Coppedge  
**Sent:** Thursday, September 17, 2020 3:18 PM  
**To:** Karen Foley  
**Subject:** FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge  
Mushkin & Coppedge  
6070 S. Eastern Ave., Suite 270  
Las Vegas, Nevada 89119  
Tel. No. (702) 454-3333  
Dir. No. (702) 386-3942  
Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

**From:** Mitchell Stipp <mstipp@stiplaw.com>  
**Sent:** Thursday, September 17, 2020 2:59 PM  
**To:** Joe Coppedge <jcoppedge@mccnvlaw.com>  
**Cc:** WRU@juwlaw.com; miltenbergerc@gtlaw.com  
**Subject:** Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

You need to update the footer. Otherwise, you may include my e-signature.



**Mitchell Stipp**

Law Office of Mitchell Stipp  
(O) 702.602.1242 | (M) 702.378.1907 | mstipp@stiplaw.com

**Address:** 1180 N. Town Center Drive, Suite 100  
Las Vegas, Nevada 89144

**Website:** www.stiplaw.com

On Thu, Sep 17, 2020 at 2:20 PM Joe Coppedge <[jcoppedge@mccnvlaw.com](mailto:jcoppedge@mccnvlaw.com)> wrote:

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

Mushkin & Coppedge

6070 S. Eastern Ave., Suite 270

Las Vegas, Nevada 89119

Tel. No. (702) 454-3333

Dir. No. (702) 386-3942

Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

## Karen Foley

---

**From:** Joe Coppedge  
**Sent:** Thursday, September 17, 2020 3:18 PM  
**To:** Karen Foley  
**Subject:** FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge  
Mushkin & Coppedge  
6070 S. Eastern Ave., Suite 270  
Las Vegas, Nevada 89119  
Tel. No. (702) 454-3333  
Dir. No. (702) 386-3942  
Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

---

**From:** miltenbergerc@gtlaw.com <miltenbergerc@gtlaw.com>  
**Sent:** Thursday, September 17, 2020 3:06 PM  
**To:** mstipp@stipplaw.com; Joe Coppedge <jcoppedge@mccnvlaw.com>  
**Cc:** WRU@juwlaw.com  
**Subject:** RE: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Joe – Good catch by Mitchell. You have my permission to e-sign as well.

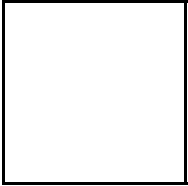
Thanks,

Chris Miltenberger  
Greenberg Traurig, LLP  
702.599.8024

**From:** Mitchell Stipp <mstipp@stipplaw.com>  
**Sent:** Thursday, September 17, 2020 2:59 PM  
**To:** Joe Coppedge <jcoppedge@mccnvlaw.com>  
**Cc:** [WRU@juwlaw.com](mailto:WRU@juwlaw.com); Miltenberger, Chris (Shld-LV-LT) <miltenbergerc@gtlaw.com>  
**Subject:** Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

**\*EXTERNAL TO GT\***

You need to update the footer. Otherwise, you may include my e-signature.



**Mitchell Stipp**

Law Office of Mitchell Stipp

(O) 702.602.1242 | (M) 702.378.1907 | [mstipp@stiplaw.com](mailto:mstipp@stiplaw.com)

**Address:** 1180 N. Town Center Drive, Suite 100  
Las Vegas, Nevada 89144

**Website:** [www.stiplaw.com](http://www.stiplaw.com)

On Thu, Sep 17, 2020 at 2:20 PM Joe Coppedge <[jcoppedge@mccnvlaw.com](mailto:jcoppedge@mccnvlaw.com)> wrote:

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

Mushkin & Coppedge

6070 S. Eastern Ave., Suite 270

Las Vegas, Nevada 89119

Tel. No. (702) 454-3333

Dir. No. (702) 386-3942

Fax No. (702) 454-3333

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

---

If you are not an intended recipient of confidential and privileged information in this email, please delete it, notify us immediately at [postmaster@gtlaw.com](mailto:postmaster@gtlaw.com), and do not use or disseminate the information.

# **EXHIBIT “3”**

# EXHIBIT “4”

---

# NuVeda, LLC

---

## Operating Agreement

---

July 9, 2014

---

---

## **Operating Agreement For NuVeda, LLC**

### **A Nevada Limited Liability Company**

This Operating Agreement (the "Agreement") is made effective as of July 9, 2014 (the "Effective Date"), by and among and those persons identified in Exhibit A (collectively, the "Members").

In consideration of the mutual covenants and conditions herein, the Members agree as follows:

## **ARTICLE I**

### **ORGANIZATION**

**1.1 Formation and Qualification.** The Members have formed NuVeda, LLC ("NUVEDA"), a limited liability company (the "Company") under the Nevada Limited Liability Company Act (currently Chapter 86 of the Nevada Restated Statutes) (the "Act") by filing Articles of Organization with the Nevada Secretary of State.

**1.2 Governing Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Nevada, including the Nevada Limited Liability Company Act, (the "Act") as amended from time to time, without regard to Nevada's conflicts of laws principles. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that any provision of this Agreement is inconsistent with any provision of the Act, this Agreement shall govern to the extent permitted by the Act.

**1.3 Name.** The name of the Company shall be "NUVEDA, LLC." The business of the Company may be conducted under that name or, on compliance with applicable laws, any other name that the Voting Members deem appropriate or advisable. The Voting Members on behalf of the Company shall file any certificates, articles, fictitious business name statements and the like, and any amendments and supplements thereto, as the voting Members consider appropriate or advisable.

**1.4 Term.** The term of the Company commenced on the filing of the Articles of Organization and shall be perpetual unless dissolved as provided in this Agreement.

**1.5 Office and Agent.** The principal office of the Company shall be at such place or places of business within or without the State of Nevada as the Voting Members may determine. The Company shall continuously maintain a registered agent in the State of Nevada as required by the Act. The registered agent shall be as stated in the Certificate or as otherwise determined by the Voting Members.

**1.6 Purpose of Company.** The purpose of the Company is to engage in all lawful activities, including, but not limited to the following activities:

The research, design, creation, management, licensing, advising and consulting regarding the legal medical marijuana industry, as such matters shall be lawfully allowed under applicable state laws. Such purpose shall be broadly read to include providing management or other professional services to any individual, group or entity that is lawfully licensed, or seeking to become lawfully licensed, under any state statutory scheme providing for the legal cultivation, processing or dispensing of medical marijuana.



## ARTICLE II

### MEMBERSHIP INTERESTS, VOTING AND MANAGEMENT

**Section 2.1 Initial Members.** The initial Members of the Company are the Members who are identified in Exhibit A.

**Section 2.2 Classification of Membership Interests.** The Company shall issue Class A Voting Capital ("Voting Capital"), to the Voting Members (the "Voting Members"). The Voting Members shall have the right to vote upon all matters upon which Members have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interest ("Percentage Voting Interest") in the Company. The Percentage Voting Interest of a Voting Member shall be the percentage that is derived when the Member's Voting Capital account is divided by the total of all of the Voting Capital accounts. The Company may decide to issue Class B Nonvoting Capital (the "Nonvoting Capital") to Members who have no voting rights, but have an Ownership Interest, as defined below.

**Section 2.3 Ownership Interests.** A Member's Ownership Interest ("Ownership Interest") shall be the equity holding a Member has in the Company, which shall determine the Member's rights to profits and other payouts and, where applicable, debts and obligations to or on behalf of the Company. The "Percentage Ownership Interest" of a Voting Member shall be the percentage that is derived when the Member's Ownership Interest is divided by the total of all of the Ownership Interests of all Members. The Members shall have the initial Ownership and Voting Interests in the Company that are identified in Exhibit A, immediately following the making of the capital contributions set forth therein if any.

**Section 2.4 Management by Voting Members.** The Voting Members shall manage the Company and shall have the right to vote, in their capacity as Managers, upon all matters upon which Managers have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interests in the Company. Voting Members need not identify whether they are acting in their capacity as Members or Managers when they act.

The Nonvoting Members shall have no right to vote or otherwise participate in the management of the Company. No Nonvoting Member shall, without the prior written consent of all of the Voting Members, take any action on behalf of, or in the name of, the Company, or enter into any contract, agreement, commitment or obligation binding upon the Company, or perform any act in any way relating to the Company or the Company's assets.

**Section 2.5 Voting.** Except as otherwise provided or permitted by this Agreement, Voting Members shall in all cases, in their capacity as Members or Managers of the Company, act collectively, and, unless otherwise specified or permitted by this Agreement, upon the majority vote of the Voting Members which members establish a quorum as defined in section 4.6 of this Agreement. Except as otherwise provided or permitted by this Agreement, no Voting Member acting individually, in his capacity as a Member or Manager of the Company, shall have any power or authority to sign for, bind or act on behalf of the Company in any way, to pledge the Company's credit, or to render the Company liable for any purpose.

Unless the context requires otherwise, in this Agreement, the terms "Member" or "Members," without the qualifiers "Voting" or "Nonvoting," refer to the Voting and Nonvoting Members collectively; and the terms "Manager" or "Managers" refers to the Voting Members.

**Section 2.6 Liability of Members.** All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities

of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

**Section 2.7 New Members.** The Voting Members may issue additional Voting Capital, or reallocate the Ownership Interests among the Members, and thereby admit a new Member or Members, as the case may be, to the Company, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his or her required capital contribution, if any; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto; and (iv) delivers such additional documentation as the Voting Members shall reasonably require to so admit such new Member to the Company.

Upon the admission of a new Member or Members, as the case may be, to the Company, the capital accounts of Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately.

**Section 2.8 Vesting Schedule.** The Voting and Ownership Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Voting and Ownership Interests as set forth in Exhibit A. The Voting and Ownership Interests of Penders and Winmill are stated as a total possible, and are each subject to vesting upon the successful conclusion of each full calendar from the date hereof year as follows: Penders and Winmill shall each immediately vest in one-quarter of a percent (.25%) upon execution of this Operating Agreement. Subject to Penders and Winmill's continued provision of services in a manner satisfactory to the reasonable professional standards of a majority of the Voting Members, each shall vest in Voting and Ownership Interests at the rate of point one eight seven five of a percent (.1875%) at the conclusion of the first full calendar year, and an additional point four three seven five of a percent (.4375%) per annum for the following three (3) years. Such vesting shall be subject to the terms of the Vesting and Acceleration Agreement. Prior to them becoming vested, all Winmill and Penders unvested Voting and Ownership Interests percentages shall be allocated evenly between Pouya Mohajer and Shane Terry, assuming their continued Membership with the Company, otherwise allocated among all Voting Members in proportion to each Member's Voting and Ownership Interest percentage, to ensure a total of 100% of the Voting and Ownership Interests are allocated at all times ("Allocated Unvested Shares"). As Penders and Winmill vest in the Allocated Unvested Shares, they shall immediately and automatically be reallocated to Penders and Winmill.

With regard to any Ownership Interests granted by the Company after the execution of this Operating Agreement, such Ownership Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted from the Ownership Interest of Pej Bady until such time Bady's Ownership Interest has been reduced to thirty-eight percent (38%). In the event any further or more Ownership Interests are granted by the Company, such Ownership Interests shall be sourced by taking a proportional share of the dilutable Ownership Interests of the Members. All Members whose Ownership Interests are dilutable shall have their Ownership Interest percentages reduced in proportion to their Ownership Interests relative to all other dilutable Members' Ownership Interests. Ownership Interests designated as nondilutable will not decrease.

With regard to any Voting Interests granted by the Company after the execution of this Operating Agreement, such Voting Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Voting Interests of Pouya Mohajer and Shane

Terry until such time Mohajer and Terry's respective Ownership Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Ownership Interests relative to all other dilutable Members' Voting Interests. Voting Interests designated as nondilutable will not decrease.

**Section 2.9 Anti-Dilution.** Certain of the Members' Ownership Interests will be denoted as being non-dilutable. In the event the Company issues additional Ownership Interests, or reallocates Ownership Interests among the Members (either, a "Dilutive Transaction"), the Non-dilutable Ownership Interests shall remain constant as a percentage of the total outstanding Ownership Interests before and after the Dilutive Transaction.

### ARTICLE III CAPITAL ACCOUNTS

**3.1 Capital Accounts.** A separate capital account shall be maintained for each Member's ownership interest in Class A Voting Capital (the "Voting Capital Account") and Class B Nonvoting Capital (the "Nonvoting Capital Account").

The capital account of each Member shall be increased by (i) the amount of any cash and the fair market value of any property contributed to the Company by such Member (net of any liability secured by such contributed property that the Company is considered to assume or take subject to), (ii) the amount of income or profits allocated to such Member.

The capital account or accounts of each Member shall be reduced by (i) the amount of any cash and the fair market value of any property distributed to the Member by the Company (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to on account of his ownership interest), (ii) the amount of expenses or loss allocated to the Member. If any property other than cash is distributed to a Member, the Capital Accounts of the Members shall be adjusted as if the property had instead been sold by the Company for a price equal to its fair market value and the proceeds distributed.

Guaranteed Payments ("Guaranteed Payments") for salary, wages, fees, payments on loans, approved invoices, rents, etc., may be made to the Members. Guaranteed Payments shall not be deemed to be distributions to the Members on account of their Ownership Interests, and shall not be charged to the Members' capital accounts.

No Member shall be obligated to restore any negative balance in his Capital Account. No Member shall be compensated for any positive balance in his Capital Account except as otherwise expressly provided herein. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2) and shall be interpreted and applied in a manner consistent with such Regulations. The Members agree that the initial Capital Accounts of the Members on the date hereof are as set forth in Exhibit A, or shall be made as such within 30 days of the Effective Date.

**3.2 Additional Contributions.** If, at any time or times hereafter, the Voting Members

shall determine that additional capital is required by the Company, the Voting Members shall determine the amount of such additional capital and the anticipated time such additional capital will be required and whether such additional capital shall be provided by the Members by way of additional Capital Contributions or by way of loans from Members. No Member shall be obligated, at any time, to guarantee or otherwise assume or become liable for any obligations of the Company or to make any additional Capital Contributions advances or loans to the Company, unless such obligations are specifically accepted and agreed to by such Member.

The capital accounts of the Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately to reflect any transfer of an interest in the Company, distributions, or additional capital contributions.

**3.3 Withdrawal and Return of Capital.** No Member may withdraw any portion of the capital of the Company, and no Member shall be entitled to the return of any contribution to the capital except upon majority vote of the Voting Members. The return of Capital Contributions shall have priority over any distributions to the members and shall be made within the sole discretion of a majority of the Voting Members.

**3.4 Interest on Capital Contributions.** Interest on all Capital Contributions made by the Voting Members shall accrue at a rate of 8% from the date of the contribution until fully paid. This shall apply to all contributions made by the Voting Members regardless of the timing of the Capital Contribution. Specifically it is understood that significant sums have been paid or will be paid by the Voting Members in order to effectuate the goals and purposes of the Company. All said contributions shall be repaid in full with interest, as provided for herein, in accordance with the provisions of Section 3.3.

#### **ARTICLE IV MANNER OF ACTING**

**4.1 Officers and Agents of the Company.** The Voting Members may authorize any Member or Members of the Company, or other individuals or entities, whether or not a Member, to take action on behalf of the Company, as the Voting Members deem appropriate. Any Member may lend money to and receive loans from the Company, act as an employee, independent contractor, lessee, lessor, or surety of the company, and transact any business with the Company that could be carried out by someone who is not a Member; and the Company may receive from or pay to any Member remuneration, in the form of wages, salary, fees, rent, interest, or any form that the Voting Members deem appropriate.

The Voting Members may appoint officers of the Company who, to the extent provided by the Voting Members, may have and may exercise all the powers and authority of the Members or Managers in the conduct of the business and affairs of the Company. The officers of the Company may consist of a President, a Treasurer, a Secretary, or other officers or agents as may be elected or appointed by the Voting Members. The Voting Members may provide rules for the appointment, removal, supervision and compensation of such officers, the scope of their authority, and any other matters relevant to the positions. The officers shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Voting Members.

Any action taken by a duly authorized officer, pursuant to authority granted by the Voting Members in accordance with this Agreement, shall constitute the act of and serve to bind the



Company, and each Member hereby agrees neither to dispute such action nor the obligation of the Company created thereby.

**4.2 Authority to Bind the Company.** Notwithstanding the foregoing, no Member without a majority vote consisting of 60% of the Voting Members' interest in the Company, shall have the authority to engage in the following transactions:

- (a) Borrowing money in the Company's name;
- (b) Transferring, settling or releasing any claim of the Company, except upon payment in full;
- (c) Mortgaging any of the Company's property, or pledging any property of the Company as security for any loan;
- (d) Selling or leasing any of the Company's property other than in the ordinary course of business;
- (e) Knowingly causing anything to be done whereby any of the Company's property may be subjected to seizure, attachment or forfeiture or the Company's ownership or possession of any such property may be put at risk;
- (f) The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in multiple transactions over a six month period, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution;
- (g) The merger of the Company with another partnership, corporation, limited liability company or other entity; and
- (h) Agreeing to or executing any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount greater than One Thousand Dollars (\$1,000.00). Notwithstanding the foregoing, the Chief Executive Officer can agree to or execute any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount more than Ten Thousand Dollars (\$10,000.00).

**4.3 Meetings of Voting Members.** No regular, annual, special or other meetings of Voting Members are required to be held. Any action that may be taken at a meeting of Voting Members may be taken without a meeting by written consent in accordance with the Act. Meetings of the Voting Members, for any purpose or purposes, may be called at any time by a majority of the Voting Members, or by the President of the Company, if any. The Voting Members may designate any place as the place of meeting for any meeting of the Voting Members. If no designation is made, the place of meeting shall be the principal place of business of the Company.

**4.4 Notice of Meetings.** In the event that a meeting of the Voting Members is called,

written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five nor more than sixty business days before the date of the meeting unless otherwise provided, either personally or by mail, by or at the direction of the Members calling the meeting, to each Voting Member. Notice of a meeting need not be given to any Voting Member who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Voting Member.

**4.5 Record Date.** For the purpose of determining Voting Members entitled to notice of or to vote at any meeting of Voting Members or any adjournment thereof, the date on which notice of the meeting is provided shall be the record date for such determination of the Voting Members. When a determination of Voting Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

**4.6 Quorum.** Members holding at least 66% of the Voting Capital in the Company represented in person, by telephonic participation, or by proxy, shall constitute a quorum at any meeting of Voting Members. In the absence of a quorum at any such meeting, a majority of the Voting Members so represented may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. However, if the adjournment is for more than sixty days, or if after the adjournment a new record date is fixed for another meeting, a notice of the adjourned meeting shall be given to each Voting Member. The Voting Members present at a duly organized meeting may continue to transact business only as previously provided on the agenda until adjournment, notwithstanding the withdrawal during such meeting of that number of Voting Members whose absence would cause less than a quorum.

**4.7 Voting.** If a quorum is present, a majority vote of the Voting Members so represented shall be the act of the Members or Managers, unless the vote of a lesser or greater proportion or number is otherwise required by the Act, by the Certificate or by this Agreement.

## ARTICLE V

### ALLOCATIONS AND DISTRIBUTIONS

**5.1 Allocations of Profits and Losses.** Subject to applicable law and any limitations elsewhere in this Agreement, Profits and Losses, after deducting Guaranteed Payments, shall be allocated among the Members in proportion to their Percentage Ownership Interests. Any special allocations necessary to comply with the requirements set forth in Internal Revenue Code Section 704 and the corresponding Regulations, including, without limitation, the qualified income offset and minimum gain chargeback provisions contained therein, shall be made if the Voting Members deem these actions to be appropriate.

**5.2 Distributions.** Subject to applicable law and any limitations elsewhere in this Agreement below, the Voting Members shall determine the amount and timing of all distributions of cash, or other assets, by the Company. Except as otherwise provided in this Agreement, all distributions shall be made as follows:

Distributions:

- Eighty percent (80%) of each distribution will be allocated among all of the Members, as follows (the "Distribution Interests"):

|                    |        |
|--------------------|--------|
| Pejman Bady        | 38%    |
| Pouya Mohajer      | 25.25% |
| Shane Terry        | 25.25% |
| Jennifer Goldstein | 7%     |
| Joseph Kennedy     | 1*%    |
| John Penders       | 1.75%  |
| Ryan Winmill       | 1.75%  |

and

- Twenty percent (20%) of each distribution shall be allocated to satisfy any contractual obligations owed by the Company to consultants, vendors, advisors or others with whom the Company has an appropriate written agreement providing for such distributions ("Distributions Partners"); in the event less than 20% of the Distribution has been allocated to Distributions Partners, the unallocated percentage shall be allocated to the Members in proportion to their Percentage Distribution Interests.

Except as otherwise provided in this Agreement, the decision as to whether to make distributions shall be within the sole discretion of the Voting Members.

With regard to any Distribution Interests granted by the Company after the execution of this Operating Agreement, such Distribution Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Distribution Interests of Pouya Mohajer and Shane Terry until such time Mohajer and Terry's respective Distribution Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Distribution Interests relative to all other dilutable Members' Voting Interests. Distribution Interests designated as nondilutable will not decrease.

All such distributions shall be made only to the Members who, according to the books and records of the Company, are the holders of record on the actual date of distribution. The Voting Members may base a determination that a distribution of cash may be made on a balance sheet, profit and loss statement, cash flow statement of the Company or other relevant information. Neither the Company nor the Members shall incur any liability for making distributions.

**Vesting Schedule.** The Distribution Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Distribution Interests as set forth in Exhibit A.

**5.3 Form of Distribution.** No Member has the right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to

accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members except on the dissolution and winding up of the Company.

**5.4 Non-Compete Agreement.** The Members agree that they will not at any time within one (1) year from the earlier of (1) the termination of the Member's Voting Interests for any reason or (2) the termination of this Agreement: directly or indirectly engage in or prepare to engage in, or to have any ownership interest in any business, venture or entity that engages in, or is preparing to engage in, business or activities that directly compete with the services provided by the Company, unless the Member is already engaged in such business or venture at the time this Agreement is entered into, unless such matter is agreed upon in writing by a majority of the disinterested Voting Members. Subject to the foregoing, the departing Member shall only be precluded from competing in any county in which any of the following have occurred: (1) the Company has an in process or pending application; (2) the Company has received licenses to operate any medical marijuana facility; and (3) the Company sells or delivers marijuana and marijuana products (each, a "Competing County"). For purposes of this provision, any county in which the Company's only sale or delivery was related exclusively to Auntie Dolores products shall not be deemed a Competing County unless another provision hereof applies. The other Members may override this provision is by an agreement in writing executed by a majority of the disinterested Voting Members.

## ARTICLE VI

### TRANSFER AND ASSIGNMENT OF INTERESTS

**6.1 Resignation of Membership and Return of Capital.** For a period of two (2) years after the Articles of Organization for the Company are filed ("the filing"), no Member may voluntarily resign his membership in the Company, and no Member shall be entitled to any return of capital from the company, except upon the written consent of all of the other Voting Members. During the third year after the filing, a Member may voluntarily resign his membership, but such Member shall be entitled to receive from the Company only the book value of his Ownership Interest, adjusted for profits and losses to the date of resignation, unless otherwise agreed by written consent of all of the other Voting Members. Subsequent to the third year after filing, a Member may voluntarily resign his membership and shall be entitled to receive from the Company the fair market value of his Ownership Interest, adjusted for profits and losses to the date of resignation. Fair market value may be determined informally by unanimous agreement of all of the Voting Members, including the resigning Member. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the resigning Member is entitled. The other Voting Members may elect, by written notice that is provided to the resigning Member within thirty (30) days after the resignation date, for the Company to purchase the resigning Member's Interest (whether the interest is being purchased at book value or fair market value) in four (4) equal annual installments, with the first installment



being due sixty (60) days after the Member's resignation.

**6.2 Expulsion or Death of a Member.** A Member's interest in the Company may be terminated or expelled only upon agreement of the Disinterested Voting Members by a vote of 60% or more of Disinterested Voting Interests. Expulsion may only be made by a majority vote of 60% or more of the Disinterested Voting Interests that the expelled member was not acting in the best interest of the Company or was otherwise acting in a manner that was contrary to the purpose of the Company. For purposes of this provision, the "Disinterested Voting Members" shall be those Members who's membership in the Company is not then being voted upon, and "Disinterested Voting Interests" shall be the total percentage of the Ownership Interests held by the Disinterested Voting Members. By means of example only, if the Members sought to expel Member A, who owned a 20% Voting Interest, the Disinterested Voting Members would be all Members other than Member A, and the vote would require 60% of the 80% Disinterested Voting Interests to carry. In order to terminate a Member's interest a meeting of the Voting Members must be held in accordance with the provisions of Section 4.3.

Upon the expulsion or death of a Member, the Member's successor-in-interest, estate or beneficiary or beneficiaries, as the case may be, shall be entitled to receive from the Company, in exchange for all of the former Member's Ownership Interest, the fair market value of that Member's Ownership Interest, adjusted for profits and losses to the date of the expulsion or death. Fair market value may be determined informally by a unanimous good-faith agreement of all of the Voting Members. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the former Member or the former Member's successor-in-interest, estate or beneficiary or beneficiaries is or are entitled. The Voting Members may elect, by written notice that is provided to the expelled or deceased Member's successor-in-interest, estate or beneficiary or beneficiaries, within thirty (30) days after the Member's expulsion or death, to purchase the former Member's Ownership Interest over a one-year (1 year) period, in four (4) equal installments, with the first installment being due sixty (60) days after the Member's expulsion or date of death. Unless otherwise agreed unanimously by the Voting Members, prior to the completion of such purchase, the former Member's successor-in-interest, estate or beneficiary or beneficiaries, shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled only to receive the share of profits and the return of capital to which the former Member would otherwise have been entitled. The Company, or the other Voting Members, in its or their discretion, may purchase insurance on the lives of any of the Members, with the company or the purchasing Member named as the beneficiary, as the purchaser may decide, and use all or any of the proceeds from such insurance as a source of proceeds from which the deceased Member's Membership Ownership Interest may be purchased by the Company.

**6.3 Restrictions on Transfer.** Except (i) as otherwise provided in this Article or (ii) upon the unanimous consent of all of the other Voting Members, no Member shall sell, hypothecate, pledge, assign or otherwise transfer, with or without consideration, any part or all of his Ownership Interest in the Company to any other person or entity (a "Transferee"), without first offering (the "Offer") that portion of his or her Ownership Interest in the Company subject to the contemplated transfer (the "Offered Interest") first to the Company, and secondly, to the other Voting Members, at the purchase price (hereinafter referred to as the "Transfer Purchase Price") and in the manner as prescribed in the Offer.

The Offering Member shall make the Offer first to the Company by written notice (hereinafter referred to as the "Offering Notice"). Within twenty (20) days (the "Company Offer Period") after receipt by the Company of the Offering Notice, the Company shall notify the Offering Member in writing (the "Company Notice"), whether or not the Company shall accept the Offer and shall purchase all but not less than all of the Offered Interest. If the Company accepts the Offer to purchase the Offered Interest, the Company Notice shall fix a closing date not more than twenty-five (25) days (the "Company Closing Date") after the expiration of the Company Offer Period.

In the event the Company decides not to accept the Offer, the Offering Member or the Company, at his or her or its election, shall, by written notice (the "Remaining Member Notice") given within that period (the "Member Offer Period") terminating ten (10) days after the expiration of the Company Offer Period, make the Offer of the Offered Interest to the other Voting Members, each of whom shall then have a period of twenty-five (25) days (the "Member Acceptance Period") after the expiration of the Member Offer Period within which to notify in writing the Offering Member whether or not he or she intends to purchase all but not less than all of the Offered Interest. If two (2) or more Voting Members of the Company desire to accept the Offer to purchase the Offered Interest, then, in the absence of an agreement between them, such Voting Members shall have the right to purchase the Offered Interest in proportion to their respective Percentage Voting Interests. If the other Voting Members intend to accept the Offer and to purchase the Offered Interest, the written notice required to be given by them shall fix a closing date not more than sixty (60) days after the expiration of the Member Acceptance Period (hereinafter referred to as the "Member Closing Date").

The aggregate dollar amount of the Transfer Purchase Price shall be payable in cash on the Company Closing Date or on the Member Closing Date, as the case may be, unless the Company or the purchasing Voting Members shall elect by written notice that is delivered to the Offering Member, prior to or on the Company Closing Date or the Member Closing Date, as the case may be, to purchase such Offered Interest in four (4) equal annual installments, with the first installment being due on the Closing Date.

If the Company or the other Voting Members fail to accept the Offer or, if the Offer is accepted by the Company or the other Voting Members and the Company or the other Voting Members fail to purchase all of the Offered Interest at the Transfer Purchase Price within the time and in the manner specified, then the Offering Member shall be free, for a period (hereinafter referred to as the "Free Transfer Period") of sixty (60) days from the occurrence of such failure, to transfer the Offered Interest to a Transferee; provided, however, that if all of the other Voting Members other than the Offering Member do not approve of the proposed transfer by unanimous written consent, the Transferee of the Offered Interest shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled to receive the share of profits and the return of capital to which the Offering Member would otherwise have been entitled. A Transferee shall be admitted as a Member of the Company, and as a result of which he or she shall become a substituted Member, with the rights that are consistent with the Membership Interest that was transferred, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his required capital contribution; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto.

If the Offering Member shall not transfer the Offered Interest within the Free Transfer Period, his or her right to transfer the Offered Interest free of the foregoing restrictions shall thereupon cease

and terminate.

**6.4 Involuntary Transfer of a Membership Interest.** A creditor's charging order or lien on a Member's Membership Interest, bankruptcy of a Member resulting in an encumbrance or transfer of the Member's Membership Interest, or other involuntary transfer of Member's Membership Interest, shall constitute a material breach of this Agreement by such Member. The creditor, transferee or other claimant, shall only have the rights of an Assignee, and shall have no right to become a Member, or to participate in the management of the business and affairs of the Company as a Member or Manager under any circumstances, and shall be entitled only to receive the share of profits and losses, and the return of capital, to which the Member would otherwise have been entitled. The Voting Members, including a Voting Member whose interest is the subject of the charging order, lien, bankruptcy, or involuntary transfer, may unanimously elect, by written notice that is provided to the creditor, transferee or other claimant, at any time, to purchase all or any part of Membership Interest that was the subject of the creditor's charging order, lien, bankruptcy, or other involuntary transfer, at a price that is equal to one-half (1/2) of the book value of such interest, adjusted for profits and losses to the date of purchase. The Members agree that such valuation is a good-faith attempt at fixing the value of the interest, after taking into account that the interest does not include all of the rights of a Member or Manager, and after deducting damages that are due to the material breach of this Agreement.

## ARTICLE VII

### ACCOUNTING, RECORDS AND REPORTING

**7.1 Books and Records.** The Company shall maintain complete and accurate accounts in proper books of all transactions of or on behalf of the Company and shall enter or cause to be entered therein a full and accurate account of all transactions on behalf of the Company. The Company's books and accounting records shall be kept in accordance with such accounting principles (which shall be consistently applied throughout each accounting period) as the Voting Members may determine to be convenient and advisable. The Company shall maintain at its principal office all of the following:

A current list of the full name and last known business or residence address of each Member in the Company set forth in alphabetical order, together with, for each Member, the Class A Voting Capital account and Class B Nonvoting Capital account, including entries to these accounts for contributions and distributions; the Ownership Interest, Percentage Ownership and Voting Interests; a copy of the Certificate and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Certificate or any amendments thereto have been executed; copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six most recent taxable years; a copy of this Agreement and any and all amendments hereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed; copies of the financial statements of the Company, if any, for the six most recent Fiscal Years; the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four Fiscal Years; true and full information regarding the status of the business and financial condition of the Company; and true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on



the Act; the majority approval of the Voting Members; or any other event causing a dissolution of a Limited Liability Company under the laws of the State of Nevada.

**8.2 Winding Up.** On the occurrence of an event specified in Section 8.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Voting Members shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the assets and liabilities of Company, shall cause such assets to be sold or distributed, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.4. The Voting Members shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company. The Members shall be entitled to reasonable compensation for such services.

**8.3 Distributions in Kind.** All noncash contributions to the Capital Accounts shall be returned to the Member who made such contribution upon dissolution of the Company, to the extent such noncash assets exist and may be legally returned to the contributing Member. Any remaining noncash assets distributed to the Members shall first be valued at their fair market value to determine the profit or loss that would have resulted if such assets were sold for such value. Such profit or loss shall then be allocated pursuant to this Agreement, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged against the Capital Account of each Member receiving an interest in a distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The fair market value of such asset shall be determined by the Voting Members, or if any Voting Member objects, by an independent appraiser (and any such appraiser must be recognized as an expert in valuing the type of asset involved) selected by a Majority of the Voting Members.

**8.4 Order of Payment of Liabilities on Dissolution.** After a determination that all known debts and liabilities of the Company in the process of winding up, including, without limitation, debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in proportion to their Ownership Interests.

**8.5 Adequacy of Payment.** The payment of a debt or liability, whether the whereabouts of the creditor is known or unknown, shall have been adequately provided for if payment thereof shall have been assumed or guaranteed in good faith by one or more financially responsible Persons or by the United States government or any agency thereof, and the provision, including the financial responsibility of the Person, was determined in good faith and with reasonable care by the Members to be adequate at the time of any distribution of the assets pursuant to this Section. This Section shall not prescribe the exclusive means of making adequate provision for debts and liabilities.

**8.6 Compliance with Regulations.** All payments to the Members on the winding up and dissolution of Company shall be strictly in accordance with the positive capital account balance limitation and other requirements of Regulations Section 1.704-1(b)(2)(ii)(d), as the voting Members deem appropriate.

**8.7 Limitations on Payments Made in Dissolution.** Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of the Company for the return of such Member's positive Capital Account balance and shall have no recourse for such Member's Capital Contribution or share of profits (on dissolution or otherwise)

against any other Member.

**8.8 Certificate of Cancellation.** The Voting Members conducting the winding up of the affairs of the Company shall cause to be filed in the office of, and on a form prescribed by the Nevada Secretary of State, a certificate of cancellation of the Certificate on the completion of the winding up of the affairs of the Company.

## ARTICLE IX

### EXCULPATION AND INDEMNIFICATION, REPS AND WARRANTIES

**9.1 Exculpation of Members.** Subject to the limitations of section 9.3, no Member shall be liable to the Company or to the other Members for damages or otherwise with respect to any actions taken or not taken, as long as such act or omission was made in good faith and reasonably believed by such Member to be in or not opposed to the best interests of the Company, except to the extent any related loss results from fraud, gross negligence or willful or wanton misconduct on the part of such Member or the material breach of any obligation under this Agreement or of the fiduciary duties owed to the Company or the other Members by such Member.

**9.2 Indemnification by Company.** Subject to the limitations of section 9.3, below, the Company shall indemnify, hold harmless and defend the Members, in their capacity as Members, Managers, or Officers, from and against any loss, expense, damage or injury suffered or sustained by them by reason of any acts or omissions arising out of their activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, if the acts or omissions were not performed or omitted fraudulently or as a result of gross negligence or willful misconduct by the indemnified party. Reasonable expenses incurred by the indemnified party in connection with any such proceeding relating to the foregoing matters may be paid or reimbursed by the Company in advance of the final disposition of such proceeding upon receipt by the Company of (i) written affirmation by the Person requesting indemnification of its good-faith belief that it has met the standard of conduct necessary for indemnification by the Company and (ii) a written undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such Person has not met such standard of conduct, which undertaking shall be an unlimited general obligation of the indemnified party but need not be secured.

**9.3 Intellectual Property Indemnification.** Notwithstanding the foregoing, each Member will indemnify, defend and hold harmless the other Member and any of its Affiliates, customers, officers, directors, employees, agents, assigns, and successors for any loss, damage, expense, costs (including, but not limited to, fees for attorneys and other professionals) or liability arising out of or in connection with a claim for intellectual property infringement or misappropriation of any patent, copyright, trade secret or other intellectual property right of a third party.

The indemnity obligations under this section are conditioned upon the Party seeking indemnification (the "Indemnified Party") (a) giving the other Party (the "Indemnifying Party") prompt Notice of such claim; (b) cooperating with the Indemnifying Party, at the Indemnifying Party's expense in the defense of such claim; and (c) giving the Indemnifying Party the right to

control the defense and settlement of any such claim, except that the Indemnifying Party shall not enter into any settlement or consent to judgment that affects the Indemnified Party's rights or interests without the Indemnified Party's prior written approval.

**9.4 Insurance.** The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Member or an agent of the Company against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Member or an agent of the Company, whether or not the Company would have the power to indemnify such Person against such liability under Section 10.1 or under applicable law.

## **ARTICLE X**

### **INTELLECTUAL PROPERTY**

**10.1 Definition of Intellectual Property.** "Intellectual Property" means all intellectual property rights in the United States or any foreign jurisdiction throughout the world (whether registered or not) including, without limitation, all of the following: (i) all patents and utility models and applications therefore, and all reissues, divisions, re-examinations, renewals, extensions, provisional's, continuations and continuations-in-part thereof, and equivalent or similar rights in inventions and discoveries, including without limitation, invention disclosures; (ii) all trade secrets and other rights in Technology, data, know-how and confidential or proprietary information; (iii) mask works, mask work registrations and applications therefore, and all other rights corresponding thereto throughout the world; (iv) all copyrights, copyrights registrations and applications therefore and all other rights corresponding thereto; (v) all industrial designs and any registrations and applications therefore; (vi) all rights in all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefore; and (vii) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

**10.2 Ownership of Intellectual Property.** The Parties acknowledge that any and all Intellectual Property created, used or embodied in or in connection with the Project, including without limitation any modifications or improvements made by the Parties based upon ideas, suggestions or proposals communicated between the Parties, are and shall remain the sole and exclusive property of the originating Party, and the other Party shall not during or at any time after the term of this Agreement in any way question or dispute the ownership of any such exclusive ownership rights.

**10.3 Definition of Marks.** "Mark(s)" means the trademarks, service marks, trademark and service mark applications, trade dress, trade names, logos, insignia, symbols, designs or other marks identifying a Party or its products.

**10.4 No Rights in Marks.** Nothing in this Agreement should be construed to grant either Party any rights in the Marks of the other Party. The Parties acknowledge, however, that each Party may use the name of the other Party and the name of their Products in advertising and marketing the Products or the Parties, themselves. The Products will be affixed with appropriate copyright and trademark notices sufficient to give Notice as to the rights of the Parties in their respective products.

**10.5 Confidentiality.** If, during the term, a Party receives or has access to Confidential Information belonging to the other Party, the Parties will be bound to keep all such information confidential. Confidential Information may only be used for purposes related to this Agreement and the Party receiving the confidential information must keep it confidential using the same degree of care that it exercises with respect to its own information of like importance, but in no event less than reasonable care.

## ARTICLE XI DISPUTE RESOLUTION

**11.1 Disputes Among Members.** The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to or in connection with this Agreement or the Company or its organization, formation, business or management ("Member Dispute"), the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

However, in the event that the Members are unable to resolve any Member Dispute, such parties shall first attempt to settle such dispute through a non-binding mediation proceeding. In the event any party to such mediation proceeding is not satisfied with the results thereof, then any unresolved disputes shall be finally settled in accordance with an arbitration proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

**11.2 Mediation.** Mediation proceedings shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") in effect on the date the notice of mediation was served, other than as specifically modified herein, and shall be non-binding on the parties thereto.

Any Member may commence a mediation proceeding by serving written notice thereof to the other Members, by mail or otherwise, designating the issue(s) to be mediated and the specific provisions of this Agreement under which such issue(s) and dispute arose. The initiating party shall simultaneously file two copies of the notice with the AAA, along with a copy of this Agreement. A Member may withdraw from the Member Dispute by signing an agreement to be bound by the results of the mediation, to the extent the mediation results are accepted by the other Members as provided herein. A Member who withdraws shall have no further right to participate in the Member Dispute.

The Members shall select one neutral third party AAA mediator (the "Mediator") with expertise in the area that is in dispute. If a Mediator has not been selected within five (5) business days thereafter, then a Mediator shall be selected by the AAA in accordance with the Commercial Mediation Rules of the AAA.

The Mediator shall schedule sessions, as necessary, for the presentation by all Members of their respective positions, which, at the option of the Mediator, may be heard by the Mediator jointly or in private, without any other members present. The mediation proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Mediator and all of the Members. The Members may submit to the Mediator, no later than ten (10) business days prior to the first scheduled session, a brief memorandum in support of their position.

The Mediator shall make written recommendations for settlement in respect of the dispute, including apportionment of the mediator's fee, within ten (10) business days of the last scheduled session. If any Member involved is not satisfied with the recommendation for settlement, he or she may commence an arbitration proceeding.

**11.3 Arbitration.** Arbitration proceedings shall be conducted under the Rules of Commercial Arbitration of the AAA (the "Rules"). A Member may withdraw from the Member



Dispute by signing an agreement to be bound by the results of the arbitration. A Member who withdraws shall have no further right to participate in the Member Dispute.

The arbitration panel shall consist of one arbitrator. The Members shall select one neutral third party AAA arbitrator (the "Arbitrator") with expertise in the area that is in dispute. If an Arbitrator has not been selected within five (5) business days thereafter, then an Arbitrator shall be selected by the AAA in accordance with the Commercial Arbitration Rules of the AAA. The arbitration proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Arbitrator and all of the Members. Any arbitrator who is selected shall disclose promptly to the AAA and to both parties any financial or personal interest the arbitrator may have in the result of the arbitration and/or any other prior or current relationship, or expected or discussed future relationship, with the Members or their representatives. The arbitrator shall promptly conduct proceedings to resolve the dispute in question pursuant to the then existing Rules. To the extent any provisions of the Rules conflict with any provision of this Section, the provisions of this Section shall control.

In any final award and/or order, the arbitrator shall apportion all the costs (other than attorney's fees which shall be borne by the party incurring such fees) incurred in conducting the arbitration in accordance with what the arbitrator deems just and equitable under the circumstances.

Discovery shall not be permitted in such arbitration except as allowed by the rules of arbitration, or as otherwise agreed to by all the parties of the Member Dispute. Notwithstanding, the Members agree to make available to one another and to the arbitrator, for inspection and photocopying, all documents, books and records, if determined by the arbitration panel to be relevant to the dispute, and by making available to one another and to the arbitration panel personnel directly or indirectly under their control, for testimony during hearings if determined by the arbitration panel to be relevant to the dispute. The Members agree, unless undue hardship exists, to conduct arbitration hearings to the greatest extent possible on consecutive business days and to strictly observe time periods established by the Rules or by the arbitrator for the submission of evidence and of briefs. Unless otherwise agreed to by the Members, a stenographic record of the arbitration proceedings shall be made and a transcript thereof shall be ordered for each Member, with each party paying an equal portion of the total cost of such recording and transcription.

The arbitrator shall have all powers of law and equity, which it can lawfully assume, necessary to resolve the issues in dispute including, without limiting the generality of the foregoing, making awards of compensatory damages, issuing both prohibitory and mandatory orders in the nature of injunctions and compelling the production of documents and witnesses for presentation at the arbitration hearings on the merits of the case. The arbitration panel shall neither have nor exercise any power to act as amicable compositeur or ex aequo et bono; or to award special, indirect, consequential or punitive damages. The decision of the arbitration panel shall be in written form and state the reasons upon which it is based. The statutory, case law and common law of the State of Nevada shall govern in interpreting their respective rights, obligations and liabilities arising out of or related to the transactions provided for or contemplated by this Agreement, including without limitation, the validity, construction and performance of all or any portion of this Agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded, but such governing law shall not include the law pertaining to conflicts or choice of laws of Nevada; provided however, that should the parties refer a dispute arising out of or in connection with an ancillary agreement or an agreement between some or all of the Members which specifically references this Article, then



the statutory, case law and common law of the State whose law governs such agreement (except the law pertaining to conflicts or choice of law) shall govern in interpreting the respective rights, obligations and liabilities of the parties arising out of or related to the transactions provided for or contemplated by such agreement, including, without limitation, the validity, construction and performance of all or any portion of such agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded.

Any action or proceeding subsequent to any Award rendered by the arbitrator in the Member Dispute, including, but not limited to, any action to confirm, vacate, modify, challenge or enforce the arbitrator's decision or award shall be filed in a court of competent jurisdiction in the same county where the arbitration of the Member Dispute was conducted, and Nevada law shall apply in any such subsequent action or proceeding.

## **ARTICLE XII**

### **MISCELLANEOUS**

**12.1 Notices.** Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the address set forth in the Company's records.

**12.2 Severability.** If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held to be invalid or unenforceable, shall not be affected thereby.

**12.3 Binding Effect.** Subject to Article VII, this Agreement shall bind and inure to the benefit of the parties and their respective Successors.

**12.4 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**12.5 Entire Agreement.** This Agreement contains the entire agreement of the parties and supersedes all prior or contemporaneous written or oral negotiations, correspondence, understandings and agreements between or among the parties, regarding the subject matter hereof.

**12.6 Further Assurances.** Each Member shall provide such further information with respect to the Member as the Company may reasonably request, and shall execute such other and further certificates, instruments and other documents, as may be necessary and proper to implement, complete and perfect the transactions contemplated by this Agreement.

**12.7 Headings; Gender; Number; References.** The headings of the Sections hereof are solely for convenience of reference and are not part of this Agreement. As used herein, each gender includes each other gender, the singular includes the plural and vice versa, as the context

may require. All references to Sections and subsections are intended to refer to Sections and subsections of this Agreement, except as otherwise indicated.

**12.8 Parties in Interest.** Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective Successors nor shall anything in this Agreement relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over or against any party to this Agreement.

**12.9 Amendments.** All amendments to this Agreement shall be in writing and signed by all of the Members to the agreement at the time of the amendment.

**12.10 Attorneys' Fees.** In any dispute between or among the Company and one or more of the Members, including, but not limited to, any Member Dispute, the prevailing party or parties in such dispute shall be entitled to recover from the non-prevailing party or parties all reasonable fees, costs and expenses including, without limitation, attorneys' fees, costs and expenses, all of which shall be deemed to have accrued on the commencement of such action, proceeding or arbitration. Attorneys' fees shall include, without limitation, fees incurred in any post-award or post-judgment motions or proceedings, contempt proceedings, garnishment, levy, and debtor and third party examinations, discovery, and bankruptcy litigation, and prevailing party shall mean the party that is determined in the arbitration, action or proceeding to have prevailed or who prevails by dismissal, default or otherwise.

**12.11 Remedies Cumulative.** Subject to Article XI, remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Member may be lawfully entitled.

**12.12 Jurisdiction and Venue/Equitable Remedies.** The Company and each Member hereby expressly agrees that if, under any circumstances, any dispute or controversy arising out of or relating to or in any way connected with this Agreement shall, notwithstanding Article XI, be the subject of any court action at law or in equity, such action shall be filed exclusively in the courts of the State of Nevada or of the United States of America with jurisdiction over any county of Nevada as selected by the Member that is the plaintiff in the action, or that initiates the proceeding or arbitration. Each Member agrees not to commence any action, suit or other proceeding arising from, relating to, or in connection with this Agreement except in such a court and each Member irrevocably and unconditionally consents and submits to the personal and exclusive jurisdiction of such courts for the purposes of litigating any such action, and hereby grants jurisdiction to such courts and to any appellate courts having jurisdiction over appeals from such courts or review of such proceedings. Because the breach of the provisions of this Section would cause irreparable harm and significant injury to the Company and the other Members, which would be difficult to ascertain and which may not be compensable by damages alone, each Member agrees that the Company and the other Members will have the right to enforce the provisions of this Section by injunction, specific performance or other equitable relief in addition to any and all other remedies available to such party or parties without showing or proving any actual damage to such parties. Members will be entitled to recover all reasonable costs and expenses, including but not limited to all reasonable attorneys' fees, expert and consultants' fees, incurred in connection with the enforcement of this Section.

**12.13 Authority.** This Agreement constitutes a legal, valid and binding agreement of the Member, enforceable against the Member in accordance with its terms. The Member is

empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

**12.14 Indemnification by Members in Breach.** Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

Peyman Bady  
DocuSigned by:  
Member: PEYMAN BADY

Pouya Mohajer  
DocuSigned by:  
Member: POUYA MOHAJER

Shane Terry  
DocuSigned by:  
Member: SHANE TERRY

RYAN WINMILL  
DocuSigned by:  
Member: RYAN WINMILL

Jennifer Goldstein  
DocuSigned by:  
Member: JENNIFER GOLDSTEIN

Joseph Kennedy  
DocuSigned by:  
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

**NUVEDA, LLC**  
**LISTING OF MEMBERS**

| NAME:              | ADDRESS:  | PERCENTAGE INTERESTS<br>VOTING/OWNERSHIP INTERESTS/DISTRIBUTION: |
|--------------------|---|--|
| Pejman Bady        | PO Box 6255<br>Pahrump, NV 89041                    | 46.5%/46.5%/38%  |
| Pouya Mohajer      | 2700 Las Vegas Blvd. #2709<br>Las Vegas, NV 89109   | 21%/21%/25.25%   |
| Shane Terry        | 4575 Dean Martin Drive #1401<br>Las Vegas, NV 89103 | 21%/21%/25.25%   |
| Jennifer Goldstein | 200 Hoover Street #1113<br>Las Vegas, NV 89101      | 7%*/7%*/7%*  |
| Joe Kennedy        | 11115 Kilkerran Ct,<br>Las Vegas, NV 89141          | 1%*/1%*/1%*  |
| John Penders       | 29 Marshall Terrace<br>Wayland, MA 01778            | 1.75%*/1.75%*/1.75%  |
| Ryan Winmill       | 412 Princess Street<br>Alexandria VA 222314         | 1.75%*/1.75%*/1.75%  |

\*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

Member Listing as of this \_\_\_\_\_ day of \_\_\_\_\_, 2014

DocuSigned by:  
Pejman Bady  
Member: PEJMAN BADY

DocuSigned by:  
Pouya Mohajer  
Member: POUYA MOHAJER

DocuSigned by:  
Shane Terry  
Member: SHANE TERRY

DocuSigned by:  
RYAN WINMILL  
Member: RYAN WINMILL

DocuSigned by:  
Jennifer Goldstein  
Member: JENNIFER GOLDSTEIN

DocuSigned by:  
Joseph Kennedy  
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

**NUVEDA, LLC  
CAPITAL CONTRIBUTIONS**

Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

| Description           | Value        |
|-----------------------|--------------|
| Member: PEJ BADY      | \$440,000.00 |
| Member: POUYA MOHAJER | \$440,000.00 |
| Member: SHANE TERRY   | \$120,000.00 |

SIGNED AND AGREED this \_\_\_\_\_ day of \_\_\_\_\_, 2014.

DocuSigned by:  
Pejman Bady  
Member: PEJMAN BADY

DocuSigned by:  
Pouya Mohajer  
Member: POUYA MOHAJER

DocuSigned by:  
Shane Terry  
Member: SHANE TERRY

DocuSigned by:  
Rob A Winmill  
Member: ROB A WINMILL

DocuSigned by:  
Jennifer Goldstein  
Member: JENNIFER GOLDSTEIN

DocuSigned by:  
Joseph Kennedy  
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

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

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

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

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

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

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

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

1.45  
45 MR



ST  
Substantially reduced

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

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

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

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

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

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

Litigation, Releases and Cooperation:

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

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

245  
b

Arbitration and District Court Case to Buyer.

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

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

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

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

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

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



shall be awarded to the prevailing party.

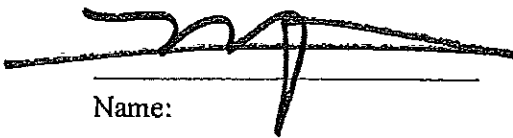
The Parties acknowledge that there is no other agreement and no other term incorporated into this Purchase and Sale Agreement other than what is expressed herein.

Dated this 20<sup>th</sup> day April, 2018

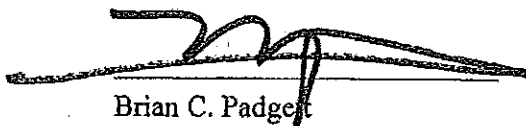
BUYER:

BCP 7, LLC

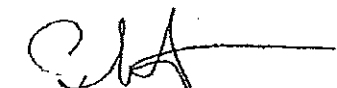
By its Manager:

  
Name:

GUARANTOR:

  
Brian C. Padgett

SELLER:

  
Shane Terry

4.25

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

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

*Purchase price is substantially reduced*

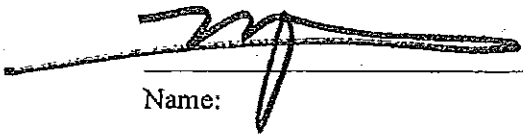
*YJP*

Dated this 30<sup>th</sup> day April, 2018.

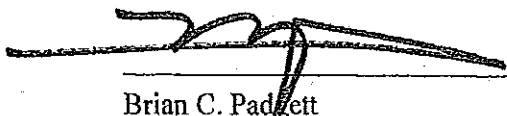
BUYER:

BCP 7, LLC

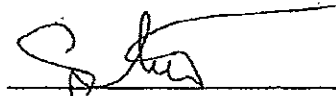
By its Manager:

  
Name:

GUARANTOR:

  
Brian C. Padgett

SELLER:

  
Shane Terry

*Set 6*  
*9*

Assignment of Interests

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

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

Assignor

Shane Terry

Assignee

BCP 7, LLC

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

5/2/18

# EXHIBIT “5”

**From:** Brian Padgett brian@briancpadgett.com  
**Subject:** Terry/NuVeda case number 01-15-0005-8574  
**Date:** June 5, 2018 at 7:41 PM  
**To:** nbaker@petersonbaker.com  
**Cc:** pejman bady pbady@me.com, Pouya Mohajer pouyamohajer@gmail.com, Joseph Kennedy joe90275@gmail.com, Matthew T. Dushoff mdushoff@klnvada.com, Jason Wiley jwiley@wileypetersenlaw.com, Amy Sugden amy@briancpadgett.com

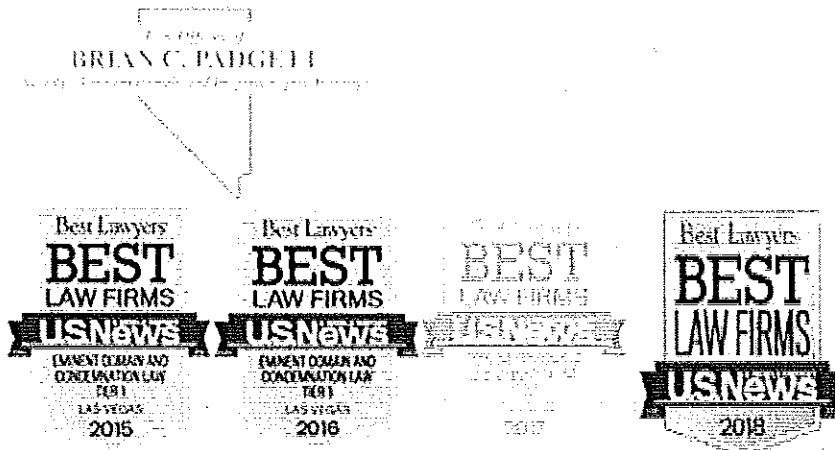
Dear Arbitrator Baker:

I hereby dismiss all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry (all right, title and interest) against Bady, Mohajer, and NuVeda and its subsidiaries (Clark NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with prejudice.

Please initiate necessary proceedings to dismiss my claims.

Ms. Sugden shall oversee the process and may sign on my behalf any necessary paperwork.

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



Notice: This electronic mail transmission, and any attachments hereto, may contain an attorney-client privilege that is privileged at law. It is not intended for transmission to, or receipt by, any unauthorized persons. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please immediately notify us by telephone at (702) 304-0123 and email the sender that you have received this communication in error. We will remit any telephone expenses incurred by you. Thank you.

# EXHIBIT “6”

Subject: RE: BCP 7

?

Nikki Baker <nbaker@petersonbaker.com>

Tue, Oct 9, 2018, 9:59 AM

to Jason Wiley, David Feuerstein, Matthew T. Dushoff, AAA Lance Tanaka, Amy Sugden, Kristina R. Cole, Scott D.

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

Counsel:

Based on the below email string and my orders regarding Ms. Goldstein's request for discovery, BCP Holding 7, LLC is hereby DISMISSED from this arbitration.

Mr. Tanaka, BCP Holding 7, LLC may be removed from the caption.

Additionally, based on the below emails, I will extend the time for the parties to provide to me proposed new deadlines related to a new arbitration hearing date to 5:00 p.m. PST on Monday, October 15. Absent exceptional circumstances, which do not include ongoing settlement discussions, this deadline will not be extended again.

Thank you,

Nikki

**Nikki Baker, Esq.**  
Peterson Baker, PLLC  
702.786.1001

From: Jason Wiley <jwiley@wileypetersenlaw.com>  
Sent: Tuesday, October 09, 2018 8:52 AM  
To: 'David Feuerstein' <david@dfmklaw.com>; Nikki Baker <nbaker@petersonbaker.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>  
Cc: 'Amy Sugden' <amy@briancpadgett.com>; 'Kristina R. Cole' <kcole@knevada.com>; 'Scott D. Fleming' <sfleming@knevada.com>  
Subject: RE: BCP 7

Arbitrator Baker:

I can confirm Mr. Feuerstein's comments regarding the parties' negotiations and ongoing efforts to schedule arbitration dates and other deadlines.

JMW

Jason M. Wiley, Esq.  
Partner



1050 Indigo Drive  
Suite 130  
Las Vegas, Nevada 89145  
Office 702.910.3329 | Direct 702.909.5487 | Mobile 702.845.7401  
jwiley@wileypetersenlaw.com

CONFIDENTIALITY NOTICE: This email transmission (and/or the attachments accompanying it) may contain confidential information belonging to the sender which is protected by the attorney-client privilege. The information is intended only for the use of the intended recipient. If you are not the intended recipient, you are hereby notified that any disclosure, copying, distribution, or the taking of any action in reliance on the contents of this information is strictly prohibited. Any unauthorized interception of this transmission is illegal. If you have received this transmission in error, please promptly notify the sender by reply email, and then dispose of all copies of the transmission.

From: David Feuerstein <david@dfmklaw.com>  
Sent: Monday, October 8, 2018 2:39 PM  
To: Nikki Baker <nbaker@petersonbaker.com>; Jason Wiley <jwiley@wileypetersenlaw.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>

# EXHIBIT “7”





AMERICAN  
ARBITRATION  
ASSOCIATION®

INTERNATIONAL CENTRE  
FOR DISPUTE RESOLUTION®

Lance Tanaka  
Vice President  
1400 16th Street, Suite 400  
Denver, CO 80202  
Telephone: (303)831-0824  
Fax: (646)640-1840

October 9, 2018

Matthew T. Dushoff, Esq.  
Kolesar & Leatham, Chtd.  
400 South Rampart Boulevard, Suite 400  
Las Vegas, NV 89145-5725  
Via Email to: mdushoff@klinevada.com

David Feuerstein  
Feuerstein Kulick LLP  
205 East 42nd Street, 20th Floor  
New York, NY 10017  
Via Email to: david@dfmklaw.com

Jason M. Wiley  
Wiley Petersen  
1050 Indigo Drive, Suite 130  
Las Vegas, NV 89145  
Via Email to: jwiley@wileypetersenlaw.com

Case Number: 01-15-0005-8574

Pouya Mohajer and Pejman Bady;  
-vs-  
Jemifer Goldstein  
-vs-  
Nuveda, LLC

Dear Parties:

This will confirm that BCP 7, LLC has been dismissed as a party in this matter, in accordance with the Arbitrator's Ruling of October 9, 2018. Counsel for BCP 7, LLC is copied on this letter however they have been removed from the case and will no longer receive correspondence concerning this matter.

Sincerely,

/s/  
Lance K Tanaka  
Vice President  
Direct Dial: (303)831-0824  
Email: LanceTanaka@adr.org  
Fax: (646)640-1840

cc: Amy Sudgen  
Kristina Cole  
Brian C. Padgett  
Anne M. Landis  
Scott Fleming, Esq.  
Nikki Baker, Esq.

lt/bs

**From:** [Karen Foley](#)  
**To:** ["lancetanaka@adr.org"](mailto:lancetanaka@adr.org)  
**Cc:** [Michael Mushkin](#)  
**Bcc:** [Joe Coppedge](#)  
**Subject:** AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al  
**Date:** Monday, November 30, 2020 4:08:54 PM  
**Attachments:** [201130\[Executed\] AAA - Motion to Set Aside Dismissal.pdf](#)  
[201130\[Executed\] AAA - Notice of Appearance.pdf](#)

---

**Mr. Tanaka,**

**Please be advised that the law firm of Mushkin & Coppedge has been retained to represent the interests of Shane Terry, in regard to the above-referenced matter. I have attached a Notice of Appearance. In addition, I am attaching a Motion to Set Aside Dismissal for your review.**

**If this is not the proper procedural order would you please be able to lead me in the right direction.**

**Thank you for your attention to this matter.**

**Regards,**

**Karen L. Foley  
Legal Administrator/Case Manager  
MUSHKIN & COPPEDGE  
6070 South Eastern Avenue, Suite 270  
Las Vegas, NV 89119  
Tel. No. (702) 454-3333  
Fax No. (702) 386-4979**

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

**IRS CIRCULAR 230 DISCLOSURE:** To ensure compliance with requirements imposed by the IRS, we inform you that, to the extent this communication (or any attachment) addresses any tax matter, it was not written to be (and may not be) relied upon to (i) avoid tax-related penalties under the Internal Revenue Code, or (ii) promote, market or recommend to another party any transaction or matter addressed herein (or in any such attachment).

**From:** [AAA Lance Tanaka](#)  
**To:** [Karen Foley](#)  
**Cc:** [Michael Mushkin](#)  
**Subject:** RE: AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al  
**Date:** Tuesday, December 1, 2020 11:17:25 AM  
**Attachments:** [image881d5c.PNG](#)

---

Dear Ms. Foley,

This will confirm receipt of your email and attachments.

Our files in the matter referenced were closed on March 20, 2019 and the Association no longer has jurisdiction regarding this matter.

Sincerely,

Lance K. Tanaka



**Lance Tanaka**

American Arbitration Association

16 Market Square  
1400 16th Street, Suite 400, Denver, CO 80202  
T: 303 831 0824 F: 646 640 1840 E: [LanceTanaka@adr.org](mailto:LanceTanaka@adr.org)  
[adr.org](http://adr.org) | [icdr.org](http://icdr.org) | [aaamediation.org](http://aaamediation.org)



The information in this transmittal (including attachments, if any) is privileged and/or confidential and is intended only for the recipient(s) listed above. Any review, use, disclosure, distribution or copying of this transmittal is prohibited except by or on behalf of the intended recipient. If you have received this transmittal in error, please notify me immediately by reply email and destroy all copies of the transmittal. Thank you.

---

**From:** Karen Foley <[KFoley@mccnvlaw.com](mailto:KFoley@mccnvlaw.com)>  
**Sent:** Monday, November 30, 2020 5:09 PM  
**To:** AAA Lance Tanaka <[LanceTanaka@adr.org](mailto:LanceTanaka@adr.org)>  
**Cc:** Michael Mushkin <[Michael@mccnvlaw.com](mailto:Michael@mccnvlaw.com)>  
**Subject:** AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al

**\*\*\* External E-Mail – Use Caution \*\*\***

Mr. Tanaka,

Please be advised that the law firm of Mushkin & Coppedge has been retained to represent the interests of Shane Terry, in regard to the above-referenced matter. I have attached a Notice of Appearance. In addition, I am attaching a Motion to Set Aside Dismissal for your review.

If this is not the proper procedural order would you please be able to lead me in the right direction.

Thank you for your attention to this matter.

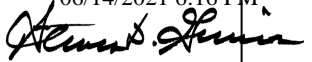
Regards,

Karen L. Foley  
Legal Administrator/Case Manager  
MUSHKIN & COPPEDGE  
6070 South Eastern Avenue, Suite 270  
Las Vegas, NV 89119  
Tel. No. (702) 454-3333  
Fax No. (702) 386-4979

**CONFIDENTIALITY NOTICE:** The information contained in this message may be protected by the attorney-client privilege. If you believe that it has been sent to you in error, do not read it. Please immediately reply to the sender that you have received the message in error. Then delete it. Thank you.

**IRS CIRCULAR 230 DISCLOSURE:** To ensure compliance with requirements imposed by the IRS, we inform you that, to the extent this communication (or any attachment) addresses any tax matter, it was not written to be (and may not be) relied upon to (i) avoid tax-related penalties under the Internal Revenue Code, or (ii) promote, market or recommend to another party any transaction or matter addressed herein (or in any such attachment).



  
CLERK OF THE COURT

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@stippilaw.com  
*Attorneys for NuVeda, LLC*

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

Consolidated With: A-19-791405-C,  
A-19-796300-B, A-20-817363-B, and  
A-21-827473-W

Dept. No.: XI

Hearing Date: February 22, 2021  
Hearing Time: 9:00 a.m.

AND RELATED MATTERS

**ORDER DENYING MOTION TO STAY**

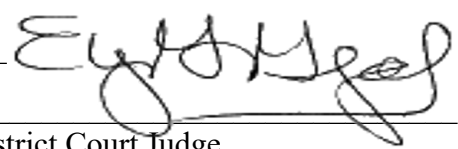
The Motion to Stay on Order Shortening Time filed by NuVeda, LLC with respect to claims by Shane Terry asserted in the complaint on file in Sub-Case A-20-817363-B came before the Honorable Elizabeth Gonzalez at the hearing set forth above (the "Motion"). Based on the briefing by the parties and oral argument by counsel, the Court has reconsidered its prior decision to set an evidentiary hearing on the issue of rescission (because there are factual issues to be resolved at trial).

IT IS THEREFORE ORDERED ADJUDGED AND DECREED that the Motion is denied without prejudice.

IT IS SO ORDERED.

**Dated this 14th day of June, 2021**

Date: \_\_\_\_\_

  
District Court Judge

819 2FF 64C4 C4AC  
Page 1 of 2  
**Elizabeth Gonzalez**  
**District Court Judge**

RA 211

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

3 */s/ Mitchell Stipp*

4 \_\_\_\_\_  
5 MITCHELL D. STIPP, ESQ.  
6 Nevada Bar No. 7531  
7 1180 N. Town Center Drive, Suite 100  
8 Las Vegas, Nevada 89144  
9 *Attorneys for NuVeda, LLC*

10 **MUSHKIN & COPPEDGE**

11 **\*\*\*\*\*REFUSED\*\*\*\*\***

12 L. JOE COPPEDGE, ESQ.  
13 Nevada Bar No. 4954  
14 6070 South Eastern Ave Ste 270  
15 Las Vegas, NV 89119  
16 *Attorneys for Dotan Y. Melech, Receiver,*  
17 *Shane Terry, and Phillip D. Ivey*

1 **CSERV**

2  
3 DISTRICT COURT  
4 CLARK COUNTY, NEVADA

5  
6 Nuveda LLC, Plaintiff(s)

CASE NO: A-17-755479-B

7 vs.

DEPT. NO. Department 11

8 4Front Advisors LLC,  
9 Defendant(s)

10  
11 **AUTOMATED CERTIFICATE OF SERVICE**

12 This automated certificate of service was generated by the Eighth Judicial District  
13 Court. The foregoing Order was served via the court's electronic eFile system to all  
14 recipients registered for e-Service on the above entitled case as listed below:

Service Date: 6/14/2021

15 William Urga

wru@juwlaw.com

16 David Malley

djm@juwlaw.com

17 Jeanne Calix

jcalix@pnalaw.net

18 David Freeman

dfreeman@hollandhart.com

19 Valerie Larsen

vlarsen@hollandhart.com

20 Dara or Colleen Emens or Soto

lee-lawfirm@live.com

21 Keala Keyes

kkeyes@lee-lawfirm.com

22 Kelly Easton

kellye@sylvesterpolednak.com

23 J. Stephen Peek

speek@hollandhart.com

24 Stephanie Morrill

scmorrill@hollandhart.com

25 Karen Foley

kfoley@mccnvlaw.com

|    |                 |                                |
|----|-----------------|--------------------------------|
| 1  | L. Joe Coppedge | jcoppedge@mccnvlaw.com         |
| 2  | Leland Backus   | gbackus@backuslaw.com          |
| 3  | Patti Sherretts | psherretts@backuslaw.com       |
| 4  | Kirk Lenhard    | klenhard@bhfs.com              |
| 5  | CaraMia Gerard  | cgerard@mcdonaldcarano.com     |
| 6  | Robert Werbicky | rwerbicky@ag.nv.gov            |
| 7  | Michele Caro    | mcaro@ag.nv.gov                |
| 8  | Danielle Wright | dwright2@ag.nv.gov             |
| 9  | Andrea Rosehill | rosehilla@gtlaw.com            |
| 10 | Rory Kay        | rkay@mcdonaldcarano.com        |
| 11 | Jeff Silvestri  | jsilvestri@mcdonaldcarano.com  |
| 12 | LVGT docketing  | lvlitdock@gtlaw.com            |
| 13 | Sarah Gondek    | sgondek@cohenjohnson.com       |
| 14 | Linda Schone    | ls@juwlaw.com                  |
| 15 | Bradley Austin  | baustin@swlaw.com              |
| 16 | Lyndsey Luxford | lluxford@swlaw.com             |
| 17 | Docket Las      | Docket_Las@swlaw.com           |
| 18 | Claire Wildman  | buttelllawoffice@aim.com       |
| 19 | LaQuinta Smith  | laquintasmith@aol.com          |
| 20 | BCB Clerk       | rec@backuslaw.com              |
| 21 | Ryan Petersen   | rpetersen@wileypetersenlaw.com |
| 22 | Jason Wiley     | jwiley@wileypetersenlaw.com    |
| 23 | Heather Kelley  | hkelley@lkglawfirm.com         |
| 24 |                 |                                |
| 25 |                 |                                |
| 26 |                 |                                |
| 27 |                 |                                |
| 28 |                 |                                |



|    |                            |                            |
|----|----------------------------|----------------------------|
| 1  | Kirby Gruchow, Jr.         | kgruchow@lkglawfirm.com    |
| 2  | Travis Chance              | tchance@bhfs.com           |
| 3  | Olivia Swibies             | oswibies@nevadafirm.com    |
| 4  | Alejandro Pestonit         | apestonit@nevadafirm.com   |
| 5  | Richard Holley, Esq.       | rholley@nevadafirm.com     |
| 6  | Michelle Briggs            | mbriggs@ag.nv.gov          |
| 7  | Jennifer DelCarmen         | jdelcarmen@pnalaw.net      |
| 8  | Jeffrey Sylvester          | jeff@sylvesterpolednak.com |
| 9  | E. Kidd                    | dkidd@wileypetersenlaw.com |
| 10 | John Savage                | jsavage@nevadafirm.com     |
| 11 | Charles ("CJ") Barnabi Jr. | cj@barnabilaw.com          |
| 12 | Jon Pearson                | jtpearson@hollandhart.com  |
| 13 | Steven Cohen               | scohen@cohenjohnson.com    |
| 14 | H. Stan Johnson            | sjohnson@cohenjohnson.com  |
| 15 | Ryan Johnson               | rjohnson@cohenjohnson.com  |
| 16 | Kimberly Yoder             | kyoder@mccnvlaw.com        |
| 17 | Mitchell Stipp             | mstipp@stiplaw.com         |
| 18 | L. Humphrey                | ed@hlawnv.com              |
| 19 | David Lee                  | dlee@lee-lawfirm.com       |
| 20 | Charlene Renwick           | crenwick@lee-lawfirm.com   |
| 21 | Mark Ferrario              | ferrariom@gtlaw.com        |
| 22 | Christopher Miltenberger   | miltenbergerc@gtlaw.com    |
| 23 | Amy Sugden                 | amy@sugdenlaw.com          |
| 24 |                            |                            |
| 25 |                            |                            |
| 26 |                            |                            |
| 27 |                            |                            |
| 28 |                            |                            |

|    |   |                                   |
|----|---|-----------------------------------|
| 1  | Michelle Willoughby                             | mrwilloughby@hollandhart.com      |
| 2  | Lars Evensen                                    | lkevensen@hollandhart.com         |
| 3  | Dominique Hoskins                               | dhoskins@lee-lawfirm.com          |
| 4  | Chastity Dugenia                                | cdugenia@wileypetersenlaw.com     |
| 5  | Catherine Ramsey                                | cathy@briancpadgett.com           |
| 6  | Brian Padgett                                   | brian@briancpadgett.com           |
| 7  | Charlie Bowman                                  | cabowman@hollandhart.com          |
| 8  | Marie Twist                                     | marie@barnabilaw.com              |
| 9  | Craig Slater                                    | efile@luhlaw.com                  |
| 10 | Brian Irvine                                    | birvine@dickinsonwright.com       |
| 11 | Brooks Westergard                               | bwestergard@dickinsonwright.com   |
| 12 | DW Reno Docketing Clerk DW Reno Docketing Clerk | RN_litdocket@dickinson-wright.com |
| 13 | Charles Damus                                   | c.damus@damuslaw.com              |
| 14 | Charles Damus                                   | c.damus@damuslaw.com              |
| 15 | Frank Beninato Jr.                              | FrankBen@msn.com                  |
| 16 | Kristina Cole                                   | krcole@hollandhart.com            |
| 17 | Shane Terry                                     | shane@taprootbrands.com           |
| 18 | Ashley Blacksmith                               | ablacksmith@swlaw.com             |
| 19 | Diane Welch                                     | dwelch@mcdonalddcarano.com        |
| 20 |   |                                   |
| 21 |   |                                   |
| 22 |   |                                   |
| 23 |   |                                   |
| 24 |   |                                   |
| 25 |   |                                   |
| 26 |   |                                   |
| 27 |   |                                   |
| 28 |   |                                   |