

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

NUVEDA, LLC,

Petitioner,

vs

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

Respondent,

SHANE TERRY,

Real Party in Interest.

Electronically Filed  
Aug 12 2021 03:58 p.m.  
Elizabeth A. Brown  
Clerk of Supreme Court  
Supreme Court Case No. 82767

Case: A-20-817363-B

Lead Case: A-17-755479-B

Other Consolidated Cases with Lead  
Case:  
A-19-791405-C and A-19-796300-B

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**EMERGENCY MOTION TO STAY CASE BY SHANE TERRY IN THE  
DISTRICT COURT UNDER NRAP 8(a) and 27(E)  
[Action Requested by Nevada Supreme Court  
on or before 9am on September 13, 2021] <sup>1</sup>**

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LAW OFFICE OF MITCHELL STIPP  
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*Counsel for Petitioner<sup>1</sup>*

<sup>1</sup> Hearing on Motion attached hereto as **Exhibit 1** is September 13, 2021 at 9:00 a.m.

<sup>2</sup> A. William Maupin serves as co-counsel to Petitioner in this matter.

DATED this 12th day of August, 2021.

LAW OFFICE OF MITCHELL STIPP

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## **I. Recent District Court Proceedings**

NuVeda, LLC, as Petitioner (“NuVeda” or “Petitioner”), filed its Writ Petition on or about April 14, 2021. See Dkt. 21-10775. The Writ Petition was supported by an Appendix (Volumes I-VI). See Dkt. 21-10778 through Dkt. 21-10783. This Court ordered NuVeda to supplement its Writ Petition and Appendix. See Dkt. 21-13663. NuVeda supplemented its Writ Petition. See Supplement (Dkt. 21-16547) and Appendix (Dkt. 21-16548 through Dkt. 21-16555 and Dkt. 21-16558) and Second Supplement (Dkt. 21-17201). Real Party in Interest, Shane Terry, filed his response to the Writ Petition (as supplemented). See Dkt. 21-21028. The reply by NuVeda is due on or before August 18, 2021. See Dkt. 21-22514.

Mr. Terry filed a motion for leave in the district court to file a second amended complaint on August 6, 2021. See **Exhibit 1** attached hereto. The proposed second amended complaint includes three (3) new claims for relief on behalf of Mr. Terry: conversion, unjust enrichment, and civil conspiracy. Id. (page 9 of motion, lines 22-23). Mr. Terry identified these new claims as claims for relief #'s 20-22 as set forth in the proposed second amended complaint. Id. (page 9 of motion, lines 23-26); see also Exhibit 1 (pages 44-48 of motion) and Exhibit 2 to motion (pages 40-43 of Exhibit 2 to motion) .

Previously, NuVeda moved the district court for a stay of the proceedings pending its petition for a writ. See Appendix 0385-0407, Vol. 6 (Dkt. 21-10783); Appendix 1061-1064, Vol. 14 (Dkt. 21-16555) (supplement to motion); Appendix 1069-1140, Vol. 14 and 15) (Dkts. 21-16555 and 21-16558) (opposition to motion to stay); and Appendix 0409-0425, Vol. 6 (Dkt. 21-10783) (reply to opposition to motion to stay). The district court denied the request for a stay, reconsidered its position on the evidentiary hearing (bench trial on issue of rescission of the transaction between Mr. Terry and BCP 7 Holdings, LLC), but set the case for a jury trial. See Dkt. 21-17201 (Exhibit 2 to second supplement); see also Appendix 0430-0434, Vol. 6 (Dkt. 21-10783) (trial order).

## **II. Proposed New Claims by Mr. Terry are Res Judicata.**

The purpose of the motion by Mr. Terry in the district court is to avoid the dismissal of his claims subject to summary judgment, which the district court in error refused to grant. The pending writ petition before this Court does not divest the district court of jurisdiction over Mr. Terry's case. See Pengilly v. Rancho Santa Fee Homeowners Ass'n, 116 Nev. 646, 650, 5 P.3d 569, 571 (2000). Accordingly, the district court has jurisdiction to consider Mr. Terry's motion to file the second amended complaint.

If the district court grants Mr. Terry's motion, Mr. Terry's new claims may survive this Court's decision on the writ petition. If that is the case, NuVeda will be forced to ask the same district court which denied the requested relief by NuVeda to have the new claims dismissed based on claim preclusion. Weddell v. Sharp, 350 P.3d 80, 86 (Nev. 2015) (modifying Five Star Capital Corp. v. Ruby, 194 P.3d 709, 713 (Nev. 2008)).<sup>2</sup> "The purpose of the claim preclusion doctrine . . . is to obtain finality by preventing a party from filing another suit that is based on the same set of facts that were present in the initial suit." Five Star Capital Corp., 194 P.3d 709, 712 (holding modified by Weddell, 350 P.3d 80 (2015)). In NuVeda's initial motion to dismiss and/or for summary judgment, NuVeda specifically argued as follows:

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

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<sup>2</sup> According to Weddell, claim preclusion applies when: (1) there has been a valid, final judgment in a previous action; (2) the subsequent action is based on the same claims or any part of them that were or could have been brought in the first action; and (3) the parties or their privies are the same in the instant lawsuit as they were in the previous lawsuit, *or* the defendant can demonstrate that he or she should have been included as a defendant in the earlier suit and the plaintiff fails to provide a "good reason" for not having done so.

judgment which is valid, the current action by Mr. Terry is based on the same claims, and the relevant parties are the same in the current case as they were in the previous lawsuit.

See Appendix 0436-0447, 0444 (page 9 of motion, lines 4-9), Vol. 7 (Dkt. 21-16548).

The decision on dismissal/summary judgment with respect to Mr. Terry's claims was stayed by the district court for 90 days to provide him an opportunity to seek relief from the American Arbitration Association ("AAA"). See Appendix 1048-1056, Vol. 14, (Dkt. 21-16555). After the 90-day period, the same argument on claim preclusion was made by NuVeda in its motion to enter an order on Mr. Terry's claims (Appendix 0085-0160, 0089, Vol. 2 (Dkt. 21-10779) (page 5 of motion, lines 12-18), NuVeda's reply to the opposition filed by Mr. Terry (Appendix 0239-0299, 0243, Vol. 4 (Dkt. 21-10781) (page 5 of reply, lines 22-24), and NuVeda's reply to the opposition to its motion to stay (Appendix 0409-0425, 0410-0411, Vol. 6 (Dkt. 21-10783) (pages 2-3 of reply).

There is no dispute that Mr. Terry sold whatever interest he had in NuVeda and its affiliates to BCP 7 Holdings, LLC. See Appendix 0002-0008, Vol. 1 (Dkt. 21-10778). While Mr. Terry has alleged that BCP 7 Holdings, LLC defaulted on its obligations to pay the full consideration (see Appendix 0010-0033, Vol. 1 (Dkt. 21-10778)), the transaction has not been rescinded by the district court. Until

then, Mr. Terry lacks standing to bring any causes of action against NuVeda and its affiliates arising from his interest sold to BCP 7 Holdings, LLC. Further, even after a trial on that issue, rescission of the transaction does not automatically result in “rescission” of the separate order by AAA to dismiss Mr. Terry’s case with prejudice. See Writ Petition, Dkt. 21-10775 (Article 6, Points and Authorities, pages 11-14). The order cannot be set aside under NRCP 60(b). Id.

**III. The Court should stay the District Court case by Shane Terry pending resolution of the Writ Petition.**

NRAP 8(a) governs motions for stays. NRAP 8(a) provides as follows:

**(a) Motion for Stay.**

**(1) Initial Motion in the District Court.** A party must ordinarily move first in the district court for the following relief:

(A) a stay of the judgment or order of, or proceedings in, a district court pending appeal or resolution of a petition to the Supreme Court or Court of Appeals for an extraordinary writ;

(B) approval of a supersedeas bond; or

(C) an order suspending, modifying, restoring or granting an injunction while an appeal or original writ petition is pending.

**(2) Motion in the Court; Conditions on Relief.** A motion for the relief mentioned in Rule 8(a)(1) may be made to the Supreme Court or the Court of Appeals or to one of its justices or judges.

(A) The motion shall:

(i) show that moving first in the district court would be impracticable; or

(ii) state that, a motion having been made, the district court denied the motion or failed to afford the relief requested and state any reasons given by the district court for its action.

(B) The motion shall also include:

(i) the reasons for granting the relief requested and the facts relied on;

(ii) originals or copies of affidavits or other sworn statements supporting facts subject to dispute; and

(iii) relevant parts of the record.

(C) The moving party must give reasonable notice of the motion to all parties.

(D) In an exceptional case in which time constraints make consideration by a panel impracticable, the motion may be considered by a single justice or judge.

(E) The court may condition relief on a party's filing a bond or other appropriate security in the district court.

NuVeda previously asked the district court for a stay but was denied. See Discussion above, Article I, pages 2-3. Mr. Terry's proposed claims for relief for conversion, unjust enrichment, and conspiracy are based on what happened to Mr. Terry's interest in NuVeda and its subsidiaries, before the deal was consummated with BCP 7 Holdings, LLC. After acquiring Mr. Terry's interest, BCP 7 Holdings, LLC had every right to dismiss Mr. Terry's claims as confirmed by Mr. Terry's counsel of record. See Writ Petition, Dkt. 21-10775 (Article V, Statement of Facts, pages 8-9). Apparently, Mr. Terry asserts his interest was wrongfully transferred to Drs. Pejman Bady and Pouya Mohajer without his knowledge purportedly before he sold the same interest to BCP 7 Holdings, LLC. See **Exhibit 1** (Exhibits 1 and 2 to motion, Paragraph 331 of Proposed Second Amended Complaint). Mr. Terry's "new" allegation was the primary claim being arbitrated before AAA: the expulsion of Mr. Terry as a member and termination of



the same interest. See Appendix 0689-0719, 0690 (Mr. Terry's Amended Demand for Arbitration, page 2, lines 4-17).

It would be an unreasonable burden on NuVeda and its affiliates to continue to litigate claims by Mr. Terry (including the proposed, new claims), when Mr. Terry's interest (if any) was sold to BCP 7 Holdings, LLC and any claims are res judicata (because they cannot be set aside under NRCP 60(b)). NuVeda has already responded to written discovery. NuVeda's writ petition was based on Helfstein v. Eighth Judicial Dist. Court of State, 362 P.3d 91 (Nev. 2015) (granting writ petition and instructing Judge Gonzalez to vacate her previous order regarding a NRCP 60(b) motion). This Court should again intervene in the interest of judicial economy and impose a stay on the case by Mr. Terry pending resolution of NuVeda's writ petition. This will save time, money and resources litigating Mr. Terry's, which have been previously resolved as part of the arbitration before AAA.

#### **IV. Conclusion**

For the reasons set forth above, NuVeda seeks an order staying the case by Mr. Terry.

DATED this 12th day of August, 2021.

LAW OFFICE OF MITCHELL STIPP

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

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*Counsel for Petitioner*

## **NRAP 8(A) and 27(E) COMPLIANCE**

1. The telephone number and office address of the attorneys for the Real Party-in-Interest are:

Michael R. Mushkin, Esq.  
Nevada Bar No. 2421  
L. Joe Coppedge, Esq.  
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

2. A copy of this Motion was filed in District Court Case A-17-755479-B on August 12, 2021.
3. The undersigned contacted the Clerk's Office for the Nevada Supreme Court on August 12, 2021 and informed the same of Petitioner's emergency request before filing the Motion.
4. Judge Elizabeth Gonzales (Department 11 of Eighth Judicial District Court) and Joe Coppedge, counsel for Shane Terry, were notified via email of Petitioner's emergency request for a stay on August 12, 2021.

5. If the Nevada Supreme Court does not intervene and grant the stay, Petitioner and its affiliates will be forced to continue to litigate existing and proposed new claims by Shane Terry, which are res judicata.

LAW OFFICE OF MITCHELL STIPP

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

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*Counsel for Petitioner*

## CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 12th day of August, 2021, I filed the foregoing **EMERGENCY MOTION**, using the court's electronic filing system. Notice of the filing was made upon acceptance by the Nevada Supreme Court using the District Court's electronic filing system to the following e-service participants in District Court Case No. A-17-755479-B and by mail to the addresses as indicated:

**Judge Elizabeth Gonzalez:**

Dept11lc@clarkcountycourts.us

Regional Justice Center  
200 Lewis Ave.  
Las Vegas, NV 89155

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**Shane Terry as Real Party-in- Interest:**

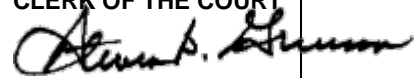
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By: 

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An employee of Law Office of Mitchell Stipp

# **EXHIBIT 1**



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*Attorneys for Plaintiffs*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

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

Dept. No.: 11

**HEARING REQUESTED**

**AND RELATED MATTERS**

**MOTION FOR LEAVE TO FILE SECOND AMENDED COMPLAINT**

Dotan Y. Melech (“Melech” or the “Receiver”), as the Court Appointed Receiver of  
CWNebraska, LLC (“CWNebraska”), Shane Terry (“Terry”) and Phillip D. Ivey (“Ivey”), by and  
through their attorneys, the law firm of Mushkin & Coppedge moves this Court to grant leave to  
amend their Complaint pursuant to NRCP 15(a)(2). This Motion is made and based upon the  
pleadings and papers on file herein, the Points and Authorities submitted herewith, and such  
further evidence and argument as may be brought before the Court at the hearing of this matter.



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## I. Statement of Case

1. On June 13, 2019, Dotan Y. Melech was appointed receiver over CWNevada, LLC (“CWNevada”) in case number A-18-773230-B, *Cima Group LLC v. CWNevada* (the “Cima Case”) pursuant to the Order Appointing Temporary Receiver and Temporary Restraining Order entered in the Cima Case (the “Temporary Receiver Order”) to preserve and if possible, maximize the value of CWNevada’s assets (the “Receivership Estate”) for the benefit of and distribution to CWNevada’s creditors.

2. Mr. Melech was also appointed as receiver over CWNevada in this case number A-17-755479-B (the “Receivership Action”) by stipulation in open court on June 14, 2019 and by subsequent orders of the district court presiding over the Receivership Action (“Receivership Court”) entered on June 26, 2019 (“Interim Receivership Order”) and July 10, 2019 (“Current Receivership Order”).

3. The Current Receivership Order provides in part:

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

The Receiver shall be the agent of the Court and shall be accountable directly to this Court. This Court hereby asserts exclusive jurisdiction and takes exclusive possession of all assets and property owned by, controlled by, or in the name of CWNevada...

4. Accordingly, Mr. Melech, as Receiver and an agent of the district court, has the right to take exclusive possession of all assets and property owned by, controlled by or in the name of CWNevada. This includes CWNV and CWNV1, LLC (“CWNV1”).

5. The Receiver filed a motion to engage the undersigned firm as contingency counsel in 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, Shane Terry ("Terry") and Phillip D. Ivey ("Ivey," and

1 collectively with CWNevada and Terry, “Plaintiffs”). The order approving the parties’ stipulation  
2 and counsels’ engagement was entered May 8, 2020.

3 6. Plaintiffs then filed their initial complaint on June 30, 2020 as Case No. A-20-  
4 817363-B (Dept. 13). After NuVeda file multiple motions to dismiss, Plaintiffs filed a motion to  
5 consolidate several related actions with the Receivership Action.

6 7. This Court granted the motion to consolidate following a hearing on August 18,  
7 2020.

8 8. NuVeda’s motion to dismiss concerning the Receiver’s and Terry’s claims came  
9 before the Receivership Court for a hearing on August 31, 2020. The Court denied NuVeda’s  
10 motion to dismiss with respect to the Receiver’s claims. However, with respect to Terry’s claims,  
11 the Court stayed the motion “for a period of ninety (90) days from the date of the hearing for Mr.  
12 Terry to request any relief from the arbitrator, Ms. Nikki Baker, of the American Arbitration  
13 Association.”

14 9. Plaintiffs then filed a Motion for Authorization to Reinstate CWNV, LLC and  
15 CWNV1, LLC and for Leave to File Amended Complaint on order shortening time on October  
16 5, 2020.

17 10. During the hearing on Plaintiffs’ Motion for Authorization to Reinstate CWNV,  
18 LLC and CWNV1, LLC and for Leave to File Amended Complaint held on October 19, 2020,  
19 counsel for NuVeda failed to disclose that Defendant, Pejman Bady (“Bady”) had previously, on  
20 October 16, 2020, filed new entities in the name of CWNV LLC and CWNV1 LLC.

21 11. The district court granted Plaintiffs’ Motion for Authorization to Reinstate  
22 CWNV, LLC and CWNV1, LLC, which was memorialized in an order filed on November 24,  
23 2020. *See* November 24, 2020 Order.

24 12. The Court also granted in part and denied in part Plaintiff’s Motion for Leave to  
25 File Amended Complaint, granting the motion as to the Receiver and Ivey, but denying the motion  
26 as to Terry, presumably because the district court had directed Terry to request relief from the  
27 AAA arbitrator.

28 13. The Order Granting Motion for Authorization to Reinstate CWNV, LLC and

1 CWNV1, LLC and Granting in Part and Denying in Part Plaintiffs' Motion for Leave to File an  
2 Amended Complaint provides in part, "1. The Receiver may apply to the Nevada Secretary of  
3 State to revive CWNV and CWNV1 in accordance with NRS 86.580."

4 14. When the Receiver applied to the Nevada Secretary of State to revive CWNV and  
5 CWNV1, it learned for the first time that Bady had previously formed new entities with virtually  
6 identical names, effectively blocking the revival and preventing Plaintiffs from filing the First  
7 Amended Complaint.

8 15. On December 4, 2020, the Receiver filed its original Motion for Order to Show  
9 Cause on Order Shortening Time why NuVeda and Bady should not be held in contempt of court  
10 for violation of the district court's orders because the act of filing new entities in the same name  
11 was preventing the Receiver from reviving CWNV, LLC and CWNV1, LLC.

12 16. On December 23, 2020, the district court served its Court Minutes, which provide  
13 in part, "[a]s the Receiver has not yet submitted the revival application to the Secretary of State  
14 in hard copy, the Court declines to take any action at this time. If a denial is made by the Secretary  
15 of State's Office, the Court may take other actions related to the subject matter of the Order to  
16 Show Cause." *See* Court Minutes.

17 17. The Holly Driggs Law Firm submitted the revival applications for CWNV, LLC  
18 and CWNV1, LLC in hard copy on December 29, 2020.

19 18. The Secretary of State's office responded on December 29, 2020 that "the order  
20 could not be processed" because "[t]he entity name is already in use."

21 19. On January 5, 2021, Plaintiffs' counsel wrote to NuVeda's counsel, Mr. Stipp  
22 requesting that Bady provide either a name consent release for CWNV LLC and CWNV1 LLC  
23 or file for a change of name for such entities so that CWNV, LLC and CWNV1, LLC could be  
24 revived.

25 20. Mr. Stipp requested copies of the documents submitted to the Secretary of State's  
26 office, which was provided to him on January 6, 2021.

27 21. Instead of providing a name consent release for CWNV LLC and CWNV1 LLC  
28 so that CWNV, LLC and CWNV1, LLC could be revived by the Receiver, Mr. Stipp wrote on

1 January 15, 2021, to advise that Bady revived the entities himself claiming that he “through  
2 NuVeda was the only person with actual authority to revive them.”

3 22. The Nevada Secretary of State records indicate that Bady revived the old CWNV,  
4 LLC and CWNV1, LLC entities under a slightly different name without a “comma” and then  
5 merged them with the new entities he had formed to block revival by the Receiver. The entity  
6 status for CWNV, LLC and CWNV1, LLC is reflected in the Secretary of State records as “Merge  
7 Dissolved.”

8 23. In addition, in a filing in the Nevada Supreme Court, Case No. 79110, NuVeda  
9 filed a Motion to Substitute Party (Appellant) seeking to substitute CWNV LLC, a new formed  
10 Nevada limited liability company (“New CWNV”) as successor in interest to the Dissolved  
11 CWNV.

12 24. NuVeda’s Motion states in part, that “[a]s trustee for Dissolved CWNV, Dr. Bady  
13 through NuVeda has transferred all assets and liabilities of Dissolved CWNV to New CWNV,  
14 which is managed soled by Dr. Bady.”

15 25. Based on NuVeda’s and Bady’s conduct, Plaintiffs filed their Renewed Motion for  
16 Order to Show Cause on Order Shortening Time on January 21, 2021. The Renewed Motion was  
17 scheduled for a telephonic hearing on February 1, 2021.

18 26. The Court Minutes issued on February 1, 2021 indicate the following,  
19 Following arguments by Mr. Coppedge and Mr. Stipp, COURT  
20 ORDERED, CAUSE HAS BEEN SHOWN that NuVeda has violated the  
21 Court’s orders to the extent that NuVeda went beyond reviving the  
22 entities. The Court will SET a hearing for contempt related to actions that  
23 occurred after the revival specifically the merger into the new entities.  
24 See Court Minutes.

25 27. The Contempt Hearing was originally set for Monday, March 21, 2021 at 1 p.m.

26 28. However, the evidentiary hearing was continued to April 5, 2021, as requested by  
27 NuVeda, all of which is confirmed in the electronic mail correspondence provided to the district  
28 court.

29. NuVeda then submitted a Status Report Regarding Contempt Hearing on February  
26, 2021. As of this time, NuVeda still had not requested reassignment from Judge Gonzalez for

1 the contempt hearing.

2 30. On March 1, 2021, the district court entered the following minute order which  
3 provides in part,

4 – Court reviewed status reports from Mr. Coppedge and Mr. Stipp.  
5 Current April 5, 2021 for the Contempt proceedings STANDS. Parties to  
6 provide a joint status report on completion of Dr. Bady's deposition by  
7 March 18, 2021. Matter SET for Status Check regarding scheduled  
8 Contempt Proceeding April 5, 2021 on March 19, 2021 chambers. *See*  
9 March 1, 2021 Court Minutes.

10 31. Then, on March 10, 2021, NuVeda and Bady filed a new Status Check and Request  
11 for Related Relief, which was initially scheduled for a Chambers hearing on March 19, 2021, then  
12 scheduled on an order shortening time for March 17, 2021. This is the first time that NuVeda  
13 requested that a different judge other than Judge Gonzalez preside over the evidentiary contempt  
14 hearing. *See* March 10, 2021 Status Check and Request for Related Relief, p. 8.

15 32. During the telephonic hearing held on March 17, 2021, Mr. Stipp attempted to  
16 distance himself by NuVeda's previous request to re-schedule the evidentiary hearing, claiming  
17 he had not requested a continuance of the evidentiary hearing originally scheduled for March 1,  
18 2021. However, the district court expressly recalled that NuVeda had in fact requested that the  
19 evidentiary hearing be re-scheduled.

20 33. Mr. Stipp stated,

21 But I think it's important to clarify the record in this case. We didn't ask  
22 for an extension of the evidentiary hearing, Your Honor.

23 THE COURT: Mr. Stipp, you actually asked me to extend it because of  
24 Mr. Bady's medical condition. That was the first time I've heard about  
25 it, or maybe it was the second time I heard about it, but you made the  
26 request.

27 March 17, 2021 Transcript, 12:16-22.

28 34. In response to NuVeda's delayed request to have a different judge preside over the  
evidentiary contempt hearing, the district court stated,

THE COURT: Mr. Stipp, your motion is denied.

While I might have granted your request for another Judge (telephonic  
interference) may have been previously by requesting that I continue the

1 hearing which we discussed in court on February 22, 2021, and my  
2 granting your request, that has been waived.

3 March 17, 2021 Transcript, 11:10-14.

4 35. NuVeda then filed a Petition for Writ of Prohibition or in the Alternative, Petition  
5 for Writ Mandamus on March 23, 20021 with the Nevada Supreme Court, requesting that the  
6 Supreme Court disqualify Judge Gonzalez from presiding over the evidentiary hearing on  
7 contempt.

8 36. The Supreme Court entered its Order Directing Answer and Granting Stay on  
9 April 2, 2021. NuVeda's writ petition as to whether Judge Gonzalez should preside over the  
10 contempt proceedings remains pending.

11 37. Earlier, as set forth above, after the district court had stayed NuVeda's motion to  
12 dismiss Terry's claims "for a period of ninety (90) days from the date of the hearing for Mr. Terry  
13 to request any relief from the [AAA] arbitrator."

14 38. Terry submitted a Motion to Set Aside Dismissal on Monday, November 30, 2020  
15 in the matter proceeding before AAA.

16 39. However, AAA responded that the matter was "closed on March 20, 2019, and the  
17 Association no longer has jurisdiction regarding this matter."

18 40. On December 9, 2020, NuVeda filed a motion to enter an order on Terry's claims.

19 41. Because AAA declined to hear the Terry claims, the district court denied  
20 NuVeda's motion and indicated to the parties that it desired to schedule an evidentiary hearing  
21 on the issue of rescission since AAA no longer had jurisdiction.

22 42. After having its motion for an order to enter judgment on Terry's claims denied,  
23 NuVeda filed a motion to stay the proceedings so it could pursue another writ petition.

24 43. The district court denied the stay but decided not to conduct an evidentiary hearing  
25 on the issue of rescission.

26 44. Based on the briefing and argument by counsel, in which NuVeda acknowledged  
27 the existence of factual issues, "the Court reconsidered its prior decision to set an evidentiary  
28 hearing on the issue of rescission (because there are factual issues to be resolved at trial.)"

45. NuVeda then filed a separate writ petition with the Nevada Supreme Courts

1 regarding Terry's claims for relief.

## 2 **The Delaware Litigation**

3 46. On August 14, 2020, UL Holdings NV LLC, a Nevada limited liability filed a  
4 Verified Complaint against UL NuVeda Holdings LLC, a Delaware limited liability company,  
5 NuVeda LLC, a Delaware limited liability company, Clark NMSD, Nye Natural, Bady, Mohajer  
6 and Kennedy in the Court of Chancery in the State of Delaware as Case No. 2020-0675 (the UL  
7 Holdings NV Complaint").

8 47. The UL Holdings NV Complaint alleges that "Plaintiff ULNV entered into a  
9 complex business transaction with Defendants in early July 2019 and paid \$5,000,000 with the  
10 explicit agreement that, in the event certain governmental approvals required to consummate the  
11 transaction were not forthcoming, the entire transaction and all associated contracts would  
12 automatically terminate and be unwound, and ULNV's \$5,000,000 purchase price would be  
13 returned."

14 48. The UL Holdings NV Complaint further alleges, "[i]n connection with this  
15 transaction, ULNV rescued non-party NuVeda LLC, a Nevada limited liability company  
16 ("NuVeda Nevada"), the predecessor-in-interest of Defendant NuVeda Delaware, from a large  
17 judgment by entering into a Membership Interest Purchase Agreement ("MIPA"). Under the  
18 MIPA, ULNV agreed to pay a \$3,800,000 judgment entered against non-party NuVeda Nevada  
19 and Defendants Clark and Nye in unrelated arbitration proceedings in early 2019 and pay an  
20 additional \$1,200,000 to cover amounts owing on promissory notes and legal fees, for a total of  
21 \$5,000,000 in out-of-pocket expense. It did so in exchange for membership interests in a newly-  
22 formed Delaware limited liability company, UL Nevada Holdings, the parent of newly-formed  
23 NuVeda Delaware entity, into which all of NuVeda's assets were purportedly transferred."

## 24 **II. Argument**

25 After a responsive pleading is filed, "a party may amend its pleading only with the  
26 opposing party's written consent or the court's leave. The court should freely give leave when  
27 justice so requires." NRCP 15(a)(2); see also *Kantor v. Kantor*, 116 Nev. 886, 891, 8 P.3d 825,  
28 828 (2000). The decision to grant leave is within the District Court's sound discretion. *Connell v.*

1 *Carl's Air Conditioning*, 97 Nev. 436, 439, 634 P.2d 673, 675 (1981).

2       Following the filing of the initial Complaint, Plaintiffs continued to investigate the facts  
3 of the matter and as set forth above. Based upon the information discovered during that continuing  
4 investigation and the Court's determination that CWNV and CWNV1 are under the authority of  
5 the Receiver, the Receiver respectfully requested that the Court authorize him to reinstate CWNV  
6 and CWNV1, and upon such reinstatement, grant leave for Plaintiffs to file the proposed First  
7 Amended Complaint so it could pursue claims on behalf of CWNV and CWNV1. That request  
8 was granted as to the Receiver and Ivey

9       However, because NuVeda and Bady formed entities with virtually the same name as  
10 CWNV and CWNV1, they blocked the Receiver from reviving those entities. NuVeda and Bady  
11 then revived CWNV and CWNV1 themselves under different names only to merge them with the  
12 new entities they had formed, and then dissolved CWNV, LLC and CWNV1, LLC. Based on  
13 NuVeda's and Bady's conduct, the Plaintiffs have claims against the new CWNV LLC and  
14 CWNV1 LLC entities. Thus, it is appropriate that the new entities formed by NuVeda and Bady  
15 be joined as parties to this case.

16       Further, because NuVeda, LLC has purportedly transferred its assets to NuVeda LLC, a  
17 Delaware limited liability company and/or UL NuVeda Holdings LLC, it is equally appropriate  
18 that those entities also be joined as defendants.

19       The proposed Amended Complaint clarifies some factual allegations, joins CWNV LLC  
20 and CWNV1 LLC, the entities formed by NuVeda and Bady to block the revival of CWNV, LLC  
21 and CWNV1, LLC, along with NuVeda, LLC's successors, NuVeda LLC and UL NuVeda  
22 Holdings LLC. It also includes three new claims for relief on behalf of Terry for relief for  
23 conversion, unjust enrichment, and civil conspiracy. See new proposed claims for relief 20, 21  
24 and 22. The factual basis and new claims for relief are set forth in the proposed amended  
25 complaint, a redline of which is attached hereto as Exhibit 1 and a clean copy attached hereto as  
26 Exhibit 2.

27       All Defendants with the exception of the new proposed parties have been served. Given  
28 the obstructive behavior of NuVeda and Bady designed to solely to delay this litigation, it is



1 appropriate that Plaintiffs be allowed to join the additional parties and amend their complaint as  
2 requested.

3 **III. Conclusion**

4 Based on the foregoing, good cause exists to allow Plaintiffs to amend the complaint filed  
5 herein. Plaintiffs respectfully request that this Court exercise its discretion and grant leave for  
6 Plaintiffs to file the Second Amended Complaint attached hereto as Exhibit 2.

7 Dated this 6<sup>th</sup> day of August 2021

8 MUSHKIN & COPPEDGE

9  
10 /s/L. Joe Coppedge

11 MICHAEL R. MUSHKIN, ESQ.

12 Nevada State Bar No. 2421

13 L. JOE COPPEDGE, ESQ.

14 Nevada State Bar No. 4954

4495 S. Pecos Road

Las Vegas, Nevada 89121

Attorneys for Plaintiff

15  
16 **CERTIFICATE OF SERVICE**

17 I hereby certify that the foregoing **Motion for Leave to File Second Amended**  
18 **Complaint** was submitted electronically for filing and/or service with the Eighth Judicial District  
19 Court on this 6<sup>th</sup> day of August, 2021. Electronic service of the foregoing document shall be upon  
20 all parties listed on the Odyssey eFileNV service contact list:

21 /s/Karen L. Foley

22 An Employee of

23 MUSHKIN & COPPEDGE  
24  
25  
26  
27  
28

# EXHIBIT “1”

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3 L. Joe Coppedge  
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13 **DISTRICT COURT**  
14 **CLARK COUNTY, NEVADA**

15 DOTAN Y. MELECH, as the Court  
16 Appointed Receiver of CWNevada, LLC, a  
17 Nevada Limited Company and on behalf of  
18 CWNV, LLC, a Nevada Limited Liability  
19 Company and CWNV1, LLC, a Nevada  
20 Limited Liability Company; SHANE TERRY,  
21 an individual; and PHILLIP D. IVEY, an  
22 individual;

23 Plaintiffs,

24 vs.

25 NUVEDA LLC, a Nevada limited liability  
26 company; CLARK NMSD LLC, a Nevada  
27 limited liability company; CLARK  
28 NATURAL MEDICINAL SOLUTIONS  
LLC, a Nevada Limited Liability Company;  
NYE NATURAL MEDICINAL  
SOLUTIONS, LLC, a Nevada limited liability  
company; BCP 7, LLC, an entity of unknown  
origin; PEJMAN BADY, an individual;  
POUYA MOHAJER, an individual; JOSEPH  
KENNEDY, an individual; BRIAN C.  
PADGETT, an individual; UL NUVEDA  
HOLDINGS LLC, a Delaware limited  
liability company; NUVEDA LLC, a  
Delaware limited liability company; CWNV  
LLC, a Nevada limited liability company;  
CWNV1 LLC, a Nevada limited liability

Case No.: A-17-755479-B

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

Dept. No.: 11

**~~FIRST~~ SECOND AMENDED**  
**COMPLAINT**  
**Case No. A-20-8137363-B**

1 ~~company; and~~ DOES 1 – 20 and ROE  
2 CORPORATIONS 1-20,

3 Defendants.

4  
5 **FIRST-SECOND AMENDED COMPLAINT**

6 Plaintiffs, Dotan Y. Melech, as the Court Appointed Receiver of CWNevada, LLC and on  
7 behalf of CWNV, LLC and CWNV1, LLC; Shane Terry and Phillip D. Ivey, by and through their  
8 attorneys, for their ~~First-Second~~ Amended Complaint (the “Complaint”) against the Defendants,  
9 allege as follows:

10 **PARTIES, JURISDICTION, AND VENUE**

11 1. Defendant, NuVeda LLC (“NuVeda”) is and has been since its formation, a  
12 Nevada liability company. NuVeda’s ~~assets and~~ principal place of business is located in Clark  
13 County, Nevada.

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

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

24 4. Defendant, Nye Natural Medicinal Solutions LLC (“Nye Natural”) is a Nevada  
25 limited liability company and owner of one (1) Cultivation License and one (1) Production license  
26 issued by the State of Nevada. The Nye Natural Cultivation license is identified by Nevada  
27 Establishment number: 4073 3091 6294 5475 1109. The Nye Natural Production license is  
28 identified by Nevada Establishment number: 9160 4693 9161 6650 7699.

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

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

7           7.       Upon information and belief, Defendant Joseph Kennedy (“Kennedy”) is and at  
8 all relevant times was a resident of Clark County, Nevada.

9           8.       Defendant, BCP 7, LLC (“BCP 7”) is an entity of unknown origin. Upon  
10 information and belief, BCP 7 is the owner of Dispensary, Cultivation and Production licenses in  
11 Nevada and is managed by Defendant, Brian C. Padgett.

12           9. Defendant, Brian C. Padgett (“Padgett”) is and at all relevant times was a resident  
13 of Clark County, Nevada. Upon information and belief, Padgett is the manager of BCP 7.

14           10. Defendant, UL NuVeda Holdings LLC (“UL NuVeda”) is and has been since its  
15 formation, a Delaware limited liability company. Upon information and belief, UL NuVeda is the  
16 successor in interest to NuVeda and is responsible for its debts and liabilities.

17           9.11. Defendant, NuVeda LLC (“NuVeda Delaware”) is and has been since its  
18 formation, a Delaware limited liability company. Upon information and belief, NuVeda Delaware  
19 is the successor in interest to NuVeda and is responsible for its debts and liabilities

20           12. Defendant, CWNV LLC (“New CWNV”) is a Nevada Limited Liability  
21 Company. Upon information and belief, New CWNV claims to be the successor in interest to  
22 CWNV, LLC.

23           10.13. Defendant, CWNV1 LLC (“New CWNV1”) is a Nevada Limited Liability  
24 Company. Upon information and belief, New CWNV1 claims to be the successor in interest to  
25 CWNV1, LLC.

26           11.14. Plaintiff, Dotan Y Melech is the court appointed receiver for CWNevada, LLC, a  
27 Nevada Limited Liability Company (the “Receiver”). The Order Appointing Receiver included  
28 “all of CWNevada, LLC’s assets, including, without limitation, all assets and rights to any

1 subsidiary and affiliated entities (collectively, 'CWNebraska') in which CWNebraska has an  
2 ownership interest, including but not limited to CWNV, LLC".

3 ~~12.15.~~ CWNV, LLC ("CWNV") is a Nevada Limited Liability Company. The Receiver  
4 has authority and control over CWNV pursuant to the receivership orders.

5 ~~13.16.~~ CWNV1, LLC ("CWNV1") is a Nevada Limited Liability Company. The  
6 Receiver has authority and control over CWNV1 pursuant to the receivership orders.

7 ~~14.17.~~ Plaintiff, Shane Terry ("Terry") is and at all relevant times has been a resident of  
8 Clark County, Nevada. Terry has been a Manager, Voting Member, and at times, NuVeda's Chief  
9 Executive Officer. Plaintiff Terry is the owner of 22.88 percent of NuVeda, Clark NMSD, Clark  
10 Natural and Nye Natural (collectively, the "Terry Interest").

11 ~~15.18.~~ Plaintiff, Phillip D. Ivey ("Ivey") is and at all relevant times has been a resident of  
12 Clark County, Nevada. Plaintiff Ivey owns a three percent (3%) ownership interest in Nye Natural  
13 and Clark Natural (collectively, the "Ivey Interest").

14 ~~16.19.~~ ~~That the~~ true names or capacities, whether individual, corporate, association or  
15 otherwise of Defendants DOES 1 through 20, and ROE CORPORATIONS 1 through 20 are  
16 unknown to Plaintiffs, who therefore sue said Defendants by such fictitious names. Plaintiffs are  
17 informed and believe and thereupon allege that each of the Defendants designated herein as DOE  
18 and ROE CORPORATIONS are responsible in some manner for the events and acts alleged and  
19 that they caused damages proximately to the Plaintiffs. The DOE and ROE CORPORATION  
20 Defendants include, but are not limited to individuals and/or entities that may claim some interest  
21 in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV, ~~and/or~~ CWNV1, UL NuVeda,  
22 NuVeda Delaware, New CWNV and/or New CWNV1. The DOE and ROE CORPORATION  
23 Defendants further include the successors in interest to NuVeda, Clark NMSD, Clark Natural,  
24 Nye Natural, CWNV, ~~and/or~~ CWNV1, UL NuVeda, NuVeda Delaware, New CWNV, New  
25 CWNV1, BCP 7 and/or Padgett and individuals and/or entities who may have received transfers  
26 of any interest and/or assets from NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV,  
27 CWNV1, NuVeda Delaware, New CWNV, New CWNV1, BCP 7 and/or Padgett ~~and/or CWNV1.~~  
28 Plaintiffs will ask leave of this Court to amend this Complaint to insert the true names and

1 capacities of DOES 1 through 20 and ROE CORPORATIONS 1 through 20 when the same have  
2 been ascertained and to join such Defendants in this action.

3 17-20. Pursuant to Nevada's long arm statute codified at NRS 14.065, a Court of this  
4 State may exercise jurisdiction over a party to a civil action on any basis not inconsistent with the  
5 Constitution of Nevada or the Constitution of the United States.

6 18-21. Venue is proper pursuant to NRS 13.040.

### 7 **FACTUAL ALLEGATIONS RELATED TO ALL CLAIMS**

8 19-22. On or about July 9, 2014, Terry entered into an Operating Agreement for NuVeda,  
9 LLC (the "NuVeda Operating Agreement") with Bady, Mohajer and Jennifer Goldstein  
10 ("Goldstein") to apply for and operate marijuana dispensaries, cultivation and processing  
11 facilities for medical marijuana pursuant to licenses obtained from certain governmental  
12 divisions.

13 20-23. The NuVeda Operating Agreement was also signed by Kennedy, John Penders and  
14 Ryan Winmill.

15 21-24. Since July 2014, NuVeda has been governed by the NuVeda Operating  
16 Agreement.

17 22-25. The NuVeda Operating Agreement is governed by, construed and interpreted in  
18 accordance with Nevada law.

19 23-26. Since NuVeda's formation, Terry has been a manager, voting member and at  
20 times, NuVeda's Chief Executive Officer and Chief Operations Officer.

21 24-27. Initially, Terry owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark  
22 Natural, and Nye Natural. Terry's ownership interest was later increased to 22.88%.

23 25-28. On or about August 17, 2014, Ivey entered into a letter agreement (the "Ivey Letter  
24 Agreement") and accompanying Letter of Commitment whereby, in exchange for providing  
25 necessary financial statements to strengthen NuVeda's application and extending NuVeda a \$1.9  
26 million line of credit (the "Ivey Credit Line"), Ivey was immediately granted a three percent (3%)  
27 wholly vested share of NuVeda.

28 26-29. Ivey executed the Letter of Commitment on or about August 17, 2014.

1        27.30. Ivey's significant business experience and financial resources not only provided a  
2 solution in support of NuVeda's business strategy, but also provided critical proof of financial  
3 viability in support of NuVeda's competitive application, including the amount of taxes paid.

4        28.31. The points won by NuVeda in the tax section alone were awarded with Ivey  
5 individually contributing nearly 30% of the total score.

6        29.32. Ivey was listed and approved as an owner by the State of Nevada on all six (6) of  
7 NuVeda's licenses.

8        30.33. In addition, Ivey was listed as having a three percent (3%) ownership interest in  
9 the 2014 Schedule K-1 provided to him by NuVeda.

10       31.34. 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       32.35. The reason for the transfer is the City of Las Vegas did not allow any changes to  
13 the ownership structure that differ from the owners listed in the application filed with the City of  
14 Las Vegas.

15       33.36. To accommodate the City of Las Vegas' requirements, NuVeda transferred Ivey's  
16 ownership interest in NuVeda, the parent company, to its two (2) subsidiaries that are located  
17 outside the City of Las Vegas -- Nye Natural and Clark Natural.

18       34.37. Ivey approved and signed the transfers of interest.

19       35.38. As a result of the transfer of interest, Ivey owns a three percent (3%) ownership  
20 interest in Nye Natural and Clark Natural (the "Ivey Interest").

21       36.39. Ivey has not sold, conveyed or otherwise transferred the Ivey Interest.

22       37.40. During the month of December 2015, NuVeda's annual license renewal paperwork  
23 was due to the State of Nevada.

24       38.41. During this time, Terry was NuVeda's designated and registered point of contact  
25 with the State of Nevada for all regulatory correspondence.

26       39.42. After Terry submitted the renewal application representing NuVeda's then current  
27 ownership structure, Bady ~~falsely~~ submitted false documentation to the State of Nevada that  
28 removed Ivey's license interest and redistributed it to himself and Mohajer.



1           ~~40.43.~~ NuVeda, Bady and Mohajer have claimed Ivey is no longer a member although  
2 Ivey did not execute any of the required paperwork to transfer the Ivey Interest.

3           ~~41.44.~~ During this time, NuVeda also removed Terry as NuVeda's State of Nevada  
4 designated point of contact and refused to provide Terry with access to any records.

5           ~~42.45.~~ Senate Bill 32 was passed in late 2018, which allowed the State to publicly disclose  
6 ownership information. Until then, there was no public access to view ownership records.

7           ~~43.46.~~ Further, the State of Nevada would not communicate with anyone other than Bady  
8 as Terry had been removed as NuVeda's designated point of contact.

9           ~~44.47.~~ As a result, Ivey did not learn of the transfer of the Ivey Interest until after January  
10 2019.

11           ~~45.48.~~ Bady, Mohajer and Kennedy, individually and at times through NuVeda or other  
12 entities, have engaged in ~~additional a pattern of~~ fraudulent acts of self-dealing and other acts of  
13 misconduct that constituted a breach of their legal duties.

14           ~~46.49.~~ For instance, Terry and other members of NuVeda learned that Bady  
15 misrepresented the source of his funds Bady originally contributed to NuVeda in exchange for  
16 equity.

17           ~~47.50.~~ Nevada law and the state regulatory agencies required in depth financial  
18 disclosures.

19           ~~48.51.~~ While Bady averred that his funding came from the sale of a business, upon  
20 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from  
21 money he acquired from his friend, Majid Golpa ("Golpa").

22           ~~49.52.~~ Upon information and belief, Bady and Mohajer promised that in exchange for the  
23 funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was prohibited  
24 by Nevada law.

25           ~~50.53.~~ Mohsen Bahri ("Bahri") and Bady also negotiated the terms of a \$500,000  
26 promissory note. Bady then made an undisclosed deal with Bahri to provide Bady with a \$500,000  
27 investment in which Bahri would receive a 4% interest in NuVeda.

28           ~~51.54.~~ This was contrary to NuVeda's understanding of the financing.

1           ~~52.55.~~ Following discovery of the true nature of Bady and Mohajer's wrongful side deals  
2 with third parties, a dispute arose between Terry and Goldstein on the one hand and Bady and  
3 Mohajer on the other hand regarding Defendants' clandestine and wrongful side deals, pursuant  
4 to which Bady and Mohajer attempted to allocate ownership interests to their friends, and the true  
5 source of Bady's capital contribution, Golpa and Bahri.

6           ~~53.56.~~ Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4%  
7 interest in NuVeda, yet Bady demanded that the members, including Terry and Goldstein, agree  
8 to ratify his apparent promises to provide such interest to Golpa and Bahri.

9           ~~54.57.~~ Upon information and belief, the transfer of the interests, as proposed by Bady,  
10 would jeopardize NuVeda's licenses.

11           ~~55.58.~~ On or about November 1, 2015, a monthly payment was due to Bahri on the  
12 \$500,000 promissory note.

13           ~~56.59.~~ Bady, long-time personal friends with Bahri, instructed Terry to not pay the  
14 monthly payment and stated he "would take care of it."

15           ~~57.60.~~ On November 11, 2015, Bahri sent demand for the November 1, 2015 payment.  
16 Bady then admitted that he did not make the monthly payment but that Bady and Bahri had agreed  
17 to extend the monthly payment to November 15, 2015.

18           ~~58.61.~~ Bady's non-payment of the Bahri loan and subsequent negotiations were done  
19 without Terry's knowledge and jeopardized NuVeda's operations.

20           ~~59.62.~~ Bahri subsequently presented a lawsuit against Terry and Goldstein, individually,  
21 falsely alleging that they were liable for his investment through Bady.

22           ~~60.63.~~ Bady and Bahri then acted in concert to allege that Goldstein and Terry were liable  
23 for the \$500,000 promissory note, as neither NuVeda nor Bady, who single-handedly  
24 communicated with Bahri and who negotiated all of the terms of the clandestine deal with his  
25 friend Bahri, were named as defendants.

26           ~~61.64.~~ Bady and Bahri acted in concert to paralyze Terry and Goldstein from obtaining  
27 the necessary funding by threatening to file frivolous and factually unfounded lawsuits against  
28 Terry and Goldstein for Bady's strategic gain.

1           ~~62-65.~~ Additionally, when Kennedy (an IRS enrolled agent) was preparing NuVeda's K-  
2           1s, Bady asked Terry to allocate his tax losses to Bady to offset Bady's income from an unrelated  
3           medical business, but Terry refused.

4           ~~63-66.~~ Terry explained to Bady that loss-shifting was wrongful and potentially  
5           constituted fraud, but Bady ignored Terry's concern and collaborated with Mohajer to shift  
6           Mohajer's losses to him instead.

7           ~~64-67.~~ Bady and Mohajer then had nominal-member Kennedy amend the K-1s to reflect  
8           the loss-shifting to Bady in violation of the terms of the Operating Agreement without notifying  
9           any other NuVeda members.

10          ~~65-68.~~ 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 Terry's  
12          right to review the business records of NuVeda pursuant to Section 7.2 of the NuVeda's Operating  
13          Agreement.

14          ~~66-69.~~ It was also discovered that Bady engaged in rampant self-dealing on multiple  
15          occasions. An entity known as 2 Prime, LLC ("2 Prime") entered into a financing agreement with  
16          NuVeda.

17          ~~67-70.~~ Bady exclusively negotiated the agreement with favorable terms to 2 Prime.  
18          Thereafter, it was discovered after the fact that Bady had an undisclosed 50% interest in 2 Prime,  
19          which was also co-owned by Golpa.

20          ~~68-71.~~ On or about November 20, 2015 under the guidance of NuVeda's corporate  
21          counsel, who was hired directly by Bady, Bady's and Mohajer's NuVeda interests were  
22          terminated pursuant to Section 6.2 of the Operating Agreement.

23          ~~69-72.~~ However, Bady and Mohajer disregarded the expulsion and claimed they remained  
24          voting members, managers, and officers with authority to act on behalf of NuVeda.

25          ~~70-73.~~ Between November 20th, 2015 and December 3, 2015, Bady and Mohajer, acting  
26          as purported representatives of NuVeda, attempted to sell NuVeda's interests in its highly  
27          valuable and privileged licenses to multiple parties, including CWNevada.

1           **The District Court Action**

2           ~~71.74.~~ Over concerns that any attempted and unauthorized transfer of interest could  
3 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and Terry filed a complaint, as  
4 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady  
5 and Mohajer as Case Number A-15-728510-B (the "District Court Action") and  
6 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin  
7 any transfer of NuVeda's membership interests.

8           ~~72.75.~~ The District Court Action sought, among other things, the issuance of a  
9 preliminary and permanent injunction maintaining the status quo pending a final resolution of the  
10 parties' disputes in an arbitral proceeding.

11           ~~73.76.~~ Although the District Court did not issue a preliminary injunction in the District  
12 Court Action, on January 13, 2016, the Court ordered (the "January 13, 2016 Order"), among  
13 other things, "IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the  
14 completion of the contemplated arbitration, the parties are to take no further action to expulse  
15 each other on the factual bases presented to the Court during the evidentiary hearing."

16           ~~74.77.~~ Goldstein and Terry commenced a private arbitration proceeding with the  
17 American Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al.*  
18 *v. NuVeda LLC, et al.*, AAA Case No. 01-15-005-8574 (the "Arbitration").

19           ~~75.78.~~ Notwithstanding the express language of the January 13, 2016 Order, in a March  
20 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda.

21           ~~76.79.~~ Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in  
22 violation of the January 13, 2016 Order.

23           ~~77.80.~~ The purported expulsion was further documented in a meeting on or about  
24 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry's interest in NuVeda  
25 was distributed to Bady and Mohajer in yet another act of blatant self-dealing.

26           ~~81.~~ NuVeda, Bady and Mohajer transferred Terry's individual license interest in  
27 NuVeda directly to Bady and Mohajer without Terry's consent.

28           ~~82.~~ Terry did not learn of the transfer of Terry's individual license interest in NuVeda

1 to Bady and Mohajer until after January 2019.

2 ~~78.~~—

3 **Membership Interest Purchase Agreement**

4 ~~79:83.~~ At or about the same time, NuVeda as “Transferor” along with Clark NMSD and  
5 Nye Natural and CWNevada as “Transferee” and CWNV, LLC, a to be formed Nevada limited  
6 liability company, entered into a Membership Interest Purchase Agreement (the “MIPA”)  
7 effective as of December 6, 2015.

8 ~~80:84.~~ Among other things, the MIPA provides in part as follows:

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

11 b. NuVeda owned one hundred percent (100%) of Nye Natural, subject to  
12 certain disclosures. The disclosures included the statement “that at the time of the filing  
13 of the initial applications with the applicable Governmental Authorities by NuVeda in an  
14 effort to obtain approval for the licenses and certificates of Nye [Natural], Mr. Phil Ivey,  
15 individually (‘Ivey’), was listed as a three percent (3%) owner of Nye [Natural].”

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

23 d. Nye Natural had been issued certain provisional Medical Marijuana  
24 Establishment Certificates, identified as Application Identifier No. C166, Reference #  
25 40733091629454751109 for the cultivation of medical marijuana at a cultivation facility  
26 at 2801 E. Thousandaire Blvd., Pahrump, Nevada and as Application Identifier No. P107,  
27 Reference # 91604693916166507699 for the production of medical marijuana products at  
28 a production facility located at the C&P Property.

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

4 f. CWNevada agreed to cause to be formed a new manager-managed Nevada  
5 limited liability company defined as “CWNV”.

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

10 **CWNV, LLC**

11 ~~81.85.~~ On or about January 21, 2016, CWNevada and NuVeda caused CWNV to be  
12 formed.

13 ~~82.86.~~ CWNV was formed as a joint venture between CWNevada and NuVeda to raise  
14 money to build and operate the Downtown Dispensary located at 1324 S. 3<sup>rd</sup> Street, Las Vegas,  
15 Nevada and the North Las Vegas Dispensary located at 2113 N. Las Vegas Blvd., North Las  
16 Vegas, Nevada.

17 ~~83.87.~~ On or about March 22, 2016, CWNevada and NuVeda entered into an Operating  
18 Agreement of CWNV, LLC (the “CWNV Operating Agreement”).

19 ~~84.88.~~ The initial members of CWNV were CWNevada and NuVeda.

20 ~~85.89.~~ The initial managers of CWNV were Padgett, Bady and Jason Thompson.

21 ~~86.90.~~ The CWNV Operating Agreement listed CWNevada’s membership interest as  
22 65% and NuVeda’s membership interest as 35%.

23 ~~87.91.~~ The CWNV Operating Agreement identified CWNevada’s capital contribution as  
24 “Full Construction Funding, Goods, Services, and Specified Debt Service.”

25 ~~88.92.~~ CWNevada invested at least two million dollars into CWNV to provide  
26 construction funding to build the Downtown Dispensary and the North Las Vegas Dispensary.

27 ~~89.93.~~ Upon information and belief, the Downtown Dispensary opened in or about  
28 December 2016 and the North Las Vegas Dispensary opened in January 2017 as a result of

1 CWNevada's construction funding.

2 ~~90.94.~~ The CWNV Operating Agreement identified NuVeda's capital contribution as  
3 "Medical Marijuana Licenses as referenced in the [MIPA]."

4 ~~91.95.~~ NuVeda, Clark NMSD, Nye Natural and their members, including Bady, Mohajer  
5 and Kennedy have separately and individually benefited from the construction of the Downtown  
6 Dispensary and the North Las Vegas Dispensary.

7 ~~**First Purchase and Sale Agreement for Remaining 35 Percent of Clark and Nye**~~  
8 ~~**Licenses**~~

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

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

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

25 ~~95.96. However, i~~n attempting to effectuate the transfer of Clark NMSD and Nye  
26 Natural, NuVeda failed to follow Nevada law and misrepresented the information submitted to  
27 the State of Nevada.

28 ~~96.97.~~ Through their counsel Amanda Connor (who simultaneously represented

1 CWNevada) NuVeda, Clark NMSD, Nye Natural, Bady, Mohajer and Kennedy failed to follow  
2 Nevada law and misrepresented the information submitted to the State of Nevada, including but  
3 not limited to misstating an October 13, 2017 Nevada Supreme Court ruling by claiming “the  
4 Court found that the transfer of assets was proper” and that “Shane Terry has been expelled as a  
5 member.”

6 97.98. Specifically, Clark NMSD and Nye Natural, in the correspondence to the State of  
7 Nevada, Department of Taxation represented, among other things, that “[t]he Membership  
8 Interest Purchase Agreement dated December 6, 2015 between CWNevada, LLC, CWNV, LLC,  
9 NuVeda, Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC ... was signed by more  
10 than 60% of the membership interest of NuVeda, LLC...Please note in the October 13, 2017  
11 Nevada Supreme Court ruling...the Court found that the transfer of assets was proper.”

12 98.99. However, the Nevada Supreme Court, acting in case number 69648, did not  
13 address the propriety of the “transfer of assets.”

14 99.100. The Nevada Supreme Court merely determined that the “appellants  
15 [Plaintiff Terry and Goldstein] failed to show a reasonable probability of irreparable harm” and  
16 thus, the Court concluded “that the district court did not abuse its discretion in denying appellants’  
17 motion [for a preliminary injunction]”.

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

26 ~~100.102.~~ It does not appear that this transfer of ownership request was ever  
27 processed.

28 **Purchase and Sale Agreement for Terry’s Ownership Interest in NuVeda and**



1           **NuVeda-Managed Licenses**

2           ~~101.103.~~ During the pendency of the District Court Action and Arbitration, on or  
3 about April 30, 2018, Terry entered into a “Purchase and Sale Agreement for Terry’s Ownership  
4 Interest in NuVeda and NuVeda-Managed Licenses” (the “Terry Purchase Agreement”) with  
5 BCP 7 as the Buyer.

6           ~~102.104.~~ Padgett personally guaranteed all payments and other performance  
7 obligations due under the Terry Purchase Agreement.

8           ~~103.105.~~ The Terry Purchase Agreement provides, among other things, that Terry  
9 agreed to sell the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified  
10 consideration and on specific terms.

11           ~~104.106.~~ The total purchase price for BCP 7 to acquire the Terry Interest was \$1.75  
12 million (the “Purchase Price”), which was “substantially reduced” from fair market value.

13           ~~105.107.~~ The Purchase Price was payable as follows: (i) an initial payment of  
14 \$500,000.00 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the  
15 “Initial Payment”), and (ii) monthly payments of the \$1.25 million balance due on or before June  
16 15, 2028 with payments due monthly until paid in full (the “Monthly Payments”).

17           ~~106.108.~~ The Monthly Payments were to be made on or before the first day of the  
18 month in an amount not less than the interest accrued on the outstanding balance at an interest  
19 rate of 18%.

20           ~~107.109.~~ The Monthly Payments were to commence May 1, 2018, and the first  
21 payment was to have been made no later than May 2, 2018.

22           ~~108.110.~~ The Terry Purchase Agreement further provided that there shall be  
23 acceleration of the outstanding balance and any unpaid accrued interest thereon upon (1) the sale  
24 or transfer of the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights  
25 thereunder, from BCP 7 to a third party (other than CWNV, LLC); or (2) a default of a payment  
26 obligations, which shall result from any failure to timely pay the Initial Down Payment or any  
27 Monthly Payments on the Balance following notice of failure to Padgett and no cure within 10  
28 business days thereof.

1           ~~109.111.~~ Upon execution of the Terry Purchase Agreement and upon receipt of the  
2 first Monthly Payment, Terry agreed, among other things, to assign any and all claims and right  
3 in the Arbitration and District Court Action to BCP 7.

4           ~~110.112.~~ BCP 7 made a partial payment toward the Initial Payment in the sum of  
5 \$250,000.00 ~~on or about August 1, 2018~~ in or about July or August, 2018.

6           ~~111.113.~~ In addition to the partial Initial Payment, BCP 7 made partial interest and  
7 extension payments.

8           ~~112.114.~~ However, BCP 7 ~~has yet failed~~ to pay Initial Payment or Monthly Payments  
9 in full.

10           ~~113.115.~~ As a result of BCP 7's failure to pay the Initial Payment or any of the  
11 Monthly Payments in full, Terry provided notice of and right to cure this failure to BCP 7 and  
12 Padgett.

13           ~~114.116.~~ BCP 7 and Padgett failed to cure the outstanding balance owed following  
14 notice of such failure and a right to cure within 10 business days.

15           ~~115.117.~~ As a result of BCP 7's and Padgett's failure to pay the Initial Payment and  
16 Monthly Payments in full, including the first Monthly Payment, there has not been a valid transfer  
17 of the Terry Interest to BCP 7.

18           ~~116.118.~~ Notwithstanding the fact that the Terry Interest was never properly  
19 transferred to BCP 7, in an email dated June 5, 2018 from Padgett to the arbitrator in the  
20 Arbitration, Padgett purported to dismiss "all claims of myself, CWNevada, BCP Holdings 7,  
21 LLC and Shane Terry (all right, title, and interest against Bady, Mohajer, and NuVeda and its  
22 subsidiaries (Clark NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal  
23 Solutions) with prejudice."

24           ~~117.119.~~ Not only did CWNevada never make or assert any claims related to the  
25 Arbitration, the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady  
26 and Mohajer to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, and then  
27 immediately attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying  
28 the agreed consideration.

1                   **Amendment to Membership Interest Purchase Agreement**

2                   ~~118.—At or about the same time Padgett, NuVeda, Bady and Mohajer were conspiring~~  
3 ~~together to defraud Terry of the Terry Interest, CWNevada, NuVeda, Clark NMSD and Nye~~  
4 ~~Natural entered into an Amendment to Membership Interest Purchase Agreement (the “MIPA~~  
5 ~~Amendment”).~~

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

9                   ~~120.—All references to CWNV in the MIPA were replaced and substituted with~~  
10 ~~CWNV1.~~

11                   ~~121.—The MIPA Amendment further provided that the parties agreed the Production~~  
12 ~~license, Reference # 91604693916166507699 would remain with Nye Natural.~~

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

16                   ~~123.—However, it does not appear that this transfer of ownership request was ever~~  
17 ~~processed.~~

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

20                   ~~124.—Then, on July 5, 2018, Clark NMSD, Nye Natural, Percelt, LLC (“Percelt”) and~~  
21 ~~CWNevada entered into a second Purchase and Sale Agreement for Remaining 35 Percent of~~  
22 ~~Clark and Nye Licenses (the “Second Purchase Agreement”).~~

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

26                   ~~126.—The Second Purchase Agreement provides in part that in exchange for NuVeda~~  
27 ~~selling the remaining 35% of its interest in CWNV1 to CWNevada, CWNevada would increase~~  
28 ~~the consideration paid to Percelt from that contemplated under the MIPA to a total monthly~~

1 ~~payment of 2.625% of the gross sales of CWNevada, subject to a minimum payment of~~  
2 ~~\$235,870.00 per month.~~

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

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

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

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

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

22 ~~130.120.~~ The ~~The~~ partnership between CWNevada and NuVeda remained intact  
23 until an arbitration award was entered in favor of 4Front Advisors, LLC (“4Front”) on or about  
24 November 27, 2018 against CWNevada in the sum of \$4,987,092.09 and against NuVeda in the  
25 sum of \$3,741,803.92.

26 ~~131.121.~~ The 4Front arbitration award was confirmed as a final judgment on or  
27 about March 14, 2019.

28 ~~132.122.~~ During the arbitration with 4Front, CWNevada and NuVeda entered into a

1 Stipulation of Uncontested Facts (“Stipulation”) with 4Front, which among other things, provided  
2 that “[t]he Membership Interest Purchase Agreement (“MIPA”) [J-249] was executed on  
3 December 6, 2015” and ... “is still in effect.”

4 ~~133.123.~~ The Stipulation further provided that neither NuVeda nor CWNevada had  
5 “breached the MIPA.”

6 ~~134.124.~~ Following the entry of the final judgment in favor of 4Front, Bady,  
7 Mohajer and Kennedy, individually and at times through NuVeda or other entities, engaged in  
8 fraudulent acts of self-dealing and other acts of misconduct that constituted a breach of their legal  
9 duties.

10 ~~135.125.~~ On April 2, 2019, Bady, Kennedy and Mohajer commenced a lawsuit  
11 against NuVeda and entered a confession of judgment for \$1,114,257.12 to their individual  
12 benefit against NuVeda without opposition.

13 ~~126.~~ Bady, acting without authority and contrary to the provisions of the CWNV  
14 Operating Agreement, purportedly dissolved CWNV on or about May 17, 2019.

15 ~~136.127.~~ Upon information and belief, CWNV1 has also been dissolved.

16 ~~137.128.~~ At the time of the purported dissolution, Bady was not and had not been a  
17 manager of CWNV or CWNV1 since February 7, 2018.

18 ~~138.129.~~ Further, the CWNV Operating Agreement provides in part that “[t]he  
19 Company shall be dissolved upon the occurrence of the following events ... (ii) By the unanimous  
20 written agreement of all Members ...”

21 ~~139.130.~~ Upon information and belief, CWNevada did not enter any written  
22 agreement for the dissolution of CWNV or CWNV1.

23 ~~140.131.~~ Since the purported dissolution, NuVeda and Bady have represented that  
24 NuVeda is serving in the role as trustee over CWNV.

25 ~~141.132.~~ In that self-appointed role, NuVeda and Bady have breached the terms of  
26 the CWNV Operating Agreement by, among other things,

- 27 a. Acting in the role of the Manager of CWNV without authority;
- 28 b. Failing to obtain and provide an accounting made by CWNV’s

1 independent accountants of the CWNV's accounts, assets, liabilities and operations;

2 c. Failing to allocate any profit or loss resulting from any sale of CWNV's  
3 assets to the Members;

4 d. Failing to discharge the liabilities of CWNV, if any; and

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

7 ~~142. Upon information and belief, CWNV1 has also been dissolved.~~

8 ~~143.133.~~ Upon information and belief, Kennedy commingled CWNV funds with  
9 those of his own companies, Blakely Environmental, Panda Trading Inc., Glad 2B Home LLC,  
10 Joval LLC, NV Industrial LLC, 2113 Investors LLC, and FM1788 LLC, and has failed, despite  
11 request, to properly account for the CWNV funds.

12 ~~144.134.~~ In addition, on or about March 17, 2017, CWNevada entered into a 301  
13 Oxbow Avenue, Unit 14 Pahrump, Nevada 89048 Lease (the "Oxbow Lease") with the Eugene  
14 & Nelda Fay Toy Trust as landlord for Oxbow Unit 14.

15 ~~145.135.~~ On June 28, 2017, Nye County issued its administrative approval of a  
16 "Recreational Marijuana Establishment License" to CWNevada for production at Oxbow Unit  
17 14.

18 ~~146.136.~~ On June 13, 2019, the Temporary Receiver Order was entered, which  
19 provided, among other things in paragraph 20 that, "[n]o landlord or lessor may terminate any  
20 lease or commence or continue any eviction related to actions connected with the Receivership  
21 Estate without prior order of this Court."

22 ~~147.137.~~ Later that same day, Nye Natural represented itself to be CWNevada's  
23 landlord, and in violation of the Temporary Receiver Order, caused an eviction order to be issued  
24 against CWNevada.

25 ~~148.138.~~ Subsequently, on or about June 18, 2019, NuVeda's office manager, Sandy  
26 Kindler, acting at the direction of Bady, further violated the Temporary Receiver Order by having  
27 a locksmith change the locks to Oxbow Unit 14.

28 ~~149.139.~~ Later that same day, the Receiver was provided only limited and

1 supervised access to Oxbow Unit 14.

2 ~~150.140.~~ The Receiver's agents were permitted to take photographs of the unit but  
3 were not allowed to remove anything. It appeared as if computers and a server had already been  
4 removed.

5 ~~151.141.~~ Since allowing the inspection, NuVeda has continued to lock the Receiver  
6 from Oxbow Unit 14 in violation of the Temporary Receivership Order.

7 ~~152.142.~~ In further violation of the Temporary Receivership Order, NuVeda and  
8 Bady have continued to misrepresent that the Oxbow Lease was with Nye Natural and that  
9 CWNevada had been evicted from the property.

10 ~~153.143.~~ Plaintiffs have been advised by multiple individuals involved in Clark  
11 Natural and Clark NMSD that they claim an ownership interest in those licenses and that NuVeda  
12 and Bady are now minority partners.

13 ~~154.144.~~ Plaintiffs have also been advised that NuVeda has agreed to sell marijuana  
14 licenses to undisclosed third parties, including the licenses that were to be transferred to CWNV  
15 (substituted with CWNV1) including D186, D187, and C166.

16 ~~155.145.~~ Members of Urbn Leaf from San Diego have purportedly invested millions  
17 of dollars into NuVeda in exchange for operational control of the dispensaries, although a  
18 significant amount of that funding was purported to settle NuVeda's judgment owed to 4Front.

19 ~~156.146.~~ On August 10, 2020, Sapna Gulaya and Sachin Gulaya filed a Complaint  
20 against Bady and NuVeda in the District Court for Clark County, Nevada captioned as *Gulaya v.*  
21 *Bady and NuVeda, LLC*, Case No. A-20-819313-C (the "Gulaya Complaint").

22 ~~157.147.~~ The Gulaya Complaint generally alleges that the Gulayas brokered a deal  
23 between NuVeda and Urbn Leaf whereby "Urbn Leaf was to acquire a portion of the membership  
24 interests of NuVeda."

25 ~~158.148.~~ The Gulaya Complaint further alleges that Urbn Leaf manages and  
26 controlled certain licenses and ~~assets~~assets, or portions thereof owned by Clark NMSD, Clark  
27 Natural and Nye Natural, "all of which are wholly owned subsidiaries of NuVeda. Urbn Leaf was  
28 to provide \$4,000,000 to cover 4Front Litigation and provided a credit facility in the maximum

1 amount of \$4,000,000 to cover additional liabilities incurred by NuVeda. In exchange, NuVeda  
2 was to transfer 30% of membership interest in NuVeda to Urbn Leaf.”

3 ~~159.149.~~ The licenses owned by Clark NMSD and Nye Natural are the licenses that  
4 were to have been transferred to CWNV (substituted with CWNV1) pursuant to the MIPA, ~~and~~  
5 ~~subsequent related agreements.~~

6 ~~160.150.~~ On August 14, 2020, UL Holdings NV LLC, a Nevada limited liability  
7 filed a Verified Complaint against UL NuVeda Holdings LLC, a Delaware limited liability  
8 company, NuVeda LLC, a Delaware limited liability company, Clark NMSD, Nye Natural, Bady,  
9 Mohajer and Kennedy in the Court of Chancery in the State of Delaware as Case No. 2020-0675  
10 (the UL Holdings NV Complaint”).

11 ~~161.151.~~ The UL Holdings NV Complaint alleges that “Plaintiff ULNV entered into  
12 a complex business transaction with Defendants in early July 2019 and paid \$5,000,000 with the  
13 explicit agreement that, in the event certain governmental approvals required to consummate the  
14 transaction were not forthcoming, the entire transaction and all associated contracts would  
15 automatically terminate and be unwound, and ULNV’s \$5,000,000 purchase price would be  
16 returned.”

17 ~~162.152.~~ The UL Holdings NV Complaint further alleges, “[i]n connection with this  
18 transaction, ULNV rescued non-party NuVeda LLC, a Nevada limited liability company  
19 (“NuVeda Nevada”), the predecessor-in-interest of Defendant NuVeda Delaware, from a large  
20 judgment by entering into a Membership Interest Purchase Agreement (“MIPA”). Under the  
21 MIPA, ULNV agreed to pay a \$3,800,000 judgment entered against non-party NuVeda Nevada  
22 and Defendants Clark and Nye in unrelated arbitration proceedings in early 2019 and pay an  
23 additional \$1,200,000 to cover amounts owing on promissory notes and legal fees, for a total of  
24 \$5,000,000 in out-of-pocket expense. It did so in exchange for membership interests in a newly-  
25 formed Delaware limited liability company, UL Nevada Holdings, the parent of newly-formed  
26 NuVeda Delaware entity, into which all of NuVeda’s assets were purportedly transferred.”

27 ~~163.153.~~ Upon information and belief, the interest in the cultivation and production  
28 licenses owned by Clark Natural have been all or in part sold to other investors associated with



1 Solaris Farms and their associates.

2 ~~164.154.~~ During the original purchase of NuVeda's North Las Vegas dispensary  
3 located at 2113 N Las Vegas Blvd, NuVeda entered into a purchase agreement with the City of  
4 North Las Vegas to acquire the property.

5 ~~165.155.~~ Goldstein, then a member and NuVeda's general counsel, was working  
6 with the City of Las Vegas to finalize the purchase when Bady provided Mohajer signing  
7 authority to usurp the opportunity from NuVeda and purchase the property under an entity owned  
8 by Bady and Kennedy named 2113 Investors.

9 ~~166.156.~~ This transaction was not disclosed or approved by NuVeda members.

10 ~~167.157.~~ Subsequently 2113 Investors acquired NuVeda's 3<sup>rd</sup> Street property in the  
11 City of Las Vegas, and Bady unilaterally began to negotiate lease terms directly with Kennedy,  
12 his partner in 2113 Investors and at the time an unvested member in NuVeda.

13 ~~168.158.~~ Existing NuVeda members as well as another attorney who was hired as  
14 the Director of Operations raised major issues about the lease terms that enriched 2113 Investors  
15 to the detriment of NuVeda.

16 ~~169.159.~~ Bady attempted to force NuVeda members to vote on a security pledge that  
17 was specifically prohibited by the State, and if enacted would have given Bady and Kennedy  
18 control over NuVeda's licenses.

19 ~~170.160.~~ When Bady's actions of self-dealing were raised by NuVeda members, he  
20 claimed to divest himself of any interest in 2113 Investors, removed himself as an owner on the  
21 Nevada Secretary of State website and continued to negotiate the leases with Kennedy claiming  
22 he was no longer an interested party.

23 ~~171.161.~~ However, during the Arbitration, it was revealed that Bady had  
24 misrepresented his ownership interest, and without disclosing it to NuVeda members, had secretly  
25 executed a repurchase agreement that allowed him to repurchase 50% of 2113 Investors for \$1 or  
26 less.

27 ~~172.162.~~ On March 27, 2019, NuVeda entered a Confession of judgement in the  
28 amount of \$1,462,3000 in favor of 2113 Investors in Eighth Judicial District Court, Case Number

1 A-15-727383-C related to a Settlement and Reorganization Agreement dated February 16, 2018,  
2 which references: (a) the formation of CWNV; a settlement between NuVeda and 2113 Investors  
3 dated March 7, 2016; and (c) NuVeda entering into a promissory note in favor of 2113 Investors  
4 to be secured by NuVeda's interest in CWNV.

5 ~~173.163.~~ Based upon information and belief, the March 7, 2016 settlement with  
6 2113 Investors arose out of 2113 Investors' requirement to get insurance on the building for  
7 NuVeda's 3<sup>rd</sup> Street dispensary per the lease agreement (that Bady negotiated with Kennedy), but  
8 2113 Investors failed to have it in place when the building collapsed ~~so 2113 Investors threatened~~  
9 ~~NuVeda with a claim.~~

10 ~~174.164.~~ The building was rebuilt by CWNevada, ~~so~~ NuVeda (or 2113 Investors)  
11 never paid for the construction yet still benefited

12 ~~175.165.~~ The 2113 Investors filed a claim against NuVeda for the loss of rent and  
13 damage even though it was rebuilt using CW Nevada funds, which likely increased property  
14 value.

#### 15 FIRST CLAIM FOR RELIEF

##### 16 ("Declaratory Relief – All Plaintiffs against All Defendants")

17 ~~176.166.~~ Plaintiffs repeat and reallege each and every allegation contained in  
18 paragraphs 1 through 1~~6574~~ of this Complaint and incorporates the same herein by reference as  
19 though fully set forth.

20 ~~177.167.~~ Under NRS 3040(1), "[a]ny person interested under a deed, written  
21 contract other writings constituting a contract ... may have determined any question of  
22 construction or validity arising under the instrument ... and obtain a declaration of rights, status  
23 or other legal relations thereunder."

24 ~~178.168.~~ Actual controversies have arisen and now exist between the Receiver and  
25 Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, ~~and~~ Nye Natural, New  
26 CWNV and New CWNV1 regarding the parties respective legal rights and obligations under the  
27 Membership Interest Purchase Agreement, ~~the First Purchase Agreement, the Amendment to~~  
28 ~~Membership Interest Purchase Agreement, the Second Purchase Agreement and the July 5, 2018~~

1 ~~Addendum, the respective legal rights and obligations under the agreements~~ and with all  
2 Defendants regarding the ownership of CWNV ~~and~~, CWNV1, the purported dissolution of  
3 CWNV and CWNV1, ~~the improper transfer of assets from CWNV and CWNV1~~, and the licenses  
4 owned by each and/or those licenses allegedly owned by or previously owned by NuVeda, Clark  
5 NMSD and/or Nye Natural.

6 ~~179.169.~~ Actual controversies have arisen and now exist between Plaintiff Terry and  
7 Defendants BCP 7 and Padgett regarding the validity of the Terry Purchase Agreement, the  
8 respective legal rights and obligations under the Terry Purchase Agreement, and with all  
9 Defendants regarding the ownership of the Terry Interest.

10 ~~180.170.~~ Actual controversies have arisen and now exist between Plaintiff Ivy and  
11 Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural and Nye Natural regarding  
12 the validity of the Ivey Letter Agreement, the respective legal rights and obligations under the  
13 Ivey Letter Agreement, and with all Defendants regarding the ownership of the Ivey Interest.

14 ~~181.171.~~ Plaintiffs are entitled to a declaration of the rights and obligations of the  
15 parties and specifically seek a judgment declaring that (i) the Membership Interest Agreement is  
16 valid and enforceable, (ii) ~~the First Purchase Agreement is valid and enforceable~~, (iii) ~~the~~  
17 ~~Amendment to Membership Interest Purchase Agreement is valid and enforceable~~, (iv) ~~the~~  
18 ~~Second Purchase Agreement is valid and enforceable~~, (v) ~~the July 5, 2018 Addendum is valid and~~  
19 ~~enforceable~~, (vi) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada  
20 law or their respective operating agreements, (vii) CWNV or CWNV1 owns 100% of the  
21 membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to  
22 the Ivey Interest, (viii) CWNebraska owns ~~65~~100% of the issued and outstanding membership  
23 interest in CWNV and/or CWNV1, ~~except for the Nye Natural Production License that was to~~  
24 ~~remain with Nye Natural~~, (v) ~~ix~~ the Terry Purchase Agreement is null and void resulting from a  
25 fraud in the inducement and for a complete failure of consideration, (vi) ~~ix~~ the Terry Interest was  
26 never transferred to BCP 7 or any other entity, (viii) ~~ix~~ Plaintiff Terry is the sole and only owner  
27 of the Terry Interest, (viii) ~~ix~~ the Ivey Letter Agreement is valid and enforceable, (ix) ~~ix~~ the Ivey  
28 Interest was never transferred, and (x) ~~iv~~ Plaintiff Ivy is the sole and only owner of the Ivey

1 Interest.

2 ~~182.172.~~ Plaintiffs have been required to retain counsel to prosecute this matter and  
3 are entitled to recover their reasonable attorney's fees and costs of this action.

## 4 SECOND CLAIM FOR RELIEF

5 (“Breach of Contract – the Receiver on behalf of CWNevada, CWNV and CWNV1 against  
6 Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, ~~and~~ Nye Natural,  
7 New CWNV and New CWNV1”)

8 ~~183.173.~~ Plaintiffs hereby repeat and reallege each allegation contained in  
9 paragraphs 1 through ~~181.172~~ of this Complaint and incorporate the same herein by reference as  
10 though fully set forth.

11 ~~184.174.~~ NuVeda as “Transferor”, ~~together with Clark NMSD and Nye Natural, and~~  
12 ~~CWNevada as “Transferee” and CWNV, and additional parties, including Percelt and the 2113~~  
13 ~~Investors, entered into a series of agreements (collectively, the Transfer Agreements”), including~~  
14 ~~the Membership Interest Purchase Agreement, the First Purchase Agreement, the Amendment to~~  
15 ~~MIPA, the Second Purchase Agreement and the July 5, 2018 Addendum, whereby NuVeda agreed~~  
16 to sell 100% of the membership interest it owned in Clark NMSD and Nye Natural to CWNV  
17 (substituted with CWNV1) for certain specified consideration and on specific terms.

18 ~~185.175.~~ ~~The Transfer Agreements~~ The MIPA is a ~~are~~ valid and binding contracts.

19 ~~186.176.~~ NuVeda, Clark NMSD and Nye Natural breached the ~~Transfer~~  
20 ~~Agreements~~ MIPA by, among other ~~by, among other~~ things, (i) failing to transfer 100% of the  
21 membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted  
22 with CWNV1); ~~(ii) failing to transfer 100% of the ownership interest in CWNV (substituted with~~  
23 ~~CWNV1) to CWNevada, and (iii) selling or attempting to sell all or part of licenses transferred to~~  
24 CWNV (substituted with CWNV1) .

25 177. NuVeda, Clark NMSD and Nye Natural's breach of the ~~Transfer~~  
26 ~~Agreements~~ MIPA was not waived, suspended or otherwise excused.

27 ~~187.178.~~ Defendants have further breached the MIPA by transferring or attempting  
28 to transfer the assets of CWNV and CWNV1 to New CWNV and/or CWNV1.

188.179. As a direct and proximate result of the breach of the ~~Transfer~~ Agreements MIPA and the wrongful conduct of NuVeda, Clark NMSD and Nye Natural, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, the Receiver Plaintiff has suffered damages in an amount more than \$15,000.00.

189,180. 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.

### THIRD CLAIM FOR RELIEF

(“Breach of the Covenant of Good Faith and Fair Dealing – the Receiver on behalf of CWNevada, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV, New CWNV1 and the Receiver on behalf of CWNevada, CWNV and CWNV1 against Defendants NuVeda, Clark NMSD, Nye Natural and Bady”)

~~190.181.~~ Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 18~~08~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

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

192.183. Defendants NuVeda, Clark NMSD, Nye Natural, and Bady, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, owed CWNeVada, CWNV and CWNV1 a duty of good faith and fair dealing.

193-184. Defendants NuVeda, Clark NMSD, ~~and Nye Natural~~ and Bady, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, 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~~ MIPA 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) .

1 185. In addition, Defendants NuVeda and Bady breached the duty of good faith and fair  
2 dealing when they performed in a manner that was unfaithful to the purpose of the CWNV and  
3 CWNV1 Operating Agreements by, among other things, purporting to dissolve CWNV and  
4 CWNV1 without authority.

5 194,186. Defendants NuVeda and Bady, and their successors, UL NuVeda, NuVeda  
6 Delaware, New CWNV and New CWNV1, further breached the duty of good faith and fair  
7 dealing when they transferred or attempted to transfer the assets of CWNV and CWNV1.

8 195,187. As a direct and proximate result of the wrongful conduct of Defendants  
9 NuVeda, Clark NMSD, Nye Natural and Bady, and their successors, UL NuVeda, NuVeda  
10 Delaware, New CWNV and New CWNV1, CWNeveda, CWNV and CWNV1 have been  
11 damaged in an amount more than \$15,000.00.

12 196,188. Plaintiffs have been required to retain counsel to prosecute this matter and  
13 are entitled to recover their reasonable attorney's fees and costs of this action.

#### 14 **FOURTH CLAIM FOR RELIEF**

##### 15 **("Rescission of Purchase Agreement for Fraud in the Inducement and/or Failure of** 16 **Consideration – Plaintiff Terry against Defendants BCP 7 and Padgett")**

17 197,189. Plaintiffs repeat and reallege each and every allegation contained in  
18 paragraphs 1 through ~~188~~95 of this Complaint and incorporate the same herein by reference as  
19 though fully set forth.

20 198,190. The failure of BCP 7 and Padgett to pay the agreed upon consideration set  
21 forth in the Terry Purchase Agreement renders the Terry Purchase Agreement null and void for a  
22 complete failure of consideration.

23 199,191. Moreover, in or about April 2018, prior to Plaintiff Terry entering into the  
24 Terry Purchase Agreement, Padgett represented that BCP 7 and he had the ability to and would  
25 pay the agreed consideration set forth in the Terry Purchase Agreement.

26 200,192. Plaintiff Terry relied on Padgett's representations regarding the payment  
27 of the consideration in agreeing to the terms of the Terry Purchase Agreement.

28 201,193. Based upon the assurances and in reliance on the statements made by

1 Padgett, Plaintiff Terry executed the Terry Purchase Agreement.

2 ~~202.194.~~ When those representations were made, Padgett knew or should have  
3 known them to be false as he did not have an ability to pay the agreed consideration, having failed  
4 to even pay the entire Initial Payment, and instead, was forced to seek multiple extensions of the  
5 Initial and Monthly Payments.

6 ~~203.195.~~ Plaintiff Terry advised BCP 7 and Padgett of his rescission of the Terry  
7 Purchase Agreement, and the grounds therefor.

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

10 ~~205.196.~~ Plaintiff Terry has no adequate remedy at law to regain and/or confirm his  
11 ownership of the Terry Interest.

12 ~~206.197.~~ Plaintiff Terry has been required to retain counsel to prosecute this matter  
13 and is entitled to recover his reasonable attorney's fees and costs of this action

#### 14 FIFTH CLAIM FOR RELIEF

15 **("In the alternative, Breach of Contract – Plaintiff Terry against Defendants BCP 7 and**  
16 **Padgett")**

17 ~~207.198.~~ Plaintiffs hereby repeat and reallege each allegation contained in  
18 paragraphs 1 through ~~197205~~ of this Complaint and incorporate the same herein by reference as  
19 though fully set forth.

20 ~~208.199.~~ Plaintiff Terry and BCP 7 entered into the Terry Purchase Agreement  
21 whereby BCP 7 agreed to purchase the Terry Interest from Plaintiff Terry for certain specified  
22 consideration and on specific terms.

23 ~~209.200.~~ The Terry Purchase Agreement was guaranteed by Defendant Padgett.

24 ~~210.201.~~ BCP 7 and Padgett breached their obligations under the Terry Purchase  
25 Agreement, by failing, among other things, to pay the agreed consideration for the Terry Interest.

26 ~~211.202.~~ BCP 7's and Padgett's breach of the Terry Purchase Agreement was not  
27 waived, suspended or otherwise excused.

28 ~~212.203.~~ As a direct and proximate result of the breach of the Terry Purchase

1 Agreement and wrongful conduct of BCP 7 and Padgett, Plaintiff Terry has suffered damages in  
2 an amount more than \$15,000.00.

3 ~~213.204.~~ Plaintiff Terry has been required to retain counsel to prosecute this matter  
4 and is entitled to recover his reasonable attorney's fees and costs of this action.

#### 5 **SIXTH CLAIM FOR RELIEF**

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

8 ~~214.205.~~ Plaintiffs hereby repeat and reallege each allegation contained in  
9 paragraphs 1 through ~~204~~~~12~~ of this Complaint and incorporate the same herein by reference as  
10 though fully set forth.

11 ~~215.206.~~ Every contract in Nevada imposes upon the contracting parties the duty of  
12 good faith and fair dealing.

13 ~~216.207.~~ Defendants BCP 7 and Padgett owed Plaintiff Terry a duty of good faith  
14 and fair dealing.

15 ~~217.208.~~ Defendants BCP 7 and Padgett breached the duty of good faith and fair  
16 dealing when they performed in a manner that was unfaithful to the purpose of the Terry Purchase  
17 Agreement and to the justified expectations of Plaintiff Terry by failing, among other things, to  
18 pay the agreed consideration for the Terry Interest.

19 ~~218.209.~~ As a direct and proximate result of the wrongful conduct of Defendants  
20 BCP 7 and Padgett, Plaintiff Terry has been damaged in an amount more than \$15,000.00.

21 ~~219.210.~~ Plaintiff Terry has been required to retain counsel to prosecute this matter  
22 and is entitled to recover his reasonable attorney's fees and costs of this action.

#### 23 **SEVENTH CLAIM FOR RELIEF**

24 **("Breach of Contract – Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda**  
25 **Delaware, Nye Natural and Clark Natural")**

26 ~~220.211.~~ Plaintiffs hereby repeat and reallege each and every allegation contained  
27 in paragraphs 1 through 21~~0~~~~8~~ of this Complaint and incorporate the same herein by reference as  
28 though fully set forth.



221.212. The Ivey Letter Agreement is a valid and enforceable contract.

222:213. Plaintiff Ivey fully performed under the Ivey Letter Agreement by executing the Letter of Commitment on August 17, 2014.

223:214. As a result, and due to a subsequent transfer, Plaintiff Ivey owns a three percent (3%) ownership interest in Nye Natural and Clark Natural.

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

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

225-217. As its successors, UL NuVeda and NuVeda Delaware are liable for the actions of NuVeda.

226-218. Plaintiff Ivey has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

## EIGHTH CLAIM FOR RELIEF

**(“Breach of the Covenant of Good Faith and Fair Dealing – Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Nye Natural and Clark Natural”)**

227.219. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through ~~21825~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

228-220. Every contract in Nevada imposes upon the contracting parties the duty of good faith and fair dealing.

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

230-222. Defendants NuVeda, Nye Natural and Clark Natural breached the duty of good faith and fair dealing when they performed in a manner that was unfaithful to the purpose

1 of the Ivey Letter Agreement and to the justified expectations of Plaintiff Ivey by purportedly  
2 transferring the Ivey Interest without Plaintiff Ivey's knowledge and consent.

3 223. As a direct and proximate result of the wrongful conduct of Defendants NuVeda,  
4 Nye Natural and Clark Natural, Plaintiff Ivey has been damaged in an amount more than  
5 \$15,000.00.

6 231-224. As its successors, UL NuVeda and NuVeda Delaware are liable for the  
7 actions of NuVeda.

8 232-225. Plaintiff Ivey has been required to retain counsel to prosecute this matter  
9 and is entitled to recover his reasonable attorney's fees and costs of this action

#### 10 NINTH CLAIM FOR RELIEF

11 **(“Unjust Enrichment – All Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda**  
12 **Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady**  
13 **NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady, Mohajer and Kennedy”)**

14 233-226. Plaintiffs hereby repeat and reallege each allegation contained in  
15 paragraphs 1 through 231-225 of this Complaint and incorporate the same herein by reference as  
16 though fully set forth.

17 234-227. Unjust enrichment occurs whenever a party has a retained a benefit which  
18 in equity and good conscience belongs to another.

19 235-228. NuVeda, Clark NMSD and their members, including Bady, Mohajer and  
20 Kennedy, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1,  
21 have benefitted separately and individually from the construction and operation of the Downtown  
22 Dispensary and North Las Vegas Dispensary through the use of CWNevada funds.

23 229. Upon information and belief, NuVeda, Clark Natural, Clark NMSD, Nye Natural  
24 and their members, including Bady, Mohajer and Kennedy, and their successors, UL NuVeda,  
25 NuVeda Delaware, New CWNV and New CWNV1, have also benefitted separately and  
26 individually from the wrongful sale and/or transfer of all or part of the licenses in Clark Natural,  
27 Clark NMSD and Nye Natural.

28 236-230. Upon information and belief, NuVeda, and its successors, UL NuVeda and

1 NuVeda Delaware, along with Bady and Mohajer have benefitted separately and individually  
2 from the wrongful transfer of the Terry Interest to Bady and Mohajer.

3 237-231. The benefit of the foregoing actions properly belongs to Plaintiffs specified  
4 above.

5 238-232. As a direct and proximate result of the foregoing wrongful conduct,  
6 Plaintiffs have suffered damages in an amount in excess of \$15,000.00.

7 239-233. Plaintiffs have been required to retain counsel to prosecute this matter and  
8 are entitled to recover their reasonable attorney's fees and costs of this action.

#### 9 TENTH CLAIM FOR RELIEF

10 **(“Accounting – Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware,**  
11 **Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady , Mohajer**  
12 **and Kennedy NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady, Mohajer and**  
13 **Kennedy Defendants”)**

14 240-234. Plaintiffs hereby repeat and reallege each allegation contained in  
15 paragraphs 1 through 2318 of this Complaint and incorporate the same herein by reference as  
16 though fully set forth.

17 241-235. The right to an accounting has been long recognized in disputes among  
18 members in limited liability companies or during the dissolution thereof.

19 242-236. In the self-appointed role as trustee of CWNV (substituted with CWNV1),  
20 NuVeda and Bady owed a duty to CWNeveda to account for CWNV's and/or CWNV1's assets,  
21 liabilities and operations, including any profit or loss resulting from any sale and/or transfer of  
22 CWNV's and/or CWNV1's assets, and after discharging all liabilities, to distribute any remaining  
23 assets and funds to CWNeveda.

24 243-237. Moreover, the CWNV Operating Agreement requires an accounting upon  
25 the alleged dissolution of CWNV.

26 244-238. Similarly, NuVeda, Clark Natural, Clark NMSD, Nye Natural and their  
27 members, including Bady, Mohajer and Kennedy, and their successors, UL NuVeda, NuVeda  
28 Delaware, New CWNV and New CWNV1, NuVeda, Clark Natural, Clark NMSD, Nye Natural

1 ~~and their members, including Bady, Mohajer and Kennedy~~ owed a duty to Plaintiffs to account  
2 for any profit or loss resulting from the wrongful sale and/or transfer of all or part of the licenses  
3 in Clark Natural, Clark NMSD and Nye Natural.

4 245.239. In addition, Kennedy owed a duty to CWNevada, CWNV and CWNV1 to  
5 account for the CWNV and/or CWNV1 funds he commingled with those of his own companies.

6 246.240. Plaintiffs have been required to retain counsel to prosecute this matter and  
7 are entitled to recover their reasonable attorney's fees and costs of this action.

#### 8 9 ELEVENTH CLAIM FOR RELIEF

10 (“Violation of 225.084 – Plaintiffs against Defendants, NuVeda, UL NuVeda, NuVeda  
11 Delaware, Bady, Mohajer and Kennedy-Defendants”)

12 247.241. Plaintiffs hereby repeat and reallege each allegation contained in  
13 paragraphs 1 through 240~~5~~ of this Complaint and incorporate the same herein by reference as  
14 though fully set forth.

15 248.242. NRS 225.084 provides in part:

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

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

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

- 23 (a) Actual damages caused by each separate violation of this  
section or \$10,000 for each separate violation of this section,  
whichever is greater;
- 24 (b) All costs of bringing and maintaining the action, including  
investigative expenses and fees for expert witnesses;
- 25 (c) Reasonable attorney's fees; and
- 26 (d) Any punitive damages that the facts may warrant.

27 3. A civil action may be brought pursuant to this section by:

- 28 (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 ...

1                   ~~249-243.~~ NuVeda, Clark NMSD, Clark Natural and Nye Natural, by and through  
2 Bady, Mohajer and Kennedy, failed to follow Nevada law and knowingly misrepresented the  
3 information submitted to the Nevada Secretary of State and the State of Nevada regarding the  
4 ownership of NuVeda, Clark NMSD, Clark Natural and Nye Natural and the licenses owned by  
5 each.

6                   ~~250-244.~~ NuVeda and Bady failed to follow Nevada law and knowingly  
7 misrepresented the information submitted to the Nevada Secretary of State and the State of  
8 Nevada regarding the purported dissolution and merger of CWNV and CWNV1.

9                   ~~251-245.~~ As a result, NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady,  
10 Mohajer and Kennedy are liable to Plaintiffs for the actual damages for each violation or \$10,000  
11 for each separate violation, whichever is greater.

12                   ~~252-246.~~ As a direct and proximate result of the foregoing wrongful conduct,  
13 Plaintiffs have suffered damages in an amount in excess of \$15,000.00.

14                   ~~253-247.~~ In addition, the conduct of NuVeda, Clark NMSD, Clark Natural, Nye  
15 Natural, by and through Bady, Mohajer and Kennedy, was intentionally done to injure Plaintiffs  
16 with a willful and conscious disregard for Plaintiff's rights, constituting oppression, fraud and/or  
17 malice.

18                   ~~248.~~ In addition to compensatory damages, Plaintiffs are entitled to recover punitive  
19 damages for the sake of example and by way of punishing Defendants to deter similar conduct in  
20 the future.

21                   ~~254-249.~~ As its successors, UL NuVeda and NuVeda Delaware are liable for the  
22 actions of NuVeda.

23                   ~~255-250.~~ Plaintiffs have been required to retain counsel to prosecute this matter and  
24 are entitled to recover their reasonable attorney's fees and costs of this action.

## 25                   **TWELTH CLAIM FOR RELIEF**

26                   **("Breach of Fiduciary Duty – the Receiver on behalf of CWNevada against Defendant**  
27                   **Padgett")**

28                   ~~256-251.~~ Plaintiffs hereby repeat and reallege each allegation contained in

1 paragraphs 1 through 2504 of this Complaint and incorporate the same herein by reference as  
2 though fully set forth.

3 ~~257.252.~~ CWNevada is a manager managed limited liability company.

4 ~~258.253.~~ Since its formation, Padgett served as a manager of CWNevada until the  
5 Receiver was appointed on or about June 13, 2019.

6 ~~259.254.~~ During his tenure as manager, Padgett engaged in intentional misconduct  
7 designed to and which did cause damage to CWNevada.

8 ~~260.255.~~ Padgett's misconduct, includes but is not limited to the following:

- 9 a. Failing and refusing to cooperate with an investigation or inspection by the  
10 Marijuana Enforcement Division of the Department of Taxation, State of Nevada (the  
11 "Department");
- 12 b. Intentionally destroying and/or concealing evidence;
- 13 c. Intentionally making false statements to the Department in e-mails and  
14 METRC data;
- 15 d. Transporting and storing marijuana and/or marijuana products from an  
16 unlicensed source;
- 17 e. Storing or delivering unapproved marijuana product;
- 18 f. Picking up, unloading and/or delivering marijuana at an unauthorized  
19 location;
- 20 g. Intentionally failing to pay Retail Marijuana Tax to the Department;
- 21 h. Failing to pay Sales and Use Tax to the Department;
- 22 i. Failing to submit sale reports to the Department;
- 23 j. Failing to pay Modified Business Tax to the Department;
- 24 k. Failing to pay Wholesale Marijuana Tax to the Department;
- 25 l. Failing to maintain required records, including seed-to-sale tracking  
26 requirements;
- 27 m. Selling marijuana products that were not in METRC and products that did  
28 not have certificates of analysis before consumer purchase; and

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

2 ~~261.256.~~ By engaging in the misconduct outlined above, Padgett caused the  
3 Department to file an administrative proceeding against Padgett and CWNevada to consider the  
4 allegations arising from Padgett's misconduct and to determine the disciplinary action to be  
5 imposed upon both.

6 ~~262.257.~~ Padgett's conduct subjected CWNevada to disciplinary action by the  
7 Department, which risked the revocation of ten (10) of CWNevada's fourteen (14) licenses and  
8 \$2.2 million in civil penalties.

9 ~~263.258.~~ The Receiver has negotiated a settlement, subject to approval by the  
10 Receivership Court and the Cannabis Compliance Board, reducing the revocation to six (6) of  
11 CWNevada's licenses and \$1.25 million in civil penalties, but the damage caused by Padgett to  
12 CWNevada remains.

13 ~~264.259.~~ In addition, Padgett failed to pay CWNevada employees approximately  
14 \$300,000.00 in wages, which caused the Labor Commissioner to fine CWNevada an additional  
15 \$700,000.00.

16 ~~265.260.~~ Padgett's misconduct subjected CWNevada to judgments in favor of  
17 4Front and Cima, which included attorney's fees, costs, and in the case of Cima, an injunction  
18 preventing CWNevada from manufacturing or selling marijuana gummies similar to Cima's  
19 marijuana gummies.

20 ~~266.261.~~ Padgett failed to convert Series A and Series B investors into equity, which  
21 resulted in millions of dollars of claims, including penalties of 1.5 to 3 times the original  
22 investment amounts.

23 ~~267.262.~~ The claims filed in the Receivership case exceeded \$200,000,000.00,  
24 including attorney's fees and penalties, would not have been incurred but for Padgett's  
25 misconduct.

26 ~~268.263.~~ Padgett's conduct was intentionally done to injure CWNevada with a willful  
27 and conscious disregard for Plaintiff's rights, constituting oppression, fraud and/or malice.

28 ~~269.264.~~ In addition to compensatory damages in an amount in excess of millions

1 of dollars, Plaintiff is entitled to recover punitive damages for the sake of example and by way of  
2 punishing Padgett to deter similar conduct in the future.

3 270-265. The Receiver, on behalf of CWNevada has been required to retain counsel  
4 to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this  
5 action.

### 6 **THIRTEENTH CLAIM FOR RELIEF**

#### 7 **("Injunctive Relief – Plaintiffs against All Defendants")**

8 271-266. Plaintiffs hereby repeat and reallege each allegation contained in  
9 paragraphs 1 through 26~~5~~<sup>9</sup> of this Complaint and incorporate the same herein by reference as  
10 though fully set forth.

11 272-267. As set forth above, Defendants have engaged, in concert, in extensive acts  
12 of self-dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise  
13 dispose of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or  
14 CWNV1.

15 273-268. The Receiver has authority over CWNV and CWNV1 pursuant to the  
16 receivership orders.

17 274-269. Plaintiffs have a reasonable likelihood of success on the merits of their  
18 claims for relief and will suffer irreparable harm absent the entry of injunctive relief.

19 275-270. Accordingly, Plaintiffs are entitled to injunctive relief preventing  
20 Defendants from selling, transferring, pledging or otherwise disposing of any interest and/or  
21 assets in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1, including  
22 without limitation the cannabis establishment licenses for the Downtown Dispensary, the North  
23 Las Vegas Dispensary, and the cultivation and production licenses for Clark Natural and Nye  
24 Natural pending further court order.

25 276-271. In addition, Plaintiffs are entitled to a mandatory injunction restoring  
26 operational control of the Downtown Dispensary and the North Las Vegas Dispensary to the  
27 Receiver on behalf of CWNevada, CWNV and CWNV1.

28 277-272. 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.

#### FOURTEENTH CLAIM FOR RELIEF

**(“Appointment of Receiver – Plaintiffs against Defendant NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, and New CWNV1~~NuVeda, Clark NMSD, Clark Natural and Nye Natural~~”)**

278-273. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through ~~269~~276 of this Complaint and incorporate the same herein by reference as though fully set forth.

279-274. The appointment of a receiver to maintain assets relating property in conjunction with a contractual dispute is consistent with the proper use of a receiver in Nevada.

280-275. The appointment of a receiver is proper where it is shown that property is in danger of being lost, removed or materially injured.

281-276. In addition, the appointment of a receiver in situations involving fraud, gross mismanagement or where the assets of an entity are in danger of waste.

282-277. 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 CWNV1.

283-278. Plaintiffs are entitled to the appointment of a receiver over NuVeda, UL NuVeda, NuVeda Delaware, and all of its business interests, including any interest it may have or assert in Clark NMSD, Nye Natural, Clark Natural, CWNV, ~~and~~ CWNV1, New CWNV and New CWNV1.

284-279. 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.

#### FIFTEENTH CLAIM FOR RELIEF

**(“Specific Performance – The Receiver on behalf of CWNevada, CWNV and CWNV1 against on behalf of Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV, and New CWNV1~~CWNevada, CWNV and CWNV1~~ against**

~~NuVeda, Clark NMSD and Nye Natural”)~~

~~285-280.~~ Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through ~~27983~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

~~286-281.~~ The ~~Transfer Agreements are~~ MIPA is a valid and binding contracts.

~~287-282.~~ NuVeda, Clark NMSD and Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, -breached the ~~Transfer Agreements~~ MIPA 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) and, (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).~~

~~288-283.~~ NuVeda, Clark NMSD and Nye Natural’s breach of the ~~Transfer Agreements~~ MIPA was not waived, suspended or otherwise excused.

~~289-284.~~ The Receiver, on behalf of CWNevada, CWNV and CWNV1 is able to perform under the ~~Transfer Agreements~~ MIPA,

~~290-285.~~ The Receiver, on behalf of CWNevada, CWNV and CWNV1 is entitled to specific performance under the ~~Transfer Agreements~~ MIPA.

~~291-286.~~ 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.

#### SIXTEENTH CLAIM FOR RELIEF

(“Constructive Trust - The Receiver on behalf of CWNevada, CWNV and CWNV1 against on behalf of Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV, and New CWNV1 ~~CWNevada, CWNV and CWNV1 against NuVeda, Clark NMSD and Nye Natural”)~~

~~292-287.~~ Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through ~~28690~~ of this Complaint and incorporate the same herein by reference as though fully set forth

293.288. As a result of the joint venture set forth in the ~~Transfer Agreements~~ MIPA, a confidential relationship existed between CWNevada, CWNV and CWNV1 with NuVeda, Clark NMSD and Nye Natural.

294.289. Upon information and belief, NuVeda, Clark NMSD and/or Nye Natural, or their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, hold legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the Transfer AgreementsMIPA, including but not limited to D186, D187, and C166.

295.290. NuVeda, Clark NMSD and/or Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, have benefitted jointly and/or separately from the retention of legal title to the licenses that were to have been transferred to CWNV (substituted with CWNV1) pursuant to the Transfer AgreementsMIPA, including but not limited to D186, D187, and C166

296.291. It would be inequitable for NuVeda, Clark NMSD and/or Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, to retain legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the Transfer AgreementsMIPA, including but not limited to D186, D187, and C166.

297.292. As a result of NuVeda, Clark NMSD and/or Nye Natural, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1's wrongful retention of the legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1) ~~pursuant to the Transfer Agreements~~, including but not limited to D186, D187, and C166, the imposition of a constructive trust in favor of CWNevada, CWNV and CWNV1 is essential to effectuate justice.

298-293. The Receiver, on behalf of CWNevada, CWNV and CWNV1 has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

## SEVENTEENTH CLAIM FOR RELIEF

**(“Breach of Fiduciary Duty - The Receiver on behalf of CWNevada, CWNV and CWNV1  
against NuVeda, UL NuVeda, NuVeda Delaware NuVeda and Bady”)**

1       ~~299.294.~~ Plaintiffs repeat and reallege each and every allegation contained in  
2 paragraphs 1 through 29~~37~~ of this Complaint and incorporate the same herein by reference as  
3 though fully set forth

4       ~~300.295.~~ NuVeda and Bady have represented that NuVeda, by and through Bady, is  
5 serving in the role as trustee over CWNV and CWNV1.

6       ~~301.296.~~ As a result, NuVeda and Bady owed CWNevada, CWNV and CWNV1  
7 fiduciary duties.

8       ~~302.297.~~ In their purported role as trustee over CWNV and CWNV1, NuVeda and  
9 Bady breached their fiduciary duties owed to CWNevada, CWNV and CWNV1 by, among other  
10 things,

11           a.       Acting in the role of the Trustee over CWNV and CWNV1 without  
12 authority;

13           b.       Failing to collect and preserve the assets of CWNV and CWNV1,  
14 including but not limited to the licenses that were to be transferred to CWNV (substituted  
15 with CWNV1) including D186, D187, and C166;

16           c.       Failing to obtain and provide an accounting of CWNV and CWNV1  
17 accounts, assets, liabilities and operations;

18           d.       Failing to allocate any profit or loss resulting from any sale of CWNV or  
19 CWNV1 assets to the Members;

20           e.       Failing to discharge the liabilities of CWNV and CWNV1, if any; and

21           f.       Entering into a Confession of Judgment against CWNV and CWNV1 in  
22 favor of NuVeda, Clark NMSD and Nye Natural in the sum of \$45,000,000.

23       ~~303.298.~~ As a direct and proximate result of NuVeda's and Bady's breach of their  
24 fiduciary duties, CWNevada, CWNV and CWNV1 have suffered damages in an amount in excess  
25 of \$15,000.00

26       ~~304.299.~~ NuVeda's and Bady's conduct was intentionally done to injure CWNevada,  
27 CWNV and CWNV1 with a willful and conscious disregard for their rights, constituting  
28 oppression, fraud and/or malice.

300. In addition to compensatory damages, the Receiver, on behalf of CWNevada, CWNV and CWNV1 is entitled to recover punitive damages for the sake of example and by way of punishing NuVeda and Bady to deter similar conduct in the future.

305.301. As its successors, UL NuVeda and NuVeda Delaware are liable for the actions of NuVeda.

306.302. The Receiver, on behalf of CWNevada, CWNV and CWNV1 has been required to retain counsel to prosecute this matter and is entitled to recover their reasonable attorney's fees and costs of this action.

## EIGHTEENTH CLAIM FOR RELIEF

**(“Conversion – Plaintiff Ivey against Defendants-NuVeda, UL NuVeda, NuVeda Delaware, Nye Natural, Clark Natural, New CWNV, New CWNV1NuVeda, Clark Natural, Nye Natural, Bady and Mohajer”)**

307.303. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 305 of this Complaint and incorporate the same herein by reference as though fully set forth.

308.304. Defendants NuVeda, Clark Natural, Nye Natural, Bady and Mohajer have converted the Ivey Interest for their own benefit by wrongfully exercising control over the Ivey Interest.

309:305. Defendants’ act of dominion over the Ivey Interest, including that of their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, is inconsistent with Ivey’s title and right to the Ivey Interest.

~~310.306.~~ As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Ivey ~~have~~ has suffered damages in an amount in excess of \$15,000.00.

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

///

1 NINETEENTH CLAIM FOR RELIEF

2 (~~“Constructive Trust~~Unjust Enrichment – Plaintiff Ivey against Defendants, NuVeda, UL  
3 NuVeda, NuVeda Delaware, Nye Natural, Clark Natural, New CWNV, New CWNV1,  
4 Bady and Mohajer~~NuVeda, Clark Natural, Nye Natural, Bady and Mohajer~~”)

5 ~~312.~~308. Plaintiffs repeat and reallege each and every allegation contained in  
6 paragraphs 1 through ~~307~~40 of this Complaint and incorporates the same herein by reference as  
7 though fully set forth.

8 ~~313.~~309. Unjust enrichment occurs whenever a party has a retained a benefit which  
9 in equity and good conscience belongs to another.

10 ~~314.~~310. Upon information and belief, NuVeda, Clark Natural and Nye Natural, and  
11 their members, including Bady and Mohajer have benefitted jointly and separately from the  
12 wrongful transfer of the Ivey Interest.

13 ~~315.~~311. Upon information and belief, NuVeda, Clark Natural and Nye Natural, and  
14 their members, including Bady and Mohajer, and their successors, UL NuVeda, NuVeda  
15 Delaware, New CWNV and New CWNV1 have benefitted jointly and separately from the  
16 wrongful transfer and/or sale of all or part of the licenses in Clark Natural and Nye Natural.

17 ~~316.~~312. A portion of the benefit from the foregoing actions properly belongs to  
18 Plaintiff Ivey.

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

21 ~~317.~~314. In addition, As a direct and proximate result of the foregoing wrongful  
22 conduct, Plaintiff Ivey is entitled to the imposition of a constructive trust over Clark Natural and  
23 Nye Natural to effectuate justice.

24 ~~318.~~315. Plaintiff Ivey has been required to retain counsel to prosecute this matter  
25 and is entitled to recover his reasonable attorney’s fees and costs of this action.

26 TWENTIEH CLAIM FOR RELIEF

27 (“Conversion – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda  
28 Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady

and Mohajer”)

316. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 315 of this Complaint and incorporate the same herein by reference as though fully set forth.

317. Defendants NuVeda, Clark NMSD, Clark Natural, Nye Natural, and their members, including Bady and Mohajer and their successors, including UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1 have converted the Terry Interest for their own benefit by wrongfully exercising control over the Terry Interest.

318. Defendants’ act of dominion over the Terry Interest is inconsistent with Terry’s title and right to the Terry Interest.

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

320. As successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1 are liable for the actions of their predecessors.

321. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney’s fees and costs of this action.

#### **TWENTY-FIRST CLAIM FOR RELIEF**

**(“Unjust Enrichment – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady and Mohajer”)**

322. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 321 of this Complaint and incorporates the same herein by reference as though fully set forth.

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

324. Upon information and belief, NuVeda, Clark NMSD, Clark Natural, Nye Natural, and their members, including Bady and Mohajer and their successors, including UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1 have benefitted jointly and separately from

1 the wrongful transfer of the Terry Interest to Bady and Mohajer.

2 325. The benefit of the Terry Interest properly belongs to Terry.

3 326. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Terry  
4 has suffered damages in an amount in excess of \$15,000.00.

5 327. In addition, as a direct and proximate result of the foregoing wrongful conduct,  
6 Plaintiff Terry is entitled to the imposition of a constructive trust over the Terry Interest to  
7 effectuate justice.

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

10 **TWENTY-SECOND CLAIM FOR RELIEF**

11 **("Civil Conspiracy – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda**  
12 **Delaware, Clark NMSD, Nye Natural, Clark Natural, Bady, Mohajer and Padgett")**

13 329. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
14 through 328 of this Complaint and incorporates the same herein by reference as though fully set  
15 forth.

16 330. NuVeda, and its subsidiaries, Clark NMSD, Clark Natural and Nye Natural, acting  
17 in concert with Bady and Mohajer, transferred the Terry Interest to Bady and Mohajer without  
18 Terry's knowledge or consent.

19 331. Without knowledge that NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady  
20 and Mohajer had improperly transferred the Terry Interest to Bady and Mohajer, Terry entered  
21 into the Terry Purchase Agreement whereby Terry agreed to sell the Terry Interest to BCP 7,  
22 guaranteed by Padgett, for specified consideration and on specific terms.

23 332. In an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration,  
24 prior to Padgett paying any sums under the Terry Purchase Agreement, Padgett purported to  
25 dismiss "all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry (all right, title,  
26 and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark NMSD, Clark Natural  
27 Medicinal Solutions, and Nye Natural Medicinal Solutions) with prejudice."

28 333. The Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Clark



1 NMSD, Clark Natural, Nye Natural, Bady and Mohajer to defraud Terry by having BCP 7  
2 purportedly purchase the Terry Interest, which had already been transferred to Bady and Mohajer  
3 without Terry's knowledge or consent, and then immediately attempt to dismiss the claims in the  
4 Arbitration without BCP 7 and Padgett paying the agreed consideration.

5 334. The conduct of NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady, Mohajer  
6 and Padgett was intentionally done to injure Terry with a willful and conscious disregard for his  
7 rights, constituting oppression, fraud and/or malice.

8 335. In addition to compensatory damages, Terry is entitled to recover punitive  
9 damages for the sake of example and by way of punishing NuVeda, Bady, Mohajer and Padgett  
10 to deter similar conduct in the future.

11 336. As successors, UL NuVeda, and NuVeda Delaware are liable for the actions of  
12 NuVeda.

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

15 **TWENTIETH CLAIM FOR RELIEF**

16 **("Unjust Enrichment—Plaintiff Ivey against NuVeda, Clark Natural, Nye Natural, Bady**  
17 **and Mohajer")**

18 ~~319.—Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1~~  
19 ~~through 317 of this Complaint and incorporates the same herein by reference as though fully set~~  
20 ~~forth.~~

21 ~~320.—Unjust enrichment occurs whenever a party has a retained a benefit which in equity~~  
22 ~~and good conscience belongs to another.~~

23 ~~321.—NuVeda, Clark Natural, Nye Natural and their members, including Bady and~~  
24 ~~Mohajer have benefitted jointly and/or separately from the wrongful sale of all or part of the~~  
25 ~~licenses in Clark Natural and Nye Natural.~~

26 ~~322.—The benefit of the foregoing actions properly belongs to Plaintiff Ivey.~~

27 ~~323.—As a direct and proximate result of the foregoing wrongful conduct, Plaintiffs have~~  
28 ~~suffered damages in an amount in excess of \$15,000.00.~~

~~324.—Plaintiff Ivey has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.~~

## PRAAYER

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) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada law or their respective operating agreements, (iii) CWNV or CWNV1 owns 100% of the membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey Interest, (iv) CWNevada owns 65% of the issued and outstanding membership interest in CWNV and/or CWNV1, (v) the Terry Purchase Agreement is null and void resulting from a fraud in the inducement and for a complete failure of consideration, (vi) the Terry Interest was never transferred to BCP 7 or any other entity, (vii) Plaintiff Terry is the sole and only owner of the Terry Interest, (viii) the Ivey Letter Agreement is valid and enforceable, (ix) the Ivey Interest was never transferred, and (x) Plaintiff Ivey is the sole and only owner of the Ivey Interest (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 damages in an amount more than \$15,000.00 in favor of the Receiver on behalf of CWNevada, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV and New CWNV1 ~~NuVeda, Clark NMSD and Nye Natural~~ on the Second Claim for Relief;

3) For damages in an amount more than \$15,000.00 in favor of the Receiver on behalf of CWNevada, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV, New CWNV1 and Bady ~~NuVeda, Clark NMSD and Nye Natural~~ on the Third Claim for Relief;

4) 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;

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

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

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

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

9) For damages in an amount more than \$15,000.00 in favor of Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady, Mohajer and Kennedy on the Ninth Claim for Relief

10) For an Accounting in favor of Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady, Mohajer and Kennedy ~~NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady, Mohajer and Kennedy~~ on the Tenth Claim for Relief;

11) For compensatory damages in an amount more than \$15,000.00 and punitive

1 damages in favor of Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware,  
2 Bady, Mohajer and Kennedy on the Eleventh Claim for Relief;

3 12) For compensatory damages in an amount more than \$15,000.00 and punitive  
4 damages in favor of the Receiver on behalf of CWNevada against Defendant Padgett on the  
5 Twelfth Claim for Relief

6 13) For a preliminary injunction preventing Defendants from selling, transferring,  
7 pledging or otherwise disposing of any interest and/or assets in NuVeda, Clark NMSD, Clark  
8 Natural, Nye Natural, CWNV and/or CWNV1, including without limitation the cannabis  
9 establishment licenses for the Downtown Dispensary, the North Las Vegas Dispensary, and the  
10 cultivation and production licenses for Clark Natural and Nye Natural pending further court order  
11 and a mandatory injunction restoring operational control of the Downtown Dispensary and the  
12 North Las Vegas Dispensary to the Receiver on behalf of CWNevada, CWNV and CWNV1;

13 14) For the appointment of a receiver over NuVeda, UL NuVeda, NuVeda Delaware,  
14 and all of ~~their~~ business interests, including any interest it may have or assert in Clark NMSD,  
15 Nye Natural, Clark Natural, CWNV, ~~and~~ CWNV1, New CWNV and New CWNV1.

16 15) For specific performance in favor of the Receiver on behalf of CWNevada, CWNV  
17 and CWNV1 ~~of the Transfer Agreements~~ under the MIPA;

18 16) For the imposition of a constructive trust in favor the Receiver on behalf of  
19 CWNevada, CWNV and CWNV1 over the licenses that were to be transferred to CWNV  
20 (substituted with CWNV1) pursuant to the ~~Transfer Agreements~~ MIPA, including but not limited  
21 to D186, D187, and C166;

22 17) For compensatory damages in an amount more than \$15,000.00 and punitive  
23 damages in favor of the Receiver on behalf of CWNevada, CWNV and CWNV1 against Plaintiffs  
24 against Defendants NuVeda, UL NuVeda, NuVeda Delaware and Bady on the Seventeenth Claim  
25 for Relief;

26 18) For compensatory damages in an amount more than \$15,000.00 ~~For Conversion~~  
27 ~~of the Ivey Interest~~ in favor of Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda  
28 Delaware, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the

Eighteenth Claim for Relief;

19) For compensatory damages in an amount more than \$15,000.00 in favor of Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Nineteenth Claim for Relief;

20) For compensatory damages in an amount more than \$15,000.00 in favor of Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twentieth Claim for Relief;

21) For compensatory damages in an amount more than \$15,000.00 in favor of Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twenty-First Claim for Relief;

22) For compensatory damages in an amount more than \$15,000.00 and punitive damages in favor of Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twenty-Second Claim for Relief;

~~18) For the imposition of a constructive trust in favor of Ivey over Clark Natural and Nye Natural on the Nineteenth Claim for Relief;~~

~~19) For damages in an amount more than \$15,000.00 in favor of Plaintiff Ivey against Defendants NuVeda, Clark Natural, Nye Natural, Bady and Mohajer on the Twentieth Claim for Relief;~~

~~20)~~23) For reasonable attorney's fees as provided by Nevada law;

~~21)~~24) For such other and further relief as this Court deems just and proper;

~~22)~~25) For interest allowed by law; and

+++

~~23)~~26) For costs of suit.

1 DATED this \_\_\_\_ day of ~~September, 2020~~ \_\_\_\_\_, 2021.

2 MUSHKIN & COPPEDGE

3  
4  
5 \_\_\_\_\_  
6 MICHAEL R. MUSHKIN, ESQ.  
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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing **First Amended Complaint** was submitted electronically for filing and/or service with the Eighth Judicial District Court on this \_\_\_\_ day of \_\_\_\_\_, 2020. Electronic service of the foregoing document shall be upon all parties listed on the Odyssey eFileNV service contact list:

\_\_\_\_\_  
An Employee of  
MUSHKIN & COPPEDGE

# EXHIBIT “2”

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13 **DISTRICT COURT**  
14 **CLARK COUNTY, NEVADA**

15 DOTAN Y. MELECH, as the Court Appointed  
16 Receiver of CWNevada, LLC, a Nevada Limited  
17 Company and on behalf of CWNV, LLC, a Nevada  
18 Limited Liability Company and CWNV1, LLC, a  
19 Nevada Limited Liability Company; SHANE  
20 TERRY, an individual; and PHILLIP D. IVEY, an  
21 individual;

22 Plaintiffs,

23 vs.

24 NUVEDA LLC, a Nevada limited liability  
25 company; CLARK NMSD LLC, a Nevada limited  
26 liability company; CLARK NATURAL  
27 MEDICINAL SOLUTIONS LLC, a Nevada  
28 Limited Liability Company; NYE NATURAL  
MEDICINAL SOLUTIONS, LLC, a Nevada  
limited liability company; BCP 7, LLC, an entity of  
unknown origin; PEJMAN BADY, an individual;  
POUYA MOHAJER, an individual; JOSEPH  
KENNEDY, an individual; BRIAN C. PADGETT,  
an individual; UL NUVEDA HOLDINGS LLC, a  
Delaware limited liability company; NUVEDA  
LLC, a Delaware limited liability company; CWNV  
LLC, a Nevada limited liability company; CWNV1  
LLC, a Nevada limited liability company; DOES 1  
– 20 and ROE CORPORATIONS 1-20,

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

**SECOND AMENDED COMPLAINT**  
**Case No. A-20-8137363-B**



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## PARTIES, JURISDICTION, AND VENUE

1. Defendant, NuVeda LLC (“NuVeda”) is and has been since its formation, a Nevada liability company. NuVeda’s principal place of business is located in Clark County, Nevada.

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

4. Defendant, Nye Natural Medicinal Solutions LLC (“Nye Natural”) is a Nevada limited liability company and owner of one (1) Cultivation License and one (1) Production license issued by the State of Nevada. The Nye Natural Cultivation license is identified by Nevada Establishment number: 4073 3091 6294 5475 1109. The Nye Natural Production license is identified by Nevada Establishment number: 9160 4693 9161 6650 7699.

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

6. Upon information and belief, Defendant Pouya Mohajer (“Mohajer”) is and at all

1 relevant times was a resident of Clark County, Nevada. Defendant Mohajer was an initial member  
2 of NuVeda.

3 7. Upon information and belief, Defendant Joseph Kennedy (“Kennedy”) is and at  
4 all relevant times was a resident of Clark County, Nevada.

5 8. Defendant, BCP 7, LLC (“BCP 7”) is an entity of unknown origin. Upon  
6 information and belief, BCP 7 is the owner of Dispensary, Cultivation and Production licenses in  
7 Nevada and is managed by Defendant, Brian C. Padgett.

8 9. Defendant, Brian C. Padgett (“Padgett”) is and at all relevant times was a resident  
9 of Clark County, Nevada. Upon information and belief, Padgett is the manager of BCP 7.

10 10. Defendant, UL NuVeda Holdings LLC (“UL NuVeda”) is and has been since its  
11 formation, a Delaware limited liability company. Upon information and belief, UL NuVeda is the  
12 successor in interest to NuVeda and is responsible for its debts and liabilities.

13 11. Defendant, NuVeda LLC (“NuVeda Delaware”) is and has been since its  
14 formation, a Delaware limited liability company. Upon information and belief, NuVeda Delaware  
15 is the successor in interest to NuVeda and is responsible for its debts and liabilities

16 12. Defendant, CWNV LLC (“New CWNV”) is a Nevada Limited Liability  
17 Company. Upon information and belief, New CWNV claims to be the successor in interest to  
18 CWNV, LLC.

19 13. Defendant, CWNV1 LLC (“New CWNV1”) is a Nevada Limited Liability  
20 Company. Upon information and belief, New CWNV1 claims to be the successor in interest to  
21 CWNV1, LLC.

22 14. Plaintiff, Dotan Y Melech is the court appointed receiver for CWNevada, LLC, a  
23 Nevada Limited Liability Company (the “Receiver”). The Order Appointing Receiver included  
24 “all of CWNevada, LLC’s assets, including, without limitation, all assets and rights to any  
25 subsidiary and affiliated entities (collectively, ‘CWNevada’) in which CWNevada has an  
26 ownership interest, including but not limited to CWNV, LLC”.

27 15. CWNV, LLC (“CWNV”) is a Nevada Limited Liability Company. The Receiver  
28 has authority and control over CWNV pursuant to the receivership orders.

1           16.     CWNV1, LLC (“CWNV1”) is a Nevada Limited Liability Company. The  
2 Receiver has authority and control over CWNV1 pursuant to the receivership orders.

3           17.     Plaintiff, Shane Terry (“Terry”) is and at all relevant times has been a resident of  
4 Clark County, Nevada. Terry has been a Manager, Voting Member, and at times, NuVeda’s Chief  
5 Executive Officer. Plaintiff Terry is the owner of 22.88 percent of NuVeda, Clark NMSD, Clark  
6 Natural and Nye Natural (collectively, the “Terry Interest”).

7           18.     Plaintiff, Phillip D. Ivey (“Ivey”) is and at all relevant times has been a resident of  
8 Clark County, Nevada. Plaintiff Ivey owns a three percent (3%) ownership interest in Nye Natural  
9 and Clark Natural (collectively, the “Ivey Interest”).

10          19.     The true names or capacities, whether individual, corporate, association or  
11 otherwise of Defendants DOES 1 through 20, and ROE CORPORATIONS 1 through 20 are  
12 unknown to Plaintiffs, who therefore sue said Defendants by such fictitious names. Plaintiffs are  
13 informed and believe and thereupon allege that each of the Defendants designated herein as DOE  
14 and ROE CORPORATIONS are responsible in some manner for the events and acts alleged and  
15 that they caused damages proximately to the Plaintiffs. The DOE and ROE CORPORATION  
16 Defendants include but are not limited to individuals and/or entities that may claim some interest  
17 in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV, CWNV1, UL NuVeda, NuVeda  
18 Delaware, New CWNV and/or New CWNV1. The DOE and ROE CORPORATION Defendants  
19 further include the successors in interest to NuVeda, Clark NMSD, Clark Natural, Nye Natural,  
20 CWNV, CWNV1, UL NuVeda, NuVeda Delaware, New CWNV, New CWNV1, BCP 7 and/or  
21 Padgett and individuals and/or entities who may have received transfers of any interest and/or  
22 assets from NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV, CWNV1, NuVeda  
23 Delaware, New CWNV, New CWNV1, BCP 7 and/or Padgett. Plaintiffs will ask leave of this  
24 Court to amend this Complaint to insert the true names and capacities of DOES 1 through 20 and  
25 ROE CORPORATIONS 1 through 20 when the same have been ascertained and to join such  
26 Defendants in this action.

27          20.     Pursuant to Nevada’s long arm statute codified at NRS 14.065, a Court of this  
28 State may exercise jurisdiction over a party to a civil action on any basis not inconsistent with the

1 Constitution of Nevada or the Constitution of the United States.

2 21. Venue is proper pursuant to NRS 13.040.

3 **FACTUAL ALLEGATIONS RELATED TO ALL CLAIMS**

4 22. On or about July 9, 2014, Terry entered into an Operating Agreement for NuVeda,  
5 LLC (the “NuVeda Operating Agreement”) with Bady, Mohajer and Jennifer Goldstein  
6 (“Goldstein”) to apply for and operate marijuana dispensaries, cultivation and processing  
7 facilities for medical marijuana pursuant to licenses obtained from certain governmental  
8 divisions.

9 23. The NuVeda Operating Agreement was also signed by Kennedy, John Penders and  
10 Ryan Winmill.

11 24. Since July 2014, NuVeda has been governed by the NuVeda Operating  
12 Agreement.

13 25. The NuVeda Operating Agreement is governed by, construed and interpreted in  
14 accordance with Nevada law.

15 26. Since NuVeda’s formation, Terry has been a manager, voting member and at  
16 times, NuVeda’s Chief Executive Officer and Chief Operations Officer.

17 27. Initially, Terry owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark  
18 Natural, and Nye Natural. Terry’s ownership interest was later increased to 22.88%.

19 28. On or about August 17, 2014, Ivey entered into a letter agreement (the “Ivey Letter  
20 Agreement”) and accompanying Letter of Commitment whereby, in exchange for providing  
21 necessary financial statements to strengthen NuVeda’s application and extending NuVeda a \$1.9  
22 million line of credit (the “Ivey Credit Line”), Ivey was immediately granted a three percent (3%)  
23 wholly vested share of NuVeda.

24 29. Ivey executed the Letter of Commitment on or about August 17, 2014.

25 30. Ivey’s significant business experience and financial resources not only provided a  
26 solution in support of NuVeda’s business strategy, but also provided critical proof of financial  
27 viability in support of NuVeda’s competitive application, including the amount of taxes paid.

28 31. The points won by NuVeda in the tax section alone were awarded with Ivey

1 individually contributing nearly 30% of the total score.

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

4 33. In addition, Ivey was listed as having a three percent (3%) ownership interest in  
5 the 2014 Schedule K-1 provided to him by NuVeda.

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

8 35. The reason for the transfer is the City of Las Vegas did not allow any changes to  
9 the ownership structure that differ from the owners listed in the application filed with the City of  
10 Las Vegas.

11 36. To accommodate the City of Las Vegas' requirements, NuVeda transferred Ivey's  
12 ownership interest in NuVeda, the parent company, to its two (2) subsidiaries that are located  
13 outside the City of Las Vegas -- Nye Natural and Clark Natural.

14 37. Ivey approved and signed the transfers of interest.

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

17 39. Ivey has not sold, conveyed or otherwise transferred the Ivey Interest.

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

20 41. During this time, Terry was NuVeda's designated and registered point of contact  
21 with the State of Nevada for all regulatory correspondence.

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

25 43. NuVeda, Bady and Mohajer have claimed Ivey is no longer a member although  
26 Ivey did not execute any of the required paperwork to transfer the Ivey Interest.

27 44. During this time, NuVeda also removed Terry as NuVeda's State of Nevada  
28 designated point of contact and refused to provide Terry with access to any records.

1           45.     Senate Bill 32 was passed in late 2018, which allowed the State to publicly disclose  
2 ownership information. Until then, there was no public access to view ownership records.

3           46.     Further, the State of Nevada would not communicate with anyone other than Bady  
4 as Terry had been removed as NuVeda's designated point of contact.

5           47.     As a result, Ivey did not learn of the transfer of the Ivey Interest until after January  
6 2019.

7           48.     Bady, Mohajer and Kennedy, individually and at times through NuVeda or other  
8 entities, have engaged in a pattern of fraudulent acts of self-dealing and other acts of misconduct  
9 that constitute a breach of their legal duties.

10          49.     For instance, Terry and other members of NuVeda learned that Bady  
11 misrepresented the source of his funds Bady originally contributed to NuVeda in exchange for  
12 equity.

13          50.     Nevada law and the state regulatory agencies required in depth financial  
14 disclosures.

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

18          52.     Upon information and belief, Bady and Mohajer promised that in exchange for the  
19 funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was prohibited  
20 by Nevada law.

21          53.     Mohsen Bahri ("Bahri") and Bady also negotiated the terms of a \$500,000  
22 promissory note. Bady then made an undisclosed deal with Bahri to provide Bady with a \$500,000  
23 investment in which Bahri would receive a 4% interest in NuVeda.

24          54.     This was contrary to NuVeda's understanding of the financing.

25          55.     Following discovery of the true nature of Bady and Mohajer's wrongful side deals  
26 with third parties, a dispute arose between Terry and Goldstein on the one hand and Bady and  
27 Mohajer on the other hand regarding Defendants' clandestine and wrongful side deals, pursuant  
28 to which Bady and Mohajer attempted to allocate ownership interests to their friends, and the true

1 source of Bady's capital contribution, Golpa and Bahri.

2 56. Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4%  
3 interest in NuVeda, yet Bady demanded that the members, including Terry and Goldstein, agree  
4 to ratify his apparent promises to provide such interest to Golpa and Bahri.

5 57. Upon information and belief, the transfer of the interests, as proposed by Bady,  
6 would jeopardize NuVeda's licenses.

7 58. On or about November 1, 2015, a monthly payment was due to Bahri on the  
8 \$500,000 promissory note.

9 59. Bady, long-time personal friends with Bahri, instructed Terry to not pay the  
10 monthly payment and stated he "would take care of it."

11 60. On November 11, 2015, Bahri sent demand for the November 1, 2015 payment.  
12 Bady then admitted that he did not make the monthly payment but that Bady and Bahri had agreed  
13 to extend the monthly payment to November 15, 2015.

14 61. Bady's non-payment of the Bahri loan and subsequent negotiations were done  
15 without Terry's knowledge and jeopardized NuVeda's operations.

16 62. Bahri subsequently presented a lawsuit against Terry and Goldstein, individually,  
17 falsely alleging that they were liable for his investment through Bady.

18 63. Bady and Bahri then acted in concert to allege that Goldstein and Terry were liable  
19 for the \$500,000 promissory note, as neither NuVeda nor Bady, who single-handedly  
20 communicated with Bahri and who negotiated all of the terms of the clandestine deal with his  
21 friend Bahri, were named as defendants.

22 64. Bady and Bahri acted in concert to paralyze Terry and Goldstein from obtaining  
23 the necessary funding by threatening to file frivolous and factually unfounded lawsuits against  
24 Terry and Goldstein for Bady's strategic gain.

25 65. Additionally, when Kennedy (an IRS enrolled agent) was preparing NuVeda's K-  
26 1s, Bady asked Terry to allocate his tax losses to Bady to offset Bady's income from an unrelated  
27 medical business, but Terry refused.

28 66. Terry explained to Bady that loss-shifting was wrongful and potentially

1 constituted fraud, but Bady ignored Terry's concern and collaborated with Mohajer to shift  
2 Mohajer's losses to him instead.

3 67. Bady and Mohajer then had nominal-member Kennedy amend the K-1s to reflect  
4 the loss-shifting to Bady in violation of the terms of the Operating Agreement without notifying  
5 any other NuVeda members.

6 68. Goldstein and Terry made demands for the original K-1s and other financial  
7 documents for NuVeda, but Bady and Kennedy denied the records request in violation of Terry's  
8 right to review the business records of NuVeda pursuant to Section 7.2 of the NuVeda's Operating  
9 Agreement.

10 69. It was also discovered that Bady engaged in rampant self-dealing on multiple  
11 occasions. An entity known as 2 Prime, LLC ("2 Prime") entered into a financing agreement with  
12 NuVeda.

13 70. Bady exclusively negotiated the agreement with favorable terms to 2 Prime.  
14 Thereafter, it was discovered after the fact that Bady had an undisclosed 50% interest in 2 Prime,  
15 which was also co-owned by Golpa.

16 71. On or about November 20, 2015 under the guidance of NuVeda's corporate  
17 counsel, who was hired directly by Bady, Bady's and Mohajer's NuVeda interests were  
18 terminated pursuant to Section 6.2 of the Operating Agreement.

19 72. However, Bady and Mohajer disregarded the expulsion and claimed they remained  
20 voting members, managers, and officers with authority to act on behalf of NuVeda.

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

#### 24 **The District Court Action**

25 74. Over concerns that any attempted and unauthorized transfer of interest could  
26 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and Terry filed a complaint, as  
27 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady  
28 and Mohajer as Case Number A-15-728510-B (the "District Court Action") and



1 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin  
2 any transfer of NuVeda's membership interests.

3 75. The District Court Action sought, among other things, the issuance of a  
4 preliminary and permanent injunction maintaining the status quo pending a final resolution of the  
5 parties' disputes in an arbitral proceeding.

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

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

14 78. Notwithstanding the express language of the January 13, 2016 Order, in a March  
15 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda.

16 79. Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in  
17 violation of the January 13, 2016 Order.

18 80. The purported expulsion was further documented in a meeting on or about  
19 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry's interest in NuVeda  
20 was distributed to Bady and Mohajer in yet another act of blatant self-dealing.

21 81. NuVeda, Bady and Mohajer transferred Terry's individual license interest in  
22 NuVeda directly to Bady and Mohajer without Terry's consent.

23 82. Terry did not learn of the transfer of Terry's individual license interest in NuVeda  
24 to Bady and Mohajer until after January 2019.

### 25 **Membership Interest Purchase Agreement**

26 83. At or about the same time, NuVeda as "Transferor" along with Clark NMSD and  
27 Nye Natural and CWNevada as "Transferee" and CWNV, LLC, a to be formed Nevada limited  
28 liability company, entered into a Membership Interest Purchase Agreement (the "MIPA")

1 effective as of December 6, 2015.

2 84. Among other things, the MIPA provides in part as follows:

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

5 b. NuVeda owned one hundred percent (100%) of Nye Natural, subject to  
6 certain disclosures. The disclosures included the statement “that at the time of the filing  
7 of the initial applications with the applicable Governmental Authorities by NuVeda in an  
8 effort to obtain approval for the licenses and certificates of Nye [Natural], Mr. Phil Ivey,  
9 individually (‘Ivey’), was listed as a three percent (3%) owner of Nye [Natural].”

10 c. Clark NMSD had been issued certain provisional Medical Marijuana  
11 Establishment Certificates, identified as Application Identifier No. D186, Reference  
12 #25025985357868237824 for the dispensing of medical marijuana at a dispensary located  
13 at 1320 S. 3<sup>rd</sup> Street, Las Vegas, Nevada (the “Downtown Dispensary”) and as Application  
14 Identifier No. 187, Reference # 94090342955467020377 for the dispensing of medical  
15 marijuana at a dispensary located at 2113 N. Las Vegas Blvd., North Las Vegas, Nevada  
16 (the “North Las Vegas Dispensary”).

17 d. Nye Natural had been issued certain provisional Medical Marijuana  
18 Establishment Certificates, identified as Application Identifier No. C166, Reference #  
19 40733091629454751109 for the cultivation of medical marijuana at a cultivation facility  
20 at 2801 E. Thousandaire Blvd., Pahrump, Nevada and as Application Identifier No. P107,  
21 Reference # 91604693916166507699 for the production of medical marijuana products at  
22 a production facility located at the C&P Property.

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

26 f. CWNevada agreed to cause to be formed a new manager-managed Nevada  
27 limited liability company defined as “CWNV”.

28 g. Upon the formation of CWNV, CWNV was to be owned as follows: (i)

thirty-five (35%) of the issued and outstanding membership interest in CWNV shall be issued and owned by NuVeda; and (ii) sixty-five (65%) of the issued and outstanding membership interests in CWNV shall be issued and owned by CWNevada.

#### **CWNV, LLC**

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

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

87. On or about March 22, 2016, CWNevada and NuVeda entered into an Operating Agreement of CWNV, LLC (the “CWNV Operating Agreement”).

88. The initial members of CWNV were CWNevada and NuVeda.

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

90. The CWNV Operating Agreement listed CWNevada’s membership interest as 65% and NuVeda’s membership interest as 35%.

91. The CWNV Operating Agreement identified CWNevada’s capital contribution as “Full Construction Funding, Goods, Services, and Specified Debt Service.”

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

93. Upon information and belief, the Downtown Dispensary opened in or about December 2016 and the North Las Vegas Dispensary opened in January 2017 as a result of CWNevada’s construction funding.

94. The CWNV Operating Agreement identified NuVeda’s capital contribution as “Medical Marijuana Licenses as referenced in the [MIPA].”

95. NuVeda, Clark NMSD, Nye Natural and their members, including Bady, Mohajer and Kennedy have separately and individually benefited from the construction of the Downtown Dispensary and the North Las Vegas Dispensary.

1           96.     In attempting to effectuate the transfer of Clark NMSD and Nye Natural, NuVeda  
2 failed to follow Nevada law and misrepresented the information submitted to the State of Nevada.

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

9           98.     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, LLC,  
12 NuVeda, Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC ... was signed by more  
13 than 60% of the membership interest of NuVeda, LLC...Please note in the October 13, 2017  
14 Nevada Supreme Court ruling...the Court found that the transfer of assets was proper.”

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

17           100.    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’ motion  
20 [for a preliminary injunction]”.

21           101.    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]” and  
24 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 District  
28 Court’s prohibition of expulsion.

1           102. It does not appear that this transfer of ownership request was ever processed.

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

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

8           104. Padgett personally guaranteed all payments and other performance obligations due  
9 under the Terry Purchase Agreement.

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

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

15          107. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00  
16 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the "Initial  
17 Payment"), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,  
18 2028 with payments due monthly until paid in full (the "Monthly Payments").

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

21          109. 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          110. The Terry Purchase Agreement further provided that there shall be acceleration of  
24 the outstanding balance and any unpaid accrued interest thereon upon (1) the sale or transfer of  
25 the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP  
26 7 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           111. Upon execution of the Terry Purchase Agreement and upon receipt of the first  
2 Monthly 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           112. BCP 7 made a partial payment toward the Initial Payment in the sum of  
5 \$250,000.00 in or about July or August, 2018.

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

8           114. However, BCP 7 failed to pay Initial Payment or Monthly Payments in full.

9           115. 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           116. 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           117. As a result of BCP 7's and Padgett's failure to pay the Initial Payment and Monthly  
14 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the  
15 Terry Interest to BCP 7.

16           118. 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           119. Not only did CWNevada never make or assert any claims related to the Arbitration,  
23 the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady and Mohajer  
24 to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, and then immediately  
25 attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying the agreed  
26 consideration.

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

28           120. The partnership between CWNevada and NuVeda remained intact until an

1 arbitration award was entered in favor of 4Front Advisors, LLC (“4Front”) on or about November  
2 27, 2018 against CWNevada in the sum of \$4,987,092.09 and against NuVeda in the sum of  
3 \$3,741,803.92.

4 121. The 4Front arbitration award was confirmed as a final judgment on or about March  
5 14, 2019.

6 122. During the arbitration with 4Front, CWNevada and NuVeda entered into a  
7 Stipulation of Uncontested Facts (“Stipulation”) with 4Front, which among other things, provided  
8 that “[t]he Membership Interest Purchase Agreement (“MIPA”) [J-249] was executed on  
9 December 6, 2015” and ... “is still in effect.”

10 123. The Stipulation further provided that neither NuVeda nor CWNevada had  
11 “breached the MIPA.”

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

15 125. On April 2, 2019, Bady, Kennedy and Mohajer commenced a lawsuit against  
16 NuVeda and entered a confession of judgment for \$1,114,257.12 to their individual benefit  
17 against NuVeda without opposition.

18 126. Bady, acting without authority and contrary to the provisions of the CWNV  
19 Operating Agreement, purportedly dissolved CWNV on or about May 17, 2019.

20 127. Upon information and belief, CWNV1 has also been dissolved.

21 128. At the time of the purported dissolution, Bady was not and had not been a manager  
22 of CWNV or CWNV1 since February 7, 2018.

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

26 130. Upon information and belief, CWNevada did not enter any written agreement for  
27 the dissolution of CWNV or CWNV1.

28 131. Since the purported dissolution, NuVeda and Bady have represented that NuVeda

1 is serving in the role as trustee over CWNV.

2 132. In that self-appointed role, NuVeda and Bady have breached the terms of the  
3 CWNV Operating Agreement by, among other things,

4 a. Acting in the role of the Manager of CWNV without authority;

5 b. Failing to obtain and provide an accounting made by CWNV's  
6 independent accountants of the CWNV's accounts, assets, liabilities and operations;

7 c. Failing to allocate any profit or loss resulting from any sale of CWNV's  
8 assets to the Members;

9 d. Failing to discharge the liabilities of CWNV, if any; and

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

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

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

19 135. On June 28, 2017, Nye County issued its administrative approval of a  
20 "Recreational Marijuana Establishment License" to CWNevada for production at Oxbow Unit  
21 14.

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

26 137. Later that same day, Nye Natural represented itself to be CWNevada's landlord,  
27 and in violation of the Temporary Receiver Order, caused an eviction order to be issued against  
28 CWNevada.



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

4           139. Later that same day, the Receiver was provided only limited and supervised access  
5 to Oxbow Unit 14.

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

8           141. Since allowing the inspection, NuVeda has continued to lock the Receiver from  
9 Oxbow Unit 14 in violation of the Temporary Receivership Order.

10          142. In further violation of the Temporary Receivership Order, NuVeda and Bady have  
11 continued to misrepresent that the Oxbow Lease was with Nye Natural and that CWNevada had  
12 been evicted from the property.

13          143. Plaintiffs have been advised by multiple individuals involved in Clark Natural and  
14 Clark NMSD that they claim an ownership interest in those licenses and that NuVeda and Bady  
15 are now minority partners.

16          144. Plaintiffs have also been advised that NuVeda has agreed to sell marijuana licenses  
17 to undisclosed third parties, including the licenses that were to be transferred to CWNV  
18 (substituted with CWNV1) including D186, D187, and C166.

19          145. Members of Urbn Leaf from San Diego have purportedly invested millions of  
20 dollars into NuVeda in exchange for operational control of the dispensaries, although a significant  
21 amount of that funding was purported to settle NuVeda's judgment owed to 4Front.

22          146. On August 10, 2020, Sapna Gulaya and Sachin Gulaya filed a Complaint against  
23 Bady and NuVeda in the District Court for Clark County, Nevada captioned as *Gulaya v. Bady*  
24 *and NuVeda, LLC*, Case No. A-20-819313-C (the "Gulaya Complaint").

25          147. The Gulaya Complaint generally alleges that the Gulayas brokered a deal between  
26 NuVeda and Urbn Leaf whereby "Urbn Leaf was to acquire a portion of the membership interests  
27 of NuVeda."

28          148. The Gulaya Complaint further alleges that Urbn Leaf manages and controlled

1 certain licenses and assets, or portions thereof owned by Clark NMSD, Clark Natural and Nye  
2 Natural, “all of which are wholly owned subsidiaries of NuVeda. Urbn Leaf was to provide  
3 \$4,000,000 to cover 4Front Litigation and provided a credit facility in the maximum amount of  
4 \$4,000,000 to cover additional liabilities incurred by NuVeda. In exchange, NuVeda was to  
5 transfer 30% of membership interest in NuVeda to Urbn Leaf.”

6 149. The licenses owned by Clark NMSD and Nye Natural are the licenses that were to  
7 have been transferred to CWNV (substituted with CWNV1) pursuant to the MIPA.

8 150. On August 14, 2020, UL Holdings NV LLC, a Nevada limited liability filed a  
9 Verified Complaint against UL NuVeda Holdings LLC, a Delaware limited liability company,  
10 NuVeda LLC, a Delaware limited liability company, Clark NMSD, Nye Natural, Bady, Mohajer  
11 and Kennedy in the Court of Chancery in the State of Delaware as Case No. 2020-0675 (the UL  
12 Holdings NV Complaint”).

13 151. The UL Holdings NV Complaint alleges that “Plaintiff ULNV entered into a  
14 complex business transaction with Defendants in early July 2019 and paid \$5,000,000 with the  
15 explicit agreement that, in the event certain governmental approvals required to consummate the  
16 transaction were not forthcoming, the entire transaction and all associated contracts would  
17 automatically terminate and be unwound, and ULNV’s \$5,000,000 purchase price would be  
18 returned.”

19 152. The UL Holdings NV Complaint further alleges, “[i]n connection with this  
20 transaction, ULNV rescued non-party NuVeda LLC, a Nevada limited liability company  
21 (“NuVeda Nevada”), the predecessor-in-interest of Defendant NuVeda Delaware, from a large  
22 judgment by entering into a Membership Interest Purchase Agreement (“MIPA”). Under the  
23 MIPA, ULNV agreed to pay a \$3,800,000 judgment entered against non-party NuVeda Nevada  
24 and Defendants Clark and Nye in unrelated arbitration proceedings in early 2019 and pay an  
25 additional \$1,200,000 to cover amounts owing on promissory notes and legal fees, for a total of  
26 \$5,000,000 in out-of-pocket expense. It did so in exchange for membership interests in a newly-  
27 formed Delaware limited liability company, UL Nevada Holdings, the parent of newly-formed  
28 NuVeda Delaware entity, into which all of NuVeda’s assets were purportedly transferred.”

1           153. Upon information and belief, the interest in the cultivation and production licenses  
2 owned by Clark Natural have been all or in part sold to other investors associated with Solaris  
3 Farms and their associates.

4           154. During the original purchase of NuVeda's North Las Vegas dispensary located at  
5 2113 N Las Vegas Blvd, NuVeda entered into a purchase agreement with the City of North Las  
6 Vegas to acquire the property.

7           155. Goldstein, then a member and NuVeda's general counsel, was working with the  
8 City of Las Vegas to finalize the purchase when Bady provided Mohajer signing authority to  
9 usurp the opportunity from NuVeda and purchase the property under an entity owned by Bady  
10 and Kennedy named 2113 Investors.

11           156. This transaction was not disclosed or approved by NuVeda members.

12           157. Subsequently 2113 Investors acquired NuVeda's 3<sup>rd</sup> Street property in the City of  
13 Las Vegas, and Bady unilaterally began to negotiate lease terms directly with Kennedy, his  
14 partner in 2113 Investors and at the time an unvested member in NuVeda.

15           158. Existing NuVeda members as well as another attorney who was hired as the  
16 Director of Operations raised major issues about the lease terms that enriched 2113 Investors to  
17 the detriment of NuVeda.

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

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

25           161. However, during the Arbitration, it was revealed that Bady had misrepresented his  
26 ownership interest, and without disclosing it to NuVeda members, had secretly executed a  
27 repurchase agreement that allowed him to repurchase 50% of 2113 Investors for \$1 or less.

28           162. On March 27, 2019, NuVeda entered a Confession of judgement in the amount of

1 \$1,462,3000 in favor of 2113 Investors in Eighth Judicial District Court, Case Number A-15-  
2 727383-C related to a Settlement and Reorganization Agreement dated February 16, 2018, which  
3 references: (a) the formation of CWNV; a settlement between NuVeda and 2113 Investors dated  
4 March 7, 2016; and (c) NuVeda entering into a promissory note in favor of 2113 Investors to be  
5 secured by NuVeda's interest in CWNV.

6 163. Based upon information and belief, the March 7, 2016 settlement with 2113  
7 Investors arose out of 2113 Investors' requirement to get insurance on the building for NuVeda's  
8 3<sup>rd</sup> Street dispensary per the lease agreement (that Bady negotiated with Kennedy), but 2113  
9 Investors failed to have it in place when the building collapsed.

10 164. The building was rebuilt by CWNevada. NuVeda (or 2113 Investors) never paid  
11 for the construction yet still benefited

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

#### 14 **FIRST CLAIM FOR RELIEF**

##### 15 **("Declaratory Relief – All Plaintiffs against All Defendants")**

16 166. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
17 through 165 of this Complaint and incorporates the same herein by reference as though fully set  
18 forth.

19 167. Under NRS 3040(1), "[a]ny person interested under a deed, written contract other  
20 writings constituting a contract ... may have determined any question of construction or validity  
21 arising under the instrument ... and obtain a declaration of rights, status or other legal relations  
22 thereunder."

23 168. Actual controversies have arisen and now exist between the Receiver and  
24 Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV  
25 and New CWNV1 regarding the parties respective legal rights and obligations under the  
26 Membership Interest Purchase Agreement, and with all Defendants regarding the ownership of  
27 CWNV and CWNV1, the purported dissolution of CWNV and CWNV1, the improper transfer of  
28 assets from CWNV and CWNV1, and the licenses owned by each and/or those licenses allegedly

1 owned by or previously owned by NuVeda, Clark NMSD and/or Nye Natural.

2 169. Actual controversies have arisen and now exist between Plaintiff Terry and  
3 Defendants BCP 7 and Padgett regarding the validity of the Terry Purchase Agreement, the  
4 respective legal rights and obligations under the Terry Purchase Agreement, and with all  
5 Defendants regarding the ownership of the Terry Interest.

6 170. Actual controversies have arisen and now exist between Plaintiff Ivy and  
7 Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural and Nye Natural regarding  
8 the validity of the Ivey Letter Agreement, the respective legal rights and obligations under the  
9 Ivey Letter Agreement, and with all Defendants regarding the ownership of the Ivey Interest.

10 171. Plaintiffs are entitled to a declaration of the rights and obligations of the parties  
11 and specifically seek a judgment declaring that (i) the Membership Interest Agreement is valid  
12 and enforceable, (ii) neither CWNV nor CWNV1 was properly dissolved in accordance with  
13 Nevada law or their respective operating agreements, (iii) CWNV or CWNV1 owns 100% of the  
14 membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to  
15 the Ivey Interest, (iv) CWNevada owns 65% of the issued and outstanding membership interest  
16 in CWNV and/or CWNV1, (v) the Terry Purchase Agreement is null and void resulting from a  
17 fraud in the inducement and for a complete failure of consideration, (vi) the Terry Interest was  
18 never transferred to BCP 7 or any other entity, (vii) Plaintiff Terry is the sole and only owner of  
19 the Terry Interest, (viii) the Ivey Letter Agreement is valid and enforceable, (ix) the Ivey Interest  
20 was never transferred, and (x) Plaintiff Ivey is the sole and only owner of the Ivey Interest.

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

## 23 **SECOND CLAIM FOR RELIEF**

24 **("Breach of Contract – the Receiver on behalf of CWNevada, CWNV and CWNV1 against**  
25 **Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New**  
26 **CWNV and New CWNV1")**

27 173. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
28 through 172 of this Complaint and incorporate the same herein by reference as though fully set

1 forth.

2 174. NuVeda as “Transferor”, agreed to sell 100% of the membership interest it owned  
3 in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1) for certain specified  
4 consideration and on specific terms.

5 175. The MIPA is a valid and binding contract.

6 176. NuVeda, Clark NMSD and Nye Natural breached the MIPA by, among other  
7 things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD  
8 and Nye Natural to CWNV (substituted with CWNV1) and (ii) selling or attempting to sell all or  
9 part of licenses transferred to CWNV (substituted with CWNV1) .

10 177. NuVeda, Clark NMSD and Nye Natural’s breach of the MIPA was not waived,  
11 suspended or otherwise excused.

12 178. Defendants have further breached the MIPA by transferring or attempting to  
13 transfer the assets of CWNV and CWNV1 to New CWNV and/or CWNV1.

14 179. As a direct and proximate result of the breach of the MIPA and the wrongful  
15 conduct of NuVeda, Clark NMSD and Nye Natural, and their successors, UL NuVeda, NuVeda  
16 Delaware, New CWNV and New CWNV1, the Receiver Plaintiff has suffered damages in an  
17 amount more than \$15,000.00.

18 180. Plaintiffs have been required to retain counsel to prosecute this matter and are  
19 entitled to recover their reasonable attorney’s fees and costs of this action.

### 20 **THIRD CLAIM FOR RELIEF**

21 **(“Breach of the Covenant of Good Faith and Fair Dealing – the Receiver on behalf of**  
22 **CWNeveda, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda**  
23 **Delaware, Clark NMSD, Nye Natural, New CWNV, New CWNV1 and Bady”)**

24 181. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
25 through 180 of this Complaint and incorporate the same herein by reference as though fully set  
26 forth.

27 182. Every contract in Nevada, including the MIPA, imposes upon the contracting  
28 parties the duty of good faith and fair dealing.

1 183. Defendants NuVeda, Clark NMSD, Nye Natural, and Bady, and their successors,  
2 UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, owed CWNeveda, CWNV and  
3 CWNV1 a duty of good faith and fair dealing.

4 184. Defendants NuVeda, Clark NMSD, Nye Natural and Bady, and their successors,  
5 UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, breached the duty of good faith  
6 and fair dealing when they performed in a manner that was unfaithful to the purpose of the MIPA  
7 by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda  
8 in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1) and (ii) selling or  
9 attempting to sell all or part of licenses transferred to CWNV (substituted with CWNV1) .

10 185. In addition, Defendants NuVeda and Bady breached the duty of good faith and fair  
11 dealing when they performed in a manner that was unfaithful to the purpose of the CWNV and  
12 CWNV1 Operating Agreements by, among other things, purporting to dissolve CWNV and  
13 CWNV1 without authority.

14 186. Defendants NuVeda and Bady, and their successors, UL NuVeda, NuVeda  
15 Delaware, New CWNV and New CWNV1, further breached the duty of good faith and fair  
16 dealing when they transferred or attempted to transfer the assets of CWNV and CWNV1.

17 187. As a direct and proximate result of the wrongful conduct of Defendants NuVeda,  
18 Clark NMSD, Nye Natural and Bady, and their successors, UL NuVeda, NuVeda Delaware, New  
19 CWNV and New CWNV1, CWNeveda, CWNV and CWNV1 have been damaged in an amount  
20 more than \$15,000.00.

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

#### 23 **FOURTH CLAIM FOR RELIEF**

#### 24 **(“Rescission of Purchase Agreement for Fraud in the Inducement and/or Failure of** 25 **Consideration – Plaintiff Terry against Defendants BCP 7 and Padgett”)**

26 189. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
27 through 188 of this Complaint and incorporate the same herein by reference as though fully set  
28 forth.

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

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

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

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

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

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

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

197. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover his 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”)**

198. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 197 of this Complaint and incorporate the same herein by reference as though fully set forth.

199. Plaintiff Terry and BCP 7 entered into the Terry Purchase Agreement whereby BCP 7 agreed to purchase the Terry Interest from Plaintiff Terry for certain specified



1 consideration and on specific terms.

2 200. The Terry Purchase Agreement was guaranteed by Defendant Padgett.

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

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

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

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

12 **SIXTH CLAIM FOR RELIEF**

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

15 205. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
16 through 204 of this Complaint and incorporate the same herein by reference as though fully set  
17 forth.

18 206. Every contract in Nevada imposes upon the contracting parties the duty of good  
19 faith and fair dealing.

20 207. Defendants BCP 7 and Padgett owed Plaintiff Terry a duty of good faith and fair  
21 dealing.

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

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

28 210. Plaintiff Terry has been required to retain counsel to prosecute this matter and is

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

2 **SEVENTH CLAIM FOR RELIEF**

3 **("Breach of Contract – Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda**  
4 **Delaware, Nye Natural and Clark Natural")**

5 211. Plaintiffs hereby repeat and reallege each and every allegation contained in  
6 paragraphs 1 through 210 of this Complaint and incorporate the same herein by reference as  
7 though fully set forth.

8 212. The Ivey Letter Agreement is a valid and enforceable contract.

9 213. Plaintiff Ivey fully performed under the Ivey Letter Agreement by executing the  
10 Letter of Commitment on August 17, 2014.

11 214. As a result, and due to a subsequent transfer, Plaintiff Ivey owns a three percent  
12 (3%) ownership interest in Nye Natural and Clark Natural.

13 215. Upon information and belief, Plaintiff Ivey believes and alleges that NuVeda  
14 and/or its subsidiaries, Nye Natural and Clark Natural have transferred or attempted to transfer  
15 the Ivey Interest without his knowledge and consent.

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

18 217. As its successors, UL NuVeda and NuVeda Delaware are liable for the actions of  
19 NuVeda.

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

22 **EIGHTH CLAIM FOR RELIEF**

23 **("Breach of the Covenant of Good Faith and Fair Dealing – Plaintiff Ivey against**  
24 **Defendants NuVeda, UL NuVeda, NuVeda Delaware, Nye Natural and Clark Natural")**

25 219. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
26 through 218 of this Complaint and incorporate the same herein by reference as though fully set  
27 forth.

28 220. Every contract in Nevada imposes upon the contracting parties the duty of good

1 faith and fair dealing.

2 221. Defendants NuVeda, Nye Natural and Clark Natural owed Plaintiff Ivey a duty of  
3 good faith and fair dealing, specifically including but not limited to recognizing his three percent  
4 (3%) ownership interest in Nye Natural and Clark Natural and to not transfer nor attempt to  
5 transfer the Ivey Interest without Plaintiff Ivey's knowledge and consent.

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

10 223. As a direct and proximate result of the wrongful conduct of Defendants NuVeda,  
11 Nye Natural and Clark Natural, Plaintiff Ivey has been damaged in an amount more than  
12 \$15,000.00.

13 224. As its successors, UL NuVeda and NuVeda Delaware are liable for the actions of  
14 NuVeda.

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

17 **NINTH CLAIM FOR RELIEF**

18 **("Unjust Enrichment – All Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda**  
19 **Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady ,**  
20 **Mohajer and Kennedy")**

21 226. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
22 through 225 of this Complaint and incorporate the same herein by reference as though fully set  
23 forth.

24 227. Unjust enrichment occurs whenever a party has a retained a benefit which in equity  
25 and good conscience belongs to another.

26 228. NuVeda, Clark NMSD and their members, including Bady, Mohajer and Kennedy,  
27 and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, have  
28 benefitted separately and individually from the construction and operation of the Downtown

1 Dispensary and North Las Vegas Dispensary through the use of CWNevada funds.

2 229. Upon information and belief, NuVeda, Clark Natural, Clark NMSD, Nye Natural  
3 and their members, including Bady, Mohajer and Kennedy, and their successors, UL NuVeda,  
4 NuVeda Delaware, New CWNV and New CWNV1, have also benefitted separately and  
5 individually from the wrongful sale and/or transfer of all or part of the licenses in Clark Natural,  
6 Clark NMSD and Nye Natural.

7 230. Upon information and belief, NuVeda, and its successors, UL NuVeda and  
8 NuVeda Delaware, along with Bady and Mohajer have benefitted separately and individually  
9 from the wrongful transfer of the Terry Interest to Bady and Mohajer.

10 231. The benefit of the foregoing actions properly belongs to Plaintiffs specified above.

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

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

15 **TENTH CLAIM FOR RELIEF**

16 **(“Accounting – Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware,**  
17 **Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady , Mohajer**  
18 **and Kennedy ”)**

19 234. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
20 through 231 of this Complaint and incorporate the same herein by reference as though fully set  
21 forth.

22 235. The right to an accounting has been long recognized in disputes among members  
23 in limited liability companies or during the dissolution thereof.

24 236. In the self-appointed role as trustee of CWNV (substituted with CWNV1),  
25 NuVeda and Bady owed a duty to CWNevada to account for CWNV's and/or CWNV1's assets,  
26 liabilities and operations, including any profit or loss resulting from any sale and/or transfer of  
27 CWNV's and/or CWNV1's assets, and after discharging all liabilities, to distribute any remaining  
28 assets and funds to CWNevada.

237. Moreover, the CWNV Operating Agreement requires an accounting upon the alleged dissolution of CWNV.

238. Similarly, NuVeda, Clark Natural, Clark NMSD, Nye Natural and their members, including Bady, Mohajer and Kennedy, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, owed a duty to Plaintiffs to account for any profit or loss resulting from the wrongful sale and/or transfer of all or part of the licenses in Clark Natural, Clark NMSD and Nye Natural.

239. In addition, Kennedy owed a duty to CWNevada, CWNV and CWNV1 to account for the CWNV and/or CWNV1 funds he commingled with those of his own companies.

240. 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.

## ELEVENTH CLAIM FOR RELIEF

**(“Violation of 225.084 – Plaintiffs against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Bady, Mohajer and Kennedy”)**

241. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 240 of this Complaint and incorporate the same herein by reference as though fully set forth.

242. NRS 225.084 provides in part:

1. A person shall not willfully file, promote the filing of, or cause to be filed, or attempt or conspire to file, promote the filing of, or cause to be filed, any record in the Office of the Secretary of State if the person has actual knowledge that the record:
  - (a) Is forged or fraudulently altered;
  - (b) Contains a false statement of material fact; or
  - (c) Is being filed in bad faith or for the purpose of harassing or defrauding any person.
2. Any person who violates this section is liable in a civil action brought pursuant to this section for:
  - (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.

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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 ...

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243. NuVeda, Clark NMSD, Clark Natural and Nye Natural, by and through Bady, Mohajer and Kennedy, failed to follow Nevada law and knowingly misrepresented the information submitted to the Nevada Secretary of State and the State of Nevada regarding the ownership of NuVeda, Clark NMSD, Clark Natural and Nye Natural and the licenses owned by each.

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244. NuVeda and Bady failed to follow Nevada law and knowingly misrepresented the information submitted to the Nevada Secretary of State and the State of Nevada regarding the purported dissolution and merger of CWNV and CWNV1.

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

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

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

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248. 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.

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249. As its successors, UL NuVeda and NuVeda Delaware are liable for the actions of NuVeda.

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250. 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.

1 **TWELTH CLAIM FOR RELIEF**

2 **(“Breach of Fiduciary Duty – the Receiver on behalf of CWNevada against Defendant**  
3 **Padgett”)**

4 251. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
5 through 250 of this Complaint and incorporate the same herein by reference as though fully set  
6 forth.

7 252. CWNevada is a manager managed limited liability company.

8 253. Since its formation, Padgett served as a manager of CWNevada until the Receiver  
9 was appointed on or about June 13, 2019.

10 254. During his tenure as manager, Padgett engaged in intentional misconduct designed  
11 to and which did cause damage to CWNevada.

12 255. Padgett’s misconduct, includes but is not limited to the following:

13 a. Failing and refusing to cooperate with an investigation or inspection by the  
14 Marijuana Enforcement Division of the Department of Taxation, State of Nevada (the  
15 “Department”);

16 b. Intentionally destroying and/or concealing evidence;

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

19 d. Transporting and storing marijuana and/or marijuana products from an  
20 unlicensed source;

21 e. Storing or delivering unapproved marijuana product;

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

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

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

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

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

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

1           l.       Failing to maintain required records, including seed-to-sale tracking  
2 requirements;

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

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

6       256.   By engaging in the misconduct outlined above, Padgett caused the Department to  
7 file an administrative proceeding against Padgett and CWNevada to consider the allegations  
8 arising from Padgett's misconduct and to determine the disciplinary action to be imposed upon  
9 both.

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

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

17       259.   In addition, Padgett failed to pay CWNevada employees approximately  
18 \$300,000.00 in wages, which caused the Labor Commissioner to fine CWNevada an additional  
19 \$700,000.00.

20       260.   Padgett's misconduct subjected CWNevada to judgments in favor of 4Front and  
21 Cima, which included attorney's fees, costs, and in the case of Cima, an injunction preventing  
22 CWNevada from manufacturing or selling marijuana gummies similar to Cima's marijuana  
23 gummies.

24       261.   Padgett failed to convert Series A and Series B investors into equity, which  
25 resulted in millions of dollars of claims, including penalties of 1.5 to 3 times the original  
26 investment amounts.

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



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

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

265. The Receiver, on behalf of CWNevada has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

### THIRTEENTH CLAIM FOR RELIEF

**(“Injunctive Relief – Plaintiffs against All Defendants”)**

266. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 265 of this Complaint and incorporate the same herein by reference as though fully set forth.

267. 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 CWNV1.

268. The Receiver has authority over CWNV and CWNV1 pursuant to the receivership orders.

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

270. Accordingly, Plaintiffs are entitled to injunctive relief preventing Defendants from selling, transferring, pledging or otherwise disposing of any interest and/or assets in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1, including without limitation the cannabis establishment licenses for the Downtown Dispensary, the North Las Vegas Dispensary, and the cultivation and production licenses for Clark Natural and Nye Natural pending further court order.

271. In addition, Plaintiffs are entitled to a mandatory injunction restoring operational

1 control of the Downtown Dispensary and the North Las Vegas Dispensary to the Receiver on  
2 behalf of CWNevada, CWNV and CWNV1.

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

5 **FOURTEENTH CLAIM FOR RELIEF**

6 **("Appointment of Receiver – Plaintiffs against Defendant NuVeda, UL NuVeda, NuVeda**  
7 **Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, and New CWNV1")**

8 273. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1  
9 through 269 of this Complaint and incorporate the same herein by reference as though fully set  
10 forth.

11 274. The appointment of a receiver to maintain assets relating property in conjunction  
12 with a contractual dispute is consistent with the proper use of a receiver in Nevada.

13 275. The appointment of a receiver is proper where it is shown that property is in danger  
14 of being lost, removed or materially injured.

15 276. In addition, the appointment of a receiver in situations involving fraud, gross  
16 mismanagement or where the assets of an entity are in danger of waste.

17 277. As set forth above, Defendants have engaged, in concert, in extensive acts of self-  
18 dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise dispose  
19 of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or  
20 CWNV1.

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

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

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1 **FIFTEENTH CLAIM FOR RELIEF**

2 **(“Specific Performance – The Receiver on behalf of CWNevada, CWNV and CWNV1**  
3 **against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural,**  
4 **New CWNV, and New CWNV1”)**

5 280. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
6 through 279 of this Complaint and incorporate the same herein by reference as though fully set  
7 forth.

8 281. The MIPA is a valid and binding contract.

9 282. NuVeda, Clark NMSD and Nye Natural, and their successors UL NuVeda,  
10 NuVeda Delaware, New CWNV and New CWNV1, breached the MIPA by, among other things,  
11 (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and  
12 Nye Natural to CWNV (substituted with CWNV1) and (ii) selling or attempting to sell all or part  
13 of licenses transferred to CWNV (substituted with CWNV1) .

14 283. NuVeda, Clark NMSD and Nye Natural’s breach of the MIPA was not waived,  
15 suspended or otherwise excused.

16 284. The Receiver, on behalf of CWNevada, CWNV and CWNV1 is able to perform  
17 under the MIPA,

18 285. The Receiver, on behalf of CWNevada, CWNV and CWNV1 is entitled to specific  
19 performance under the MIPA.

20 286. Plaintiffs have been required to retain counsel to prosecute this matter and is  
21 entitled to recover its reasonable attorney’s fees and costs of this action.

22 **SIXTEENTH CLAIM FOR RELIEF**

23 **(“Constructive Trust - The Receiver on behalf of CWNevada, CWNV and CWNV1**  
24 **against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural,**  
25 **New CWNV, and New CWNV1”)**

26 287. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
27 through 286 of this Complaint and incorporate the same herein by reference as though fully set  
28 forth

1           288. As a result of the joint venture set forth in the MIPA, a confidential relationship  
2 existed between CWNevada, CWNV and CWNV1 with NuVeda, Clark NMSD and Nye Natural.

3           289. Upon information and belief, NuVeda, Clark NMSD and/or Nye Natural, or their  
4 successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, hold legal title to  
5 the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the  
6 MIPA, including but not limited to D186, D187, and C166.

7           290. NuVeda, Clark NMSD and/or Nye Natural, and their successors UL NuVeda,  
8 NuVeda Delaware, New CWNV and New CWNV1, have benefitted jointly and/or separately  
9 from the retention of legal title to the licenses that were to have been transferred to CWNV  
10 (substituted with CWNV1) pursuant to the MIPA, including but not limited to D186, D187, and  
11 C166

12           291. It would be inequitable for NuVeda, Clark NMSD and/or Nye Natural, and their  
13 successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, to retain legal title  
14 to the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the  
15 MIPA, including but not limited to D186, D187, and C166.

16           292. As a result of NuVeda, Clark NMSD and/or Nye Natural, and their successors, UL  
17 NuVeda, NuVeda Delaware, New CWNV and New CWNV1's wrongful retention of the legal  
18 title to the licenses that were to be transferred to CWNV (substituted with CWNV1), including  
19 but not limited to D186, D187, and C166, the imposition of a constructive trust in favor of  
20 CWNevada, CWNV and CWNV1 is essential to effectuate justice.

21           293. The Receiver, on behalf of CWNevada, CWNV and CWNV1 has been required  
22 to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees  
23 and costs of this action.

#### 24                                   **SEVENTEENTH CLAIM FOR RELIEF**

25           **("Breach of Fiduciary Duty - The Receiver on behalf of CWNevada, CWNV and CWNV1**  
26                                   **against NuVeda, UL NuVeda, NuVeda Delaware and Bady")**

27           294. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
28 through 293 of this Complaint and incorporate the same herein by reference as though fully set

1 forth

2 295. NuVeda and Bady have represented that NuVeda, by and through Bady, is serving  
3 in the role as trustee over CWNV and CWNV1.

4 296. As a result, NuVeda and Bady owed CWNevada, CWNV and CWNV1 fiduciary  
5 duties.

6 297. In their purported role as trustee over CWNV and CWNV1, NuVeda and Bady  
7 breached their fiduciary duties owed to CWNevada, CWNV and CWNV1 by, among other things,

8 a. Acting in the role of the Trustee over CWNV and CWNV1 without  
9 authority;

10 b. Failing to collect and preserve the assets of CWNV and CWNV1,  
11 including but not limited to the licenses that were to be transferred to CWNV (substituted  
12 with CWNV1) including D186, D187, and C166;

13 c. Failing to obtain and provide an accounting of CWNV and CWNV1  
14 accounts, assets, liabilities and operations;

15 d. Failing to allocate any profit or loss resulting from any sale of CWNV or  
16 CWNV1 assets to the Members;

17 e. Failing to discharge the liabilities of CWNV and CWNV1, if any; and

18 f. Entering into a Confession of Judgment against CWNV and CWNV1 in  
19 favor of NuVeda, Clark NMSD and Nye Natural in the sum of \$45,000,000.

20 298. As a direct and proximate result of NuVeda's and Bady's breach of their fiduciary  
21 duties, CWNevada, CWNV and CWNV1 have suffered damages in an amount in excess of  
22 \$15,000.00

23 299. NuVeda's and Bady's conduct was intentionally done to injure CWNevada,  
24 CWNV and CWNV1 with a willful and conscious disregard for their rights, constituting  
25 oppression, fraud and/or malice.

26 300. In addition to compensatory damages, the Receiver, on behalf of CWNevada,  
27 CWNV and CWNV1 is entitled to recover punitive damages for the sake of example and by way  
28 of punishing NuVeda and Bady to deter similar conduct in the future.

301. As its successors, UL NuVeda and NuVeda Delaware are liable for the actions of NuVeda.

302. The Receiver, on behalf of CWNevada, CWNV and CWNV1 has been required to retain counsel to prosecute this matter and is entitled to recover their reasonable attorney's fees and costs of this action.

## EIGHTEENTH CLAIM FOR RELIEF

**(“Conversion – Plaintiff Ivey against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady and Mohajer”)**

303. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 305 of this Complaint and incorporate the same herein by reference as though fully set forth.

304. Defendants NuVeda, Clark Natural, Nye Natural, Bady and Mohajer have converted the Ivey Interest for their own benefit by wrongfully exercising control over the Ivey Interest.

305. Defendants' act of dominion over the Ivey Interest, including that of their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, is inconsistent with Ivey's title and right to the Ivey Interest.

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

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

## NINETEENTH CLAIM FOR RELIEF

**(“Unjust Enrichment – Plaintiff Ivey against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady and Mohajer”)**

308. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 307 of this Complaint and incorporates the same herein by reference as though fully set forth.

309. Unjust enrichment occurs whenever a party has retained a benefit which in equity

1 and good conscience belongs to another.

2 310. Upon information and belief, NuVeda, Clark Natural and Nye Natural, and their  
3 members, including Bady and Mohajer have benefitted jointly and separately from the wrongful  
4 transfer of the Ivey Interest.

5 311. Upon information and belief, NuVeda, Clark Natural and Nye Natural, and their  
6 members, including Bady and Mohajer, and their successors, UL NuVeda, NuVeda Delaware,  
7 New CWNV and New CWNV1 have benefitted jointly and separately from the wrongful transfer  
8 and/or sale of all or part of the licenses in Clark Natural and Nye Natural.

9 312. A portion of the benefit from the foregoing actions properly belongs to Plaintiff  
10 Ivey.

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

13 314. In addition, as a direct and proximate result of the foregoing wrongful conduct,  
14 Plaintiff Ivey is entitled to the imposition of a constructive trust over Clark Natural and Nye  
15 Natural to effectuate justice.

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

18 **TWENTIEH CLAIM FOR RELIEF**

19 **(“Conversion – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda**  
20 **Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady**  
21 **and Mohajer”)**

22 316. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
23 through 315 of this Complaint and incorporate the same herein by reference as though fully set  
24 forth.

25 317. Defendants NuVeda, Clark NMSD, Clark Natural, Nye Natural, and their  
26 members, including Bady and Mohajer and their successors, including UL NuVeda, NuVeda  
27 Delaware, New CWNV and New CWNV1 have converted the Terry Interest for their own benefit  
28 by wrongfully exercising control over the Terry Interest.

1           318. Defendants' act of dominion over the Terry Interest is inconsistent with Terry's  
2 title and right to the Terry Interest.

3           319. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Terry  
4 has suffered damages in an amount in excess of \$15,000.00.

5           320. As successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1  
6 are liable for the actions of their predecessors.

7           321. Plaintiff Terry 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                                   **TWENTY-FIRST CLAIM FOR RELIEF**

10           **("Unjust Enrichment – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda**  
11           **Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady**  
12           **and Mohajer")**

13           322. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
14 through 321 of this Complaint and incorporates the same herein by reference as though fully set  
15 forth.

16           323. Unjust enrichment occurs whenever a party has a retained a benefit which in equity  
17 and good conscience belongs to another.

18           324. Upon information and belief, NuVeda, Clark NMSD, Clark Natural, Nye Natural,  
19 and their members, including Bady and Mohajer and their successors, including UL NuVeda,  
20 NuVeda Delaware, New CWNV and New CWNV1 have benefitted jointly and separately from  
21 the wrongful transfer of the Terry Interest to Bady and Mohajer.

22           325. The benefit of the Terry Interest properly belongs to Terry.

23           326. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Terry  
24 has suffered damages in an amount in excess of \$15,000.00.

25           327. In addition, as a direct and proximate result of the foregoing wrongful conduct,  
26 Plaintiff Terry is entitled to the imposition of a constructive trust over the Terry Interest to  
27 effectuate justice.

28           328. Plaintiff Terry has been required to retain counsel to prosecute this matter and is



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

2 **TWENTY-SECOND CLAIM FOR RELIEF**

3 **(“Civil Conspiracy – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda**  
4 **Delaware, Clark NMSD, Nye Natural, Clark Natural, Bady, Mohajer and Padgett”)**

5 329. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1  
6 through 328 of this Complaint and incorporates the same herein by reference as though fully set  
7 forth.

8 330. NuVeda, and its subsidiaries, Clark NMSD, Clark Natural and Nye Natural, acting  
9 in concert with Bady and Mohajer, transferred the Terry Interest to Bady and Mohajer without  
10 Terry's knowledge or consent.

11 331. Without knowledge that NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady  
12 and Mohajer had improperly transferred the Terry Interest to Bady and Mohajer, Terry entered  
13 into the Terry Purchase Agreement whereby Terry agreed to sell the Terry Interest to BCP 7,  
14 guaranteed by Padgett, for specified consideration and on specific terms.

15 332. In an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration,  
16 prior to Padgett paying any sums under the Terry Purchase Agreement, Padgett purported to  
17 dismiss “all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry (all right, title,  
18 and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark NMSD, Clark Natural  
19 Medicinal Solutions, and Nye Natural Medicinal Solutions) with prejudice.”

20 333. The Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Clark  
21 NMSD, Clark Natural, Nye Natural, Bady and Mohajer to defraud Terry by having BCP 7  
22 purportedly purchase the Terry Interest, which had already been transferred to Bady and Mohajer  
23 without Terry's knowledge or consent, and then immediately attempt to dismiss the claims in the  
24 Arbitration without BCP 7 and Padgett paying the agreed consideration.

25 334. The conduct of NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady,  
26 Mohajer and Padgett was intentionally done to injure Terry with a willful and conscious disregard  
27 for his rights, constituting oppression, fraud and/or malice.

28 335. In addition to compensatory damages, Terry is entitled to recover punitive

1 damages for the sake of example and by way of punishing NuVeda, Bady, Mohajer and Padgett  
2 to deter similar conduct in the future.

3 336. As successors, UL NuVeda, and NuVeda Delaware are liable for the actions of  
4 NuVeda.

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

7 **PRAYER**

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

10 1) For a declaratory judgment against all Defendants that (i) the Membership Interest  
11 Agreement is valid and enforceable, (ii) neither CWNV nor CWNV1 was properly dissolved in  
12 accordance with Nevada law or their respective operating agreements, (iii) CWNV or CWNV1  
13 owns 100% of the membership interest previously owned by NuVeda in Clark NMSD and Nye  
14 Natural, subject to the Ivey Interest, (iv) CWNevada owns 65% of the issued and outstanding  
15 membership interest in CWNV and/or CWNV1, (v) the Terry Purchase Agreement is null and  
16 void resulting from a fraud in the inducement and for a complete failure of consideration, (vi) the  
17 Terry Interest was never transferred to BCP 7 or any other entity, (vii) Plaintiff Terry is the sole  
18 and only owner of the Terry Interest, (viii) the Ivey Letter Agreement is valid and enforceable,  
19 (ix) the Ivey Interest was never transferred, and (x) Plaintiff Ivey is the sole and only owner of  
20 the Ivey Interest;

21 2) For damages in an amount more than \$15,000.00 in favor of the Receiver on behalf  
22 of CWNevada, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda  
23 Delaware, Clark NMSD, Nye Natural, New CWNV and New CWNV1 on the Second Claim for  
24 Relief;

25 3) For damages in an amount more than \$15,000.00 in favor of the Receiver on behalf  
26 of CWNevada, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda  
27 Delaware, Clark NMSD, Nye Natural, New CWNV, New CWNV1 and Bady on the Third Claim  
28 for Relief;

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

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

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

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

10          8)       For damages in an amount more than \$15,000.00 in favor of Plaintiff Ivey against  
11 Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural and Nye Natural on the  
12 Eighth Claim for Relief;

13          9)       For damages in an amount more than \$15,000.00 in favor of Plaintiffs against  
14 Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural,  
15 New CWNV, New CWNV1, Bady, Mohajer and Kennedy on the Ninth Claim for Relief

16          10)      For an Accounting in favor of Plaintiffs against Defendants NuVeda, UL NuVeda,  
17 NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1,  
18 Bady, Mohajer and Kennedy on the Tenth Claim for Relief;

19          11)      For compensatory damages in an amount more than \$15,000.00 and punitive  
20 damages in favor of Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware,  
21 Bady, Mohajer and Kennedy on the Eleventh Claim for Relief;

22          12)      For compensatory damages in an amount more than \$15,000.00 and punitive  
23 damages in favor of the Receiver on behalf of CWNevada against Defendant Padgett on the  
24 Twelfth Claim for Relief

25          13)      For a preliminary injunction preventing Defendants from selling, transferring,  
26 pledging or otherwise disposing of any interest and/or assets in NuVeda, Clark NMSD, Clark  
27 Natural, Nye Natural, CWNV and/or CWNV1, including without limitation the cannabis  
28 establishment licenses for the Downtown Dispensary, the North Las Vegas Dispensary, and the

1 cultivation and production licenses for Clark Natural and Nye Natural pending further court order  
2 and a mandatory injunction restoring operational control of the Downtown Dispensary and the  
3 North Las Vegas Dispensary to the Receiver on behalf of CWNevada, CWNV and CWNV1;

4 14) For the appointment of a receiver over NuVeda, UL NuVeda, NuVeda Delaware,  
5 and all of their business interests, including any interest it may have or assert in Clark NMSD,  
6 Nye Natural, Clark Natural, CWNV, CWNV1, New CWNV and New CWNV1.

7 15) For specific performance in favor of the Receiver on behalf of CWNevada, CWNV  
8 and CWNV1 under the MIPA;

9 16) For the imposition of a constructive trust in favor the Receiver on behalf of  
10 CWNevada, CWNV and CWNV1 over the licenses that were to be transferred to CWNV  
11 (substituted with CWNV1) pursuant to the MIPA, including but not limited to D186, D187, and  
12 C166;

13 17) For compensatory damages in an amount more than \$15,000.00 and punitive  
14 damages in favor of the Receiver on behalf of CWNevada, CWNV and CWNV1 against Plaintiffs  
15 against Defendants NuVeda, UL NuVeda, NuVeda Delaware and Bady on the Seventeenth Claim  
16 for Relief;

17 18) For compensatory damages in an amount more than \$15,000.00 in favor of  
18 Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural, Nye  
19 Natural, New CWNV, New CWNV1, Bady and Mohajer on the Eighteenth Claim for Relief;

20 19) For compensatory damages in an amount more than \$15,000.00 in favor of  
21 Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural, Nye  
22 Natural, New CWNV, New CWNV1, Bady and Mohajer on the Nineteenth Claim for Relief;

23 20) For compensatory damages in an amount more than \$15,000.00 in favor of  
24 Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark  
25 Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twentieth Claim  
26 for Relief;

27 21) For compensatory damages in an amount more than \$15,000.00 in favor of  
28 Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark

1 Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twenty-First Claim  
2 for Relief;

3 22) For compensatory damages in an amount more than \$15,000.00 and punitive  
4 damages in favor of Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware,  
5 Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on  
6 the Twenty-Second Claim for Relief;

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

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

9 25) For interest allowed by law; and

10 26) For costs of suit.

11 DATED this \_\_\_\_ day of \_\_\_\_\_, 2021.

12 MUSHKIN & COPPEDGE

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15 \_\_\_\_\_  
16 MICHAEL R. MUSHKIN, ESQ.  
17 Nevada State Bar No. 2421  
18 L. JOE COPPEDGE, ESQ.  
19 Nevada State Bar No. 4954  
20 6070 S. Eastern Avenue, Suite 270  
21 Las Vegas, Nevada 89128  
22 *Attorneys for Plaintiffs*

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**CERTIFICATE OF SERVICE**

I hereby certify that the foregoing **Second Amended Complaint** was submitted  
electronically for filing and/or service with the Eighth Judicial District Court on this \_\_\_\_ day of  
\_\_\_\_\_, 2021. Electronic service of the foregoing document shall be upon all parties listed  
on the Odyssey eFileNV service contact list:

\_\_\_\_\_  
An Employee of  
MUSHKIN & COPPEDGE