

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, PHIL IVEY, AND
DOTAN Y. MELECH, receiver for
CWNEVADA, LLC, a Nevada limited
liability company,

Real Parties in Interest.

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Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court No. 82767

District Court Case No.
A-20-817363-B

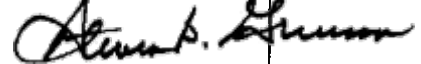
Lead Case: A-17-755479-B

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

APPENDIX VOLUME I
OPPOSITION TO EMERGENCY MOTION TO STAY CASE BY SHANE
TERRY IN THE DISTRICT COURT UNDER NRAP 8(a) AND 27(e)

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I	Complaint – Case No A-20-817363-B	RA 046-RA 081
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II	Motion for Leave to File Second Amended Complaint	RA 325-RA434



ORDER

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

THE CIMA GROUP LLC, a Colorado
limited liability company;

Plaintiffs,

vs.

CWNEVADA, LLC, a Nevada limited
liability company; and DOES 1-50,

Defendants.

Case No.: A-18-773230-B

Dept. No.: 27

**ORDER APPOINTING TEMPORARY
RECEIVER AND TEMPORARY
RESTRAINING ORDER**

Continued Hearing Date: June 19, 2019
Hearing Time: 10:30 a.m.

This matter has come before this Court upon the motion of The Cima Group LLC ("CIMA") to appoint a temporary receiver or monitor over CWNEVADA, LLC, and its subsidiaries and affiliates (including, without limitation, CWNV, LLC) in the above-captioned action. The court has reviewed *CIMA's Emergency Ex Parte Application for Appointment of Temporary Receiver or Monitor*, filed on June 6, 2019 (the "Receivership Application"), *Defendant's Opposition to Plaintiff's Ex Parte Application for Appointment of Temporary Receiver or Monitor* filed on June 10, 2019 ("Opposition"), and CIMA's *Supplement to Application for Appointment of Temporary Receiver or Monitor* filed on June 11, 2019 ("Supplement"). has taken taking judicial notice of pending proceedings before this

1 Court involving CWNEVADA, including *Nuveda, LLC, et. al. v. 4Front Advisors LLC*, Case
2 No. A-17-755479-C pending in Department 32 of this Court (“4Front Matter”), and heard
3 oral argument of counsel presented at the hearing on the Receivership Application held on
4 June 12, 2019 (“Hearing”). The Court’s findings of fact and conclusions of law have been
5 stated on the record during the Hearing and are incorporated herein. Under the circumstances
6 presented, the Court finds that immediate appointment of a temporary receiver and the
7 issuance of a temporary restraining order enjoining CWNEVADA and its agents, servants,
8 members, officers, affiliates, employees, representatives, and all other persons and entities
9 who are successors in interest to or who are acting in concert or participating with them, from
10 interfering with the duties of the Receiver, is appropriate as set forth below.

11
12 **THEREFORE, IT IS HEREBY ORDERED THAT:**

13 Dotan Y. Melech (“Receiver”) is hereby appointed as temporary Receiver over
14 CWNevada, LLC and its affiliated entities, including but not limited to CWNV, LLC
15 (collectively, “CWNEVADA”), with the powers granted by this Order as follows:

16 1. The Receiver shall be the agent of the Court and shall be accountable directly
17 to this Court. This Court hereby asserts exclusive jurisdiction and takes exclusive possession
18 of all the property owned by, controlled by, or in the name of CWNEVADA, including all
19 assets, contracts, monies, securities, inventory, properties, real or personal, tangible and
20 intangible, of whatever kind and description and wherever situated, including but not limited
21 to the following Nevada marijuana establishment licenses and the businesses and properties
22 associated therewith: 8926 2643 4085 3963 7228; 0918 7693 7133 1267 8064; 1376 1794
23 0956 7505 0382; 3908 4961 6157 3630 3651; and 4358 1723 6737 5350 5053 (all assets are,
24 collectively, the “Receivership Estate”). For all purposes, the Receiver shall, together with
25 one or more Management Agents if necessary and as set forth herein, have the power and
26 authority to take possession of, manage and operate the Receivership Estate, consistent with
27 the laws of Nevada, including the marijuana regulations of the Department of Taxation and
28 the statutes of Nevada.

1 2. The Court will revisit the appointment of the temporary Receiver in this case
2 following the evidentiary hearing on the pending receivership application in the 4Front
3 Matter currently set for 9:00 a.m. on June 14, 2019 (as may be continued, the “4Front
4 Receiver Hearing”). Following the 4Front Receiver hearing, the parties in the above
5 captioned action and those interested in the Receiver’s appointment hereunder are directed to
6 appear before this Department for a continued hearing on CIMA’s Receivership Application,
7 currently set for June 19, 2019 at 10:30 a.m. (“Continued Hearing”), at which time the Court
8 will address the Receiver’s temporary appointment hereunder. For avoidance of doubt,
9 unless and until otherwise ordered by this Court, the Receiver shall conduct the duties and
10 has the powers set forth herein.
11

12 3. The Receiver, together with one or more Management Agents if necessary, is
13 authorized to take all steps necessary to care for, manage, secure, preserve, protect, operate
14 and collect the revenues generated by CWNEVADA’s business operations and the
15 Receivership Estate in the manner the Receiver believes in its business judgment is most
16 beneficial to the Receivership Estate and its creditors.

17 4. If required by any state or local government bodies, or if deemed advisable in
18 the Receiver’s business judgment, the Receiver shall promptly engage the services of one or
19 more “Management Agents” to operate the aspects of the Receivership Estate that are subject
20 to the Nevada marijuana laws and the marijuana regulations of the Department of Taxation or
21 any other state or local governmental or regulatory body, including cultivation, production,
22 and dispensary operations, that may be necessary or advisable to comply with all Nevada
23 laws and regulations relating to marijuana establishment licenses. The Receiver and the
24 Management Agent shall not take any action that either believes could jeopardize
25 CWNEVADA’s marijuana establishment licenses, without Court approval. The Receiver’s
26 powers and duties set forth herein shall include, as advisable and/or necessary to comply with
27 Nevada law, utilizing the services of the Management Agent to comply with Nevada
28 marijuana laws and regulations, including by utilizing the Management Agent to:

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

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

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

15
16 5. In addition to other duties set forth herein, any Management Agent shall:

17 a. Obtain and be authorized to obtain all required agent cards for all
18 necessary employees or agents of CWNEVADA and, to the extent required by
19 Nevada law, for the Receiver and its personnel; and

20 6. Interface with the Department of Taxation and any other relevant
21 governmental agencies or bodies on behalf of CWNEVADA.

22 7. The Receiver is authorized to perform a review of all of CWNEVADA's
23 assets, holdings, and interests, and may, but shall not be required to, apply to the Court on an
24 *ex parte* basis to amend this Order as necessary to provide the Receiver with the authority to
25 act on behalf of the Receivership Estate to identify any asset or entity that belongs to the
26 Receivership Estate. The Receiver is empowered to use any and all lawful means to identify
27 and secure the assets of the Receivership Estate.
28

1 8. The Receiver may contact any party it reasonably believes to be an account
2 debtor of CWNEVADA and arrange for direct payment of the obligations due from account
3 debtors to the Receiver.

4 9. The Receiver shall serve without bond.

5 10. Immediately upon the filing of the Receiver's undertaking and oath, the
6 Receiver in its business judgment may direct and, if so directed, CWNEVADA and/or any of
7 its officers, directors, managers, and members shall:

8 a. Turn over and surrender to the Receiver all assets of and income from
9 the Receivership Estate currently held by CWNEVADA or any of its officers, directors,
10 managers, affiliates, employees, members, principals, agents or others;

11 b. Turn over and surrender to the Receiver: (i) all monies accountable to
12 the proceeds, revenues, issues and profits of the Receivership Estate, now in the possession,
13 custody or control of CWNEVADA and its affiliates, agents, members, principals,
14 representatives or others; (ii) all records, statements, copies of checks, bills, invoices and
15 other data from all bank accounts maintained by CWNEVADA in connection with the
16 Receivership Estate, including but not limited to all accounts maintained at any bank, credit
17 union, brokerage firm, or any financial institution, any other accounts where the funds
18 relating to the Receivership Estate were transferred or deposited, and all other records, books
19 of account, ledgers, expense accounts and all documents and records (including records
20 maintained in electronic form) pertaining to the operation, maintenance and control of the
21 Receivership Estate (collectively, the "Books and Records"), whether in the possession and
22 control of CWNEVADA or in the possession and control of affiliates, agents, members,
23 principals, servants, or employees of CWNEVADA or others, provided, however, that said
24 Books and Records shall be made available for the use of CWNEVADA upon reasonable
25 notice in the normal course of the performance of its duties, as necessary; (iii) all keys
26 relating to the Receivership Estate, (iv) all computer systems or software, including any
27 computer systems, with access information, if any, to operate the systems and the records,
28

1 books of account, ledgers and all business records of the Receivership Estate, wherever
2 located in and whatever mode maintained (including, without limitation, information
3 contained on computers and any and all passwords, system access and/or alarm codes,
4 keycards, software, and similar items relating thereto as well as all banking records,
5 statements and canceled checks); (v) all documents which constitute or pertain to insurance
6 policies, whether currently in effect or lapsed which relate to the Receivership Estate; (vi) all
7 contracts, leases and subleases, royalty agreements, licenses, assignments or other agreements
8 of any kind whatsoever, whether currently in effect or lapsed, which relate to any interest in
9 the Receivership Estate; (vii) all income and monies derived from the Receivership Property
10 wherever and whatsoever mode maintained; (viii) all mail relating to the Receivership Estate;
11 (ix) all keys, passwords, and combinations for all safes and locks relating to or located on
12 premises associated with the Receivership Estate; and (x) all credit card terminals and
13 merchant accounts.
14

15 c. Provide access and control to the Receiver to all real and personal
16 property and other physical facilities relating to the Receivership Estate.

17 d. Nothing herein is intended to, nor is to be construed to, require
18 CWNEVADA to turn over documents protected from disclosure by either the attorney-client
19 privilege or the attorney work product privilege.

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

23 a. The Receiver is authorized to exclude CWNEVADA and any affiliates,
24 members, principals, agents, attorneys, employees or representatives thereof, or anyone
25 claiming under any of them, from the Receivership Estate;

26 b. The Receiver is authorized to take physical custody and possession of,
27 and CWNEVADA shall assist the Receiver in taking physical custody and possession of, all
28

1 the real and personal property and other facilities, furniture, fixtures and equipment
2 constituting the Receivership Estate;

3 c. The Receiver is authorized to continue to operate, care for, preserve,
4 maintain and collect profits generated by, and sell the Receivership Estate in a manner
5 necessary to preserve its overall value and shall incur the expenses necessary in such
6 operation, care, preservation, maintenance, collection and sale of the Receivership Estate, all
7 without further order of this Court; that monies coming into the possession of the Receiver
8 pursuant hereto and not expended for any of the purposes herein authorized shall be held by
9 the Receiver, subject to such orders as this Court may hereinafter issue as to its disposition;
10

11 d. The Receiver is authorized to determine, in its discretion, how best to
12 use, operate, manage, control, market and sell the Receivership Estate;

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

22 f. By virtue of its appointment, the Receiver shall have the authority to,
23 in its sole and absolute discretion, employ other or additional agents and employees, as
24 necessary to preserve, protect, maintain, manage and sell the Receivership Estate and to pay
25 each of the foregoing, at ordinary and usual rates and prices, pursuant to appropriate
26 contracts, or otherwise, out of funds that come into its possession as Receiver without seeking
27 the Court's consent for such employment;
28

1 g. The Receiver is authorized to review, analyze, account for and approve
2 the Receivership Estate's expenses, payments, transfers, withdrawals, and distributions
3 (collectively "Payments") to ensure that all such Payments are proper and made in the
4 ordinary course of business. In addition, the Receiver shall have the authority to write checks
5 for the purpose of making any payments required or permitted to be made hereunder,
6 including, without limitation, expenses on account of bank service charges, commissions,
7 marketing and sale costs, dues and publications, insurance, maintenance, accounting and
8 other professional services, postage costs and courier or other delivery costs, interest,
9 inventory, office expenses, rent or other payment arising under a lease or rental agreement,
10 repairs and maintenance, supplies, taxes, utilities and telephone expenses, wages and
11 premiums. The Receiver may open any/all operating or security accounts deemed necessary
12 for the estate and transfer any/all funds from estate accounts to these receivership accounts
13 and operate out of these receivership accounts, if deemed necessary and appropriate, in order
14 to preserve and protect the estate and in order to be able to supply reviewed and reconciled
15 financials;
16

17 h. The Receiver is authorized to take all proper actions related to the
18 (i) collection of accounts receivable and other amounts owed in respect of the Receivership
19 Estate, (iii) removal from the Receivership Estate of persons not entitled to entry thereon,
20 (iv) securement and protection of the Receivership Estate;

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

1 j. The Receiver is authorized to receive proceeds and profits from any
2 ordinary course of business sale of Receivership Estate property; and to deposit and hold such
3 funds in one or more interest-bearing accounts as deemed appropriate;

4 k. The Receiver may hire, employ, retain, and terminate consultants,
5 operating companies and/or other professionals, management, brokers, auctioneers and any
6 other personnel or employees which the Receiver deems necessary to assist it in the discharge
7 of his duties, to whom the Receiver may delegate operational responsibilities for the
8 Receivership Estate, subject to applicable laws, as set forth in this order and, at the Receiver's
9 election, pay any federal, state, and local payroll and other taxes due in connection with
10 employees and operations of the Receiver and Receivership Estate, provided, however, that
11 no contract shall extend beyond the termination of the receivership unless authorized by the
12 Court;

13
14 l. The Receiver shall immediately disclose to all parties any financial
15 relationship between the Receiver and any person or entity hired to assist in the management
16 or sale of all or any portion of the Receivership Estate;

17 m. The Receiver is authorized to immediately acquire from CWNEVADA
18 and all of its affiliates, members, principals, employees, agents or officers, all passwords,
19 system access and/or alarm codes, keys, keycards, and similar items relating to the
20 Receivership Estate;

21 n. The Receiver may communicate, directly or indirectly, with any
22 person, firm or entity, including without limitation, any representative of CWNEVADA;

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

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

3 p. The Receiver shall have all the powers, duties and authority that the
4 Receiver believes may be necessary or appropriate to secure, operate, manage, and control the
5 Receivership Estate and/or to protect, preserve and maximize the value of the Receivership
6 Estate; provided, however, that no such risk or obligation shall be the personal risk or
7 obligation of the Receiver, but shall be solely the risk and obligation of the receivership; and
8

9 q. The Receiver may, after expending the necessary funds to operate the
10 business of the Receivership Estate and paying all reasonable and necessary costs and
11 expenses associated with such operation, maintain any remaining funds for distribution to
12 creditors and such other party or non-party as may be legally entitled to receive such funds in
13 accordance with the requirements of NRS 107A.310; and may distribute such funds from
14 time to time upon further order of this Court.

15 12. The Receiver may, to the extent necessary, conduct an inventory of all
16 property of the Receivership Estate and to provide a report of the same to the Court and
17 parties herein.

18 13. The Receiver is authorized to charge the fees set forth in the Fee Schedule
19 attached to this Order as **Exhibit 1** and shall charge the fees set forth in Exhibit 1 for United
20 AMS' personnel's services. The Receiver shall primarily use the services of United AMS
21 personnel to manage the Receivership Estate, to the extent permitted under applicable law, at
22 hourly rates, pursuant to the fee schedule attached hereto as Exhibit 1, unless an outside
23 vendor is deemed appropriate. The Receiver shall prepare a report that includes a statement
24 reflecting the Receiver's fees and expenses incurred during the Receiver's appointment in the
25 operation and administration of the Receivership Estate, as well as the fees and expenses of
26 any attorneys, accountants, or other professionals/third-parties employed by the Receiver
27 ("Interim Receiver Report").
28

1 14. Upon completion of an Interim Receiver Report and ten days after mailing the
2 report to the parties' respective attorneys of record (or via e-mail, at counsel's request) or any
3 other designated person or agent, the Receiver shall be paid from Receivership Estate funds,
4 if any, the amount of the invoice as per the Interim Receiver Report. Payment of the
5 Receiver's fees and administrative expenses shall be submitted to the Court for final approval
6 and confirmation.

7 15. The Receiver shall have the power to establish accounts at a bank or other
8 institution as the Receiver may determine are necessary for the Receivership Estate for the
9 purpose of securing and depositing the funds of the Receivership Estate collected by the
10 Receiver, and the Receiver shall have the authority to write checks on such accounts for the
11 purpose of making any payments required or permitted to be made hereunder by the
12 Receivership Estate, and the Receiver shall receive the federal tax identification number from
13 CWNEVADA or its agents to provide to the bank so as to establish such an account.

14 16. The Receiver is authorized and empowered to take possession of all bank
15 accounts of CWNEVADA and all cash or other liquid funds wherever located, and may
16 secure all money on deposit in said accounts immediately upon appointment. The receipt by
17 the Receiver for said funds shall discharge said bank from further responsibility for
18 accounting to said account holder for funds as to which the Receiver shall give his receipt.

19 17. The Receiver may use any federal taxpayer identification numbers of
20 CWNEVADA relating to the Receivership Estate for any lawful purpose.

21 18. The Receiver shall determine upon taking possession of the Receivership
22 Estate whether in the Receiver's judgment there is sufficient insurance coverage. If coverage
23 is in place, CWNEVADA, and its members, principals, agents and employees, may not
24 cancel policies or coverages for the said estate and must turn over all information regarding
25 any/all coverages immediately. If sufficient insurance coverage does not exist, the Receiver
26 shall immediately notify interested parties and advise the Court of any need to procure
27 sufficient insurance for the Receivership Estate; provided, however, that if the Receiver does
28

1 not have sufficient funds to do so, the Receiver shall seek instructions from the Court with
2 regard to whether insurance shall be obtained and how it is to be paid for. The Receiver shall
3 name himself and United AMS as an additional insured and as loss payees for any insurance
4 policies that the Receiver takes over from CWNEVADA. If consistent with existing law, the
5 Receiver shall not be responsible for claims arising from the lack of procurement or inability
6 to obtain insurance. The parties and their agents and representatives are prohibited from
7 canceling, reducing or modifying any and all insurance coverage currently in existence with
8 respect to the Receivership Estate.

9
10 19. The Receiver shall, as necessary and appropriate, notify all local, state and
11 federal governmental agencies, all vendors and suppliers, known creditors, and any and all
12 others who provide goods or services to the Receivership Estate of its appointment as
13 temporary Receiver.

14 20. No landlord or lessor may terminate any lease or commence or continue any
15 eviction related actions connected with the Receivership Estate without prior order of this
16 Court. With the exception of the 4Front Matter and the Continued Hearing, all pending court
17 actions and litigation activity brought by or against CWNEVADA shall be temporarily stayed
18 during the Receiver's temporary appointment. No utility may terminate service to the
19 Receivership Estate as a result of non-payment of pre-receivership obligations without prior
20 order of this Court. No insurance company may cancel their existing current-paid policy as a
21 result of the appointment of the Receiver. And the Department of Taxation and any other
22 state, county, city, or other jurisdiction in Nevada may not cancel any license, permit, or other
23 governmental approval previously issued to CWNEVADA as a result of the appointment of
24 the Receiver.

25 21. The Receiver and/or Management Agent, as appropriate, may apply for, obtain
26 and pay any reasonable fees for any lawful license, permit or other governmental approval
27 relating to the Receivership Estate or the operation thereof; confirm the existence of and, to
28 the extent permitted by law, exercise the privileges of any existing license, permit or

1 governmental approval; and do all things necessary to protect and maintain those licenses,
2 permits and approvals. No governmental agency or entity may terminate, revoke or fail to
3 renew any licenses, permits, or governmental approvals necessary for the operation of the
4 business of the Receivership Estate or otherwise take any action to require the business of the
5 Receivership Estate to cease or desist as a result of appointment of the Receiver or the
6 carrying out of the duties of the Receiver without prior order of this Court.

7
8 22. The Receiver is acting solely in its capacity as a court-appointed Receiver and
9 the debts of the Receiver are solely the debts of the Receivership Estate. In no event shall the
10 Receiver or United AMS and its personnel have any personal liability or obligation for the
11 proper debts of the Receiver and/or the Receivership Estate.

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

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

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

7 25. The Receiver shall be authorized to borrow money, if necessary to perform its
8 duties during appointment, without further order of the Court and to issue Receiver's
9 Certificates of Indebtedness ("Certificates") to evidence such borrowings, a form of which is
10 attached hereto as **Exhibit 2**. With respect to such borrowings:

11 a. The principal and interest evidenced by the Certificates shall be a first
12 and prior lien and security interest upon the Receivership Estate. The lien of each Certificate
13 shall be prior and superior to the rights, titles and interests in the Receivership Estate of all
14 parties to this action and creditors of CWNEVADA. The lien of each Certificate shall be
15 prior and superior to the interest or lien of all judgment holders, mechanics' lien claimants,
16 partners, members, shareholders, and creditors of CWNEVADA; and

17 b. Nothing herein shall obligate any party to advance all or any part of the
18 borrowings authorized herein.

19 26. CWNEVADA and its agents, servants, members, principals, officers,
20 affiliates, employees, representatives, and all other persons and entities who are successors in
21 interest to or who are acting in concert or participating with them, or any of them are hereby
22 restrained and enjoined from engaging in or performing, directly or indirectly, any of the
23 following acts:

24 a. Retaining possession of the Receivership Estate or any other portion of
25 the Receivership Estate as to which the Receiver has requested turn over;

26 b. Expending, disbursing, transferring, assigning, selling, conveying,
27 devising, pledging, mortgaging, creating a security interest in, encumbering, concealing or in
28

1 any manner whatsoever dealing in or disposing of the whole or any part of the assets of the
2 Receivership Estate, including, but not limited to, any contract or other agreement concerning
3 the Receivership Estate, without the written consent of the Receiver or the Court first
4 obtained;

5 c. Demanding, collecting, receiving, expending, disposing, assigning,
6 secreting or in any other way diverting, using or making unavailable to the Receiver the
7 assets of the Receivership Estate or any of the rents, issues or profits thereof;

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

12 e. Destroying, altering, concealing, transferring or failing to preserve any
13 document and other record (including records maintained in electronic form) which
14 evidences, reflects or pertains to CWNEVADA, (ii) relating to the factual basis of the above
15 captioned lawsuit or any other actual or anticipated lawsuit involving CWNEVADA, or (iii)
16 CWNEVADA's disposition of the Receivership Estate, or any part thereof; and

17 f. Interfering in any manner with the operation of the Receivership Estate
18 or the Receiver's possession thereof, including, without limitation, interfering with the
19 Receiver's efforts to secure the Receivership Estate or otherwise interfering with the
20 management, preservation, protection, maintenance, operation, removing funds from estate
21 accounts, and control of the Receivership Estate.

22
23 27. The Receiver and the parties to this action may petition this Court for
24 instructions in connection with this Order and any further orders which this Court may make.

25 28. The Receiver shall continue in possession of the Receivership Estate until
26 further order of this Court. .

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

1 30. Unless otherwise ordered by the Court, the Receiver shall not be responsible
2 for paying any expense of CWNEVADA, or other payables owed to third parties, which
3 payables were due and owing prior to the appointment of the Receiver. However, the
4 Receiver may, in his sole discretion, pay costs and expenses incurred prior to the Receiver's
5 appointment if the Receiver determines that payment of such items is necessary for the
6 preservation, care and maintenance of the Receivership Estate, or otherwise in the best
7 interests of the Receivership Estate.

8 31. Dotan Y. Melech is acting solely in his capacity as temporary Receiver and no
9 risk, obligation or expense incurred shall be the personal risk, obligation or expense of Dotan
10 Y. Melech or United AMS, but shall be the risk, obligation or expense of the Receivership
11 Estate.


12 32. No individual or entity may sue the Receiver without first obtaining the
13 permission of this Court.

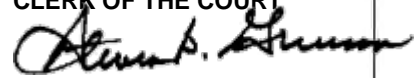
14 33. Individuals or entities interested in the Receivership Estate may contact the
15 Receiver directly by and through the following individual:

16
17 **Dotan Y. Melech**
18 United AMS
19 8350 West Sahara Ave, Suite 150
20 Las Vegas, Nevada 89117

21 **IT IS SO ORDERED.**

22 Dated: June 13, 2019

23 
24 DISTRICT COURT JUDGE



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Attorneys for 4Front Advisors LLC

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

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

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

Plaintiffs,

ORDER APPOINTING RECEIVER

vs.

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

Defendants.

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

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

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

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

4 **IT IS HEREBY ORDERED THAT:**

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

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

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

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

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

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

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

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

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

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

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

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

27 7. The Receiver shall serve without bond.
28

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 26. CWNevada and its agents, servants, members, managers, principals, officers,
24 affiliates, employees, representatives, and all other persons and entities who are successors in
25 interest to or who are acting in concert or participating with them, or any of them are hereby
26 restrained and enjoined from engaging in or performing, directly or indirectly, any of the
27 following acts:
28

1 a. Retaining possession of the Receivership Estate or any other portion of the
2 Receivership Estate, including any assets of the Receivership Estate as to which the Receiver has
3 requested be turned over;

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

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

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

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

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

27
28

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

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

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

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

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

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

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

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

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

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


IT IS SO ORDERED.

Dated: ^{July} June 9, 2019


DISTRICT COURT JUDGE

ROB BARE
JUDGE, DISTRICT COURT, DEPARTMENT 3

Respectfully submitted:
SNELL & WILMER LLP


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

Dated: June __, 2019

**COHEN JOHNSON PARKER
EDWARDS**

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H. Stan Johnson, Esq.
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Las Vegas, NV 89119

Attorneys for CW Nevada LLC

Dated: June ^{25th} __, 2019

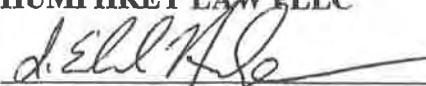
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Las Vegas, Nevada 89128

Attorneys for Timothy Smits Van Oyen

Dated: June 25, 2019


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Reno, Nevada 89503

Attorney for The CIMA Group LLC

Dated: June ___, 2019


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

Dated: June ___, 2019


**JOLLEY URGAL WOODBURY
HOLTHUS & ROSE**


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Dated: June ___, 2019

HOLLEY DRIGGS


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Attorneys for the Receiver Dotan Melech

Dated: June ____, 2019

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Attorney for The CIMA Group LLC

Dated: June 20th, 2019

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Dated: June ____, 2019

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Dated: June ____, 2019

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Attorneys for the Receiver Dotan Melech

Dated: June ____, 2019

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Attorney for The CIMA Group LLC

Dated: June ____, 2019

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Dated: June 25, 2019

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Dated: June ____, 2019

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Dated: June ____, 2019

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Dated: June ____, 2019

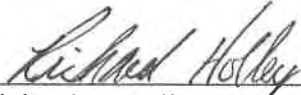
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Dated: June 25, 2019

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Las Vegas, NV 89101

Attorneys for the Receiver Dotan Melech

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EXHIBIT 1

EXHIBIT “ 1 ”

Fee Schedule¹

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

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

Policies Relating to Professional Fees and Services

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

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

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

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

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

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

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

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

EXHIBIT 2

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

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

Plaintiffs,

vs.

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

Defendants.

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

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

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

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

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

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

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

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

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

Dated: _____
Dotan Y. Melech, Receiver

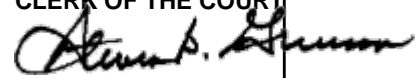
STATE OF _____)
COUNTY OF _____)

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

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

WITNESS my hand and official seal.

Signature _____
4850-5164-7130



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

Michael R. Mushkin, Esq.
Nevada Bar No. 2421
L. Joe Coppedge
Nevada Bar No. 4954
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Attorneys for Plaintiffs

**DISTRICT COURT
CLARK COUNTY, NEVADA**

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

Case No.:

Dept. No.:

Plaintiffs,

vs.

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

Defendants.

COMPLAINT

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

1 **PARTIES, JURISDICTION, AND VENUE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

8 15. Venue is proper pursuant to NRS 13.040.

9 **FACTUAL ALLEGATIONS RELATED TO ALL CLAIMS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 **The District Court Action**

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

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

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

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

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

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

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

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

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

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

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

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

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

8 **Membership Interest Purchase Agreement**

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

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

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

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

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

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

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

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

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

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

12 **CWNV, LLC**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

27 **Amendment to Membership Interest Purchase Agreement**

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

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

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

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

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

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

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

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

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

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

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

1 \$235,870.00 per month.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 removed.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

3 **FIRST CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

15 **SECOND CLAIM FOR RELIEF**

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

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

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

161. The Transfer Agreements are valid and binding contracts.

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

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

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

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

THIRD CLAIM FOR RELIEF

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

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

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

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

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

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

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

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

9 **FOURTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

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

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

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

FIFTH CLAIM FOR RELIEF

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

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

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

184. The Purchase Agreement was guaranteed by Defendant Padgett.

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

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

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

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

1 **SIXTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

19 **SEVENTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

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

9 **EIGHTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

2 **NINTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

21 **TENTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

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

14 **ELEVENTH CLAIM FOR RELIEF**

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

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

20 223. NRS 225.084 provides in part:

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

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

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

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

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

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

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

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

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

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

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

27 **TWELTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

10 b. Intentionally destroying and/or concealing evidence;

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

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

15 e. Storing or delivering unapproved marijuana product;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2 **THIRTEENTH CLAIM FOR RELIEF**

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

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

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

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

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

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

18 **FOURTEENTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

PRAYER

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

18) For interest allowed by law; and

19) For costs of suit.

DATED this 30 day of June, 2020.

MUSHKIN & COPPEDGE

MICHAEL R. MUSHKIN, ESQ.

Nevada State Bar No. 2421

L. JOE COPPEDGE, ESQ.

Nevada State Bar No. 4954

6070 S. Eastern Avenue, Suite 270

Las Vegas, Nevada 89128

Attorneys for Plaintiffs

**DISTRICT COURT
CLARK COUNTY, NEVADA**

Other Business Court Matters

COURT MINUTES

July 23, 2020

A-17-755479-B	Nuveda LLC, Plaintiff(s)
	vs.
	4Front Advisors LLC, Defendant(s)

July 23, 2020

11:45 AM

All Pending Motions

HEARD BY: Gonzalez, Elizabeth

COURTROOM: See below.

COURT CLERK: Dulce Romea

RECORDER: Jill Hawkins

PARTIES

PRESENT:

Austin, Bradley	Attorney for Defendant
Backus, Leland Eugene	Attorney for Renaissance Blue Diamond, LLC
Holley, Richard F.	Attorney for Receiver
Humphrey III, Louis E.	Attorney for Intervenor
Lenhard, Kirk Banks	Attorney for Intervenor
Malley, David J.	Attorney for Intervenor
Miltenberger, Chris	Attorney for Intervenor
Renwick, Charlene	Attorney for Intervenor
Stipp, Mitchell D.	Attorney for Plaintiff
Urga, William R.	Attorney for Intervenor
Westergard, Brooks T	Attorney for Stalking Horse Bidder TRC

JOURNAL ENTRIES

- APPEARANCES CONTINUED: Attorney Joe Coppedge, counsel for Plaintiffs in A-20-817363-B.

Matter heard with A-19-791405-C, A-19-796300-B, and A-20-817363-B at the temporary court facility designated by the Chief Judge at the Las Vegas Convention Center. Parties appeared by telephone.

Court thanked Mr. Holley for submitting the order from the cannabis compliance board regarding the settlement.

PRINT DATE: 07/23/2020

Page 1 of 2

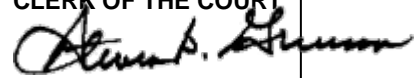
Minutes Date: July 23, 2020

MOTION TO CONSOLIDATE CASES A-19-791405-C, A-19-796300-B AND A-20-817363-B WITH THE RECEIVERSHIP ACTION ON ORDER SHORTENING TIME...NUVEDA'S OPPOSITION TO MOTION TO CONSOLIDATE AND COUNTERMOTION FOR RELATED RELIEF: Following arguments by Mr. Coppedge and Mr. Stipp, COURT ORDERED, motion GRANTED; countermotion DENIED WITHOUT PREJUDICE to be renewed as a motion for summary judgment before this Court so the Receiver can address the issues from the earlier Nuveda case which this Court handled, which may result in some clarification as to which claims are to be pursued. The receivership action (A-17-755479-B) will be the LEAD CASE.

RECEIVER'S MOTION TO APPROVE PROPOSED RECEIVER CERTIFICATE NUMBER 25 ON ORDER SHORTENING TIME: COURT ORDERED, motion is MOOT because of the consolidation.

RECEIVER'S MOTION TO ENFORCE RECEIVERSHIP ORDER ON OST...NUVEDA'S OPPOSITION TO MOTION TO ENFORCE RECEIVERSHIP ORDER AND COUNTERMOTION FOR RELATED RELIEF: COURT ORDERED, motion GRANTED as unopposed.

Court inquired of Mr. Holley if, given the settlement with the State, he can provide a timeframe in which they can be in a position for an auction and any joint venture requests. Mr. Holley advised he cannot; the receiver must liquidate assets within a 6-month date from the date of approval, but it is possible to have extensions, which must be take to the compliance board. Mr. Holley further advised of an integrated operation in Clark County with regards to cultivation, production, distribution, and dispensary; the licenses are location-specific; otherwise, they become location-specific; the joint venture is going very well; the next facility they are trying to preserve is the Highland facility which is a cultivation facility; they anticipate filing a motion to approve the joint venture; the other location they have is Ali Baba, which is a production facility, and the Receiver is speaking with 3 entities. COURT SO NOTED.



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

DISTRICT COURT

CLARK COUNTY, NEVADA

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

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

Dept. No.: 11

AND RELATED MATTERS

ORDER DENYING MOTION TO DISMISS OR FOR SUMMARY JUDGMENT

This matter came before the Honorable Elizabeth Gonzalez on August 31, 2020 on NuVeda's Motion to Dismiss or for Summary Judgment (the "Motion") with Mitchell D. Stipp of the Law Office of Mitchell Stipp appearing for NuVeda, LLC; L Joe Coppedge of the law firm Mushkin & Coppedge appearing for the Court Appointed Receiver, Dotan Melech, for CWNevada, LLC, Shane Terry and Phillip Ivey; Christopher R. Miltenberger of the law firm Greenberg Traurig, LLP appearing on behalf of Intervenor, Green Pastures Fund, LLC Series 1 (CWNevada, LLC), Jakal Investments, LLC, Jonathan S. Fenn as Trustee for the Jonathan S.

1 Fenn Revocable Trust, and Growth Opportunities, LLC; and William Urga of the firm Jolley Urga
2 Woodbury & Holthus appearing on behalf of Intervenor, Highland Partners NV LLC and the
3 MI-CW related parties; and the Court, having reviewed and considered the record, the points and
4 authorities on file, and the argument of counsel, this Court ORDERS, JUDGES AND DECREES
5 AS FOLLOWS:

6 1. Given the Receiver's Declaration that the Receiver on behalf of CWNevada, LLC
7 can perform the obligations of CWNevada, LLC under the various joint venture agreements with
8 NuVeda, LLC, there is a genuine issue of material fact regarding the issue of impossibility, which
9 precludes summary judgment.

10 2. The Motion related to the Intervenor's complaint-in-intervention, is moot (since
11 resolution was depended on the court's determination that CWNevada, LLC's performance under
12 the joint venture agreements was impossible).

13 3. With respect to Shane Terry, the Motion is stayed for a period of ninety (90) days
14 from the date of the hearing for Mr. Terry to request any relief from the arbitrator, Ms. Nikki
15 Baker, of the American Arbitration Association.

16 DATED this 18th day of September, 2020.

17
18 
19 DISTRICT COURT JUDGE
20

21 Respectfully Submitted:
22 MUSHKIN & COPPEDGE

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

23 /s/L. Joe Coppedge
24 L. JOE COPPEDGE, ESQ.
25 Nevada Bar No. 4954
26 6070 South Eastern Ave Ste 270
Las Vegas, NV 89119

/s/Mitchell D. Stipp
MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144

27 *Attorneys for Dotan Y. Melech, Receiver,*
28 *Shane Terry, and Phillip D. Ivey*

Attorneys for NuVeda, LLC

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Approved as to Form and Content:
JOLLEY URGAL WOODBURY
HOLTHUS & ROSE

/s/William R. Urga
WILLIAM R. URGAL, ESQ.
Nevada Bar No. 1195
DAVID J. MALLEY, ESQ.
Nevada Bar No. 8171
330 S. Rampart Boulevard, Suite 380
Las Vegas, NV 89145

Approved as to Form and Content:
GREENBERG TRAURIG

/s/Christopher R. Miltenberger
MARK E. FERRARIO, ESQ.
Nevada Bar No. 1625
CHRISTOPHER R. MILTENBERGER, ESQ.
Nevada Bar No. 10153
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135

Karen Foley

From: Joe Coppedge
Sent: Thursday, September 17, 2020 3:17 PM
To: Karen Foley
Subject: FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge
Mushkin & Coppedge
6070 S. Eastern Ave., Suite 270
Las Vegas, Nevada 89119
Tel. No. (702) 454-3333
Dir. No. (702) 386-3942
Fax No. (702) 454-3333

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From: William Urga <WURU@juwlaw.com>
Sent: Thursday, September 17, 2020 2:27 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>; Mitchell Stipp <mstipp@stipplaw.com>; miltenbergerc@gtlaw.com
Subject: RE: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Joe, I have no comments regarding the order and you can electronically sign my name.

William R. Urga, Esq.
Jolley Urga Woodbury & Holthus
Tivoli Village
330 S. Rampart Boulevard, Suite 380
Las Vegas, Nevada 89145
Telephone: (702) 699-7500
Facsimile: (702) 699-7555
E-mail: wru@juwlaw.com

Please consider the environment before printing this email.



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immediately notify us by telephone and delete the e-mail from your computer. You may contact Jolley Urga Woodbury & Holthus at (702) 699-7500 (Las Vegas, NV).

From: Joe Coppedge <jcoppedge@mccnvlaw.com>

Sent: Thursday, September 17, 2020 2:20 PM

To: Mitchell Stipp <mstipp@stipplaw.com>; William Urga <WRU@juwlaw.com>; miltenbergerc@gtlaw.com

Subject: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

Mushkin & Coppedge

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Karen Foley

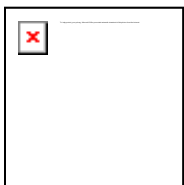
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From: Mitchell Stipp <mstipp@stiplaw.com>
Sent: Thursday, September 17, 2020 2:59 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>
Cc: WRU@juwlaw.com; miltenbergerc@gtlaw.com
Subject: Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

You need to update the footer. Otherwise, you may include my e-signature.



Mitchell Stipp

Law Office of Mitchell Stipp
(O) 702.602.1242 | (M) 702.378.1907 | mstipp@stiplaw.com

Address: 1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144

Website: www.stiplaw.com

On Thu, Sep 17, 2020 at 2:20 PM Joe Coppedge <jcoppedge@mccnvlaw.com> wrote:

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

Mushkin & Coppedge

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From: miltenbergerc@gtlaw.com <miltenbergerc@gtlaw.com>
Sent: Thursday, September 17, 2020 3:06 PM
To: mstipp@stipplaw.com; Joe Coppedge <jcoppedge@mccnvlaw.com>
Cc: WRU@juwlaw.com
Subject: RE: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Joe – Good catch by Mitchell. You have my permission to e-sign as well.

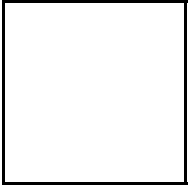
Thanks,

Chris Miltenberger
Greenberg Traurig, LLP
702.599.8024

From: Mitchell Stipp <mstipp@stipplaw.com>
Sent: Thursday, September 17, 2020 2:59 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>
Cc: WRU@juwlaw.com; Miltenberger, Chris (Shld-LV-LT) <miltenbergerc@gtlaw.com>
Subject: Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

EXTERNAL TO GT

You need to update the footer. Otherwise, you may include my e-signature.



Mitchell Stipp

Law Office of Mitchell Stipp

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

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L. Joe Coppedge

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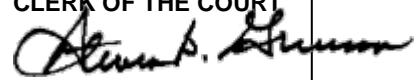
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MITCHELL D. STIPP, ESQ.
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LAW OFFICE OF MITCHELL STIPP
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
mstipp@stippplaw.com
Attorneys for NuVeda, LLC

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

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

Plaintiffs,

v.

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

Defendants.

AND RELATED MATTERS.

Case: A-17-755479-B

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

Dept. No.: 11

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

TELEPHONIC HEARING REQUESTED

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

This motion is based on the papers and pleadings before the court and the Declaration of
Mitchell Stipp included herewith.

///

///

///

1 DATED this 9th day of December, 2020.

2
3 **LAW OFFICE OF MITCHELL STIPP**

4
5 /s/ Mitchell Stipp, Esq.
6 MITCHELL STIPP, ESQ.
7 Nevada Bar No. 7531
8 LAW OFFICE OF MITCHELL STIPP
9 1180 N. Town Center Drive, Suite 100
10 Las Vegas, Nevada 89144
11 Telephone: 702.602.1242
12 mstipp@stipplaw.com
13 *Attorneys for NuVeda, LLC*

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DECLARATION OF MITCHELL STIPP

The undersigned, Mitchell Stipp, certifies to the court as follows:

1. I am counsel for NuVeda, LLC, a Nevada limited liability company (“NuVeda”), in the above referenced case.

2. On NuVeda’s motion to dismiss or for summary judgment filed on July 29, 2020, this court held a hearing on August 31, 2020. At the hearing, the court ruled that NuVeda’s motion would be “stayed for ninety (90) days from the date of the hearing” so that Mr. Terry could request any relief from the American Arbitration Association (“AAA”). See Paragraph 3 of Order attached hereto as **Exhibit 1**.

3. The time period during which Mr. Terry could seek relief from AAA expired on **November 29, 2020**. Mr. Terry has not requested any relief from AAA. Therefore, NuVeda’s motion should be granted without further delay.

4. At the hearing on October 19, 2020 before this court on Mr. Terry’s request to amend his complaint, the court denied the same. The court permitted the complaint to be amended with respect to claims asserted by the receiver on behalf of CWNevada, LLC (“CWNevada”) and Phil Ivey. To date, the complaint has not been amended.

5. Mr. Terry should not be permitted more time to pursue claims against NuVeda and its affiliates which have no merit. In fact, the court specifically stated on October 19, 2020 the following regarding NuVeda’s request for Mr. Terry to update the court on his efforts to obtain relief from AAA:

21 THE COURT: The motion to amend is granted except as
22 to Mr. Terry.

23 MR. COPPEDGE: So we have not changed anything with
24 Mr. Terry, Your Honor. So how does that work, I guess?

25 THE COURT: So I'm not going to sit here and listen

JD Reporting, Inc.

13

A-17-755479-B | Nuveda v. 4Front | 2020-10-19 | Motion & Opp

1 to an update about what's going on with AAA because I only get
2 my courtroom until 10:00 o'clock. So I don't have time to do
3 that, but I assume that you're doing something about Mr. Terry,
4 or I'm going to hear this summary judgment and grant it. I'm
5 not there today.

6 To the extent you are seeking any amendments that
7 include Mr. Terry, it's denied.

8 With respect to Mr. Ivey and the receiver, it's
9 granted.

10 MR. STIPP: Thank you, Your Honor.

19 See Pages 13-14 of Transcript electronically filed on October 27, 2020.

20 6. I submit the above-titled declaration in support of NuVeda's motion. I have personal
21 knowledge of the facts contained therein unless otherwise qualified by information and belief or such
22 knowledge is based on the record in this case, and I am competent to testify thereto, and such facts are true
23 and accurate to the best of my knowledge and belief.

24 Dated this 9th day of December, 2020.

25 /s/ Mitchell Stipp

26
27 Mitchell Stipp, Esq.

MEMORANDUM OF POINTS AND AUTHORITIES

NuVeda incorporates by reference its filings before the court at the hearings on August 31, 2020 and October 19, 2020. To refresh the memory of the court, NuVeda provides the summary below.

Mr. Terry's claims against NuVeda were disposed of in Case No. A-15-728510-B (in Department 11) and the underlying arbitration. Mr. Terry filed a lawsuit against NuVeda in 2015. Mr. Terry sought to stop the potential joint venture between CWNevada and NuVeda. However, the court denied his request for a preliminary injunction. See Exhibit 2. The Nevada Supreme Court also upheld the court's decision on Mr. Terry's appeal. See Exhibit 3. The parties in that case requested their disputes be handled via binding arbitration in accordance with the operating agreement of NuVeda. See Arbitration Demands attached as part of Exhibit 4.

The court should note that the allegations in the complaint filed in Case No. A-20-817363-B mirrors the allegations by Mr. Terry in the litigation/arbitration. Compare id. with Complaint filed on June 30, 2020 in Case No. A-20-817363-B, paragraph 16-21 and 30-62. Mr. Terry entered into a binding agreement to sell his claims against and any interest in NuVeda. See Exhibit 5. After Mr. Terry entered into this agreement, Mr. Terry through his counsel (Erika Pike Turner) filed a motion to substitute the buyer in place of Mr. Terry as the real party in interest with all rights to Mr. Terry's claims and interest. See Exhibit 6. Mr. Terry's motion specifically argues the following:

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

(emphasis added). The arbitrator permitted the buyer to substitute into the case for Mr. Terry. Subsequently, the buyer dismissed these claims against NuVeda and related parties with prejudice. See Exhibit 7. In accordance with the motion filed by Mr. Terry and the request by the buyer to

1 dismiss the claims with prejudice, the arbitrator ordered these claims finally to be dismissed on October
2 9, 2018. See **Exhibit 8**.

3 The decision by the arbitrator in Case No. A-15-728510-B (Department 11) is not subject to
4 being set aside. NRCP 60(b)(3)(4) and (c)(1) provide as follows:

5
6 (b) Grounds for Relief From a Final Judgment, Order, or Proceeding. On
7 motion and just terms, the court may relieve a party or its legal
8 representative from a final judgment, order, or proceeding for the following
9 reasons:

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

12 (4) the judgment is void;

13 (c) Timing and Effect of the Motion.

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

19 (emphasis added). Despite being provided ninety (90) days, Mr. Terry has not filed a motion to set
20 aside the decision by the arbitrator. Accordingly, the judgment by the arbitrator is final.

21 In Mr. Terry’s original opposition to NuVeda’s motion, he concedes the following: **“The order**
22 **of dismissal was a final judgment that concluded the [a]rbitration as to [Mr.] Terry and cannot be**
23 **reopened except by a motion to set aside the judgement under NRCP 60(b).”** See Opposition filed
24 on August 10, 2020, pg. 16, lines 19-20. Mr. Terry contends that the basis for his motion before the
25 arbitrator will be **NRCP 60(b)(4) (void judgments)** and the decision belongs to the arbitrator. *Id.* A
26 final judgment is void when a “defect [exists] in the court’s authority to enter judgment through either
27 lack of personal jurisdiction or jurisdiction over the subject matter in the suit.” See *Gassett v. Snappy*
28 *Car Rental*, 111 Nev. 1416, 1419, 906 P.2d 258, 261 (1995), superseded by rule on other grounds as
stated in *Fritz Hansen A/S v. Eighth Judicial Dist. Court*, 116 Nev. 650, 656, 6 P.3d 982, 985 (2000).
The arbitrator’s judgment dismissing Mr. Terry’s claims is not void because the arbitrator actually had

jurisdiction. If the judgment is not void, a motion to set aside a final judgment must be filed within the six (6) month timeframe set forth in NRCP 60(c). Accordingly, as set forth in NuVeda's motion to dismiss or for summary judgment, the case initiated by Mr. Terry against NuVeda and its affiliates should be dismissed or summary judgment entered.

Mr. Terry has not taken any steps to obtain relief from AAA. The time period provided as a courtesy by the court for Mr. Terry to do so ended on **November 29, 2020** (ninety (90) days after hearing on August 31, 2020). Therefore, as stated by the court, the motion filed by NuVeda should be granted with respect to Mr. Terry's claims.

Further, as the prevailing party, NuVeda is entitled to its attorney's fees and costs including without limitation as set forth in NRS 18.010(2)(b). NuVeda will submit a memorandum of fees and costs for the court's consideration in chambers after entry of the proposed order.

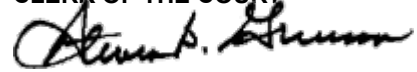
DATED this 9th day of December, 2020.

LAW OFFICE OF MITCHELL STIPP

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

EXHIBIT 1

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

DISTRICT COURT

CLARK COUNTY, NEVADA

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

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

Dept. No.: 11

AND RELATED MATTERS

ORDER DENYING MOTION TO DISMISS OR FOR SUMMARY JUDGMENT

This matter came before the Honorable Elizabeth Gonzalez on August 31, 2020 on NuVeda's Motion to Dismiss or for Summary Judgment (the "Motion") with Mitchell D. Stipp of the Law Office of Mitchell Stipp appearing for NuVeda, LLC; L Joe Coppedge of the law firm Mushkin & Coppedge appearing for the Court Appointed Receiver, Dotan Melech, for CWNevada, LLC, Shane Terry and Phillip Ivey; Christopher R. Miltenberger of the law firm Greenberg Traurig, LLP appearing on behalf of Intervenor, Green Pastures Fund, LLC Series 1 (CWNevada, LLC), Jakal Investments, LLC, Jonathan S. Fenn as Trustee for the Jonathan S.

Fenn Revocable Trust, and Growth Opportunities, LLC; and William Urga of the firm Jolley Urga Woodbury & Holthus appearing on behalf of Intervenor, Highland Partners NV LLC and the MI-CW related parties; and the Court, having reviewed and considered the record, the points and authorities on file, and the argument of counsel, this Court ORDERS, JUDGES AND DECREES AS FOLLOWS:

1. Given the Receiver's Declaration that the Receiver on behalf of CWNevada, LLC can perform the obligations of CWNevada, LLC under the various joint venture agreements with NuVeda, LLC, there is a genuine issue of material fact regarding the issue of impossibility, which precludes summary judgment.

2. The Motion related to the Intervenor's complaint-in-intervention, is moot (since resolution was depended on the court's determination that CWNevada, LLC's performance under the joint venture agreements was impossible).

3. With respect to Shane Terry, the Motion is stayed for a period of ninety (90) days from the date of the hearing for Mr. Terry to request any relief from the arbitrator, Ms. Nikki Baker, of the American Arbitration Association.

DATED this 18th day of September, 2020.


DISTRICT COURT JUDGE

Respectfully Submitted:
MUSHKIN & COPPEDGE

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

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

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

/s/Mitchell D. Stipp
MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144

Attorneys for NuVeda, LLC

Approved as to Form and Content:
JOLLEY URGAL WOODBURY
HOLTHUS & ROSE

/s/William R. Urga
WILLIAM R. URGAL, ESQ.
Nevada Bar No. 1195
DAVID J. MALLEY, ESQ.
Nevada Bar No. 8171
330 S. Rampart Boulevard, Suite 380
Las Vegas, NV 89145

Approved as to Form and Content:
GREENBERG TRAURIG

/s/Christopher R. Miltenberger
MARK E. FERRARIO, ESQ.
Nevada Bar No. 1625
CHRISTOPHER R. MILTENBERGER, ESQ.
Nevada Bar No. 10153
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135

EXHIBIT 2

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CLERK OF THE COURT

1 **FFCL**

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4 **DISTRICT COURT**
5 **CLARK COUNTY, NEVADA**

6 NUVEDA, LLC, a Nevada limited
7 liability company; SHANE M. TERRY, a
8 Nevada resident; and JENNIFER M.
9 GOLDSTEIN, a Nevada resident;

10 Plaintiffs,

11 v.

12 PEJMAN BADY; POUYA MOHAJER;
13 DOE Individuals I-X and ROE Entities I-
14 X, inclusive;

15 Defendants.

CASE NO.: A-15-728510-B
DEPT. NO.: XI

**FINDINGS OF FACT AND CONCLUSIONS
OF LAW DENYING PLAINTIFFS'
MOTION FOR PRELIMINARY
INJUNCTION, DENYING DEFENDANT'S
COUNTERMOTION FOR PRELIMINARY
INJUNCTION AND JOINDER, AND
ENTERING PROVISIONAL REMEDY
PURSUANT TO N.R.S. 38.222**

**Hearing Date: December 28, 2015 and
January 6 - 8, 2016**

16 This matter having come on for an evidentiary hearing related to Plaintiffs' Motion for
17 Preliminary Injunction (the "Motion") and Defendant Bady's Countermotion for Preliminary
18 Injunction (the "Countermotion") before the Court on December 28, 2015 and January 6 - 8,
19 2016.¹ Plaintiffs Terry and Goldstein appeared individually and as representatives of NuVeda,
20 LLC² by and through their counsel of record Erika Pike Turner of the law firm of GARMAN
21 TURNER GORDON; Defendant Bady appeared individually and by and through his counsel of
22 record Vincent Aiello and Matthew Dushoff of the law firm of KOLESAR & LEATHAM; and
23 Defendant Mohajer appeared individually and by and through its counsel of record A. William
24 Maupin and John Naylor of the law firm MAUPIN NAYLOR BRASTER; the Court having read and
25 considered the pleadings filed by the parties; having reviewed the evidence admitted during the

26 _____
27 ¹ In addition, Mohajer requested a provisional remedy under NRS 38.222 be made on the
28 pending issues.

² The complaint alleges that they are representing NuVeda on any derivative claims.

1 evidentiary hearing; and having heard and carefully considered the testimony of the witnesses
2 called to testify; the Court having considered the oral and written arguments of counsel, and with
3 the intent of deciding the limited issues before the Court related to the Motion and
4 Countermotion.³ The Court makes the following findings of fact and conclusions of law:

5
6 **FINDINGS OF FACT**

7 1. On July 9, 2014, the parties entered into an Operating Agreement for NuVeda,
8 LLC ("NuVeda")⁴ to operate dispensaries, cultivation and processing facilities for medical
9 marijuana ("MME") pursuant to licenses obtained from certain political subdivisions.

10 2. Certain disputes have arisen between the parties over the existence and vesting of
11 certain membership interests, management and control of NuVeda.

12 3. Plaintiffs have alleged that Defendants acted "in concert" in certain actions that
13 they allege are "self dealing".

14 4. Section 6.2 of the Operating Agreement permits the expulsion of a member under
15 certain conditions.⁵
16

17
18 ³ The findings made in this Order are preliminary in nature based upon the limited evidence
19 presented after very limited exchange of documents and may be modified based upon additional
evidence presented to the Court at the ultimate trial (or arbitration) of this matter.

20 ⁴ NuVeda LLC and its subsidiaries are referred to as "NuVeda" collectively for purposes of
21 this decision.

22 ⁵ The Operating Agreement at Section 6.2 provides:

23 A Member's interest in the Company may be terminated or expelled only upon agreement
24 of the Disinterested Voting Members by a vote of 60% or more of Disinterested Voting
25 Interests. Expulsion may only be made by a majority vote of 60% or more of the
26 Disinterested Voting Interests that the expelled member was not acting in the best interest
27 of the Company or was otherwise acting in a manner that was contrary to the purpose of
28 the Company. For purposes of this provision, the "Disinterested Voting Members" shall
be those Members who's membership in the Company is not then being voted upon, and
"Disinterested Voting Interests" shall be the total percentage of the Ownership Interests
held by the Disinterested Voting Members. By means of example only, if the Members
sought to expel Member A, who owned a 20% Voting Interest, the Disinterested Voting

1 5. In late November 2015, without a meeting,⁶ Plaintiffs and certain other members
2 attempted expulsion by written consent of both Defendants. Issues have arisen about the
3 methodology used by Plaintiffs to calculate the Disinterested Voting Interests.

4 6. In retaliation, the following week, without a meeting, Defendants and certain other
5 members attempted expulsion by written consent of both Plaintiffs. Issues have arisen about the
6 basis used by Defendants as the basis for the expulsion of Plaintiffs.

7 7. The activities of Bady and Mohajer alleged by Plaintiffs to permit the aggregation
8 of the Disinterested Voting Interests do not rise to the level of a conspiracy as argued by Plaintiff.

9 8. The activities of Plaintiffs in attempting to expulse Defendants do not constitute
10 activities which would permit the expulsion of Plaintiffs.

11 9. On November 18, 2015, at a meeting of NuVeda, where Plaintiffs were present,
12 the transaction with CW was discussed.

13 10. In early December 2015, the majority of membership interest approved a
14 transaction with CW which results in the transfer of certain assets but retains the membership
15 interest held currently by NuVeda members in NuVeda. At the time of the evidentiary hearing,
16 not all of the documents for the CW transaction had been finalized.

17 11. If any finding of fact is properly a conclusion of law, it shall be treated as if
18 appropriately identified and designated.

19
20
21
22 Members would be all Members other than Member A, and the vote would require 60% of
23 the 80% Disinterested Voting Interests to carry. In order to terminate a Member's interest
24 a meeting of the Voting Members must be held in accordance with the provisions of
25 Section 4.3.

26 ⁶ Section 4.3 provides in pertinent part:

27 No regular, annual, special or other meetings of Voting Members are required to be held.
28 Any action that may be taken at a meeting of Voting Members may be taken without a
 meeting by written consent in accordance with the Act. Meetings of the Voting Members,
 for any purpose or purposes, may be called at any time by a majority of the Voting
 Members, or by the President of the Company, if any. . . .

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1 21. However, since additional actions need to be taken by NuVeda to finalize the
2 transaction, the Court declines to grant the Countermotion as all members should have an
3 opportunity to have input on the remaining documents to finalize the CW transaction.

4 22. A security bond is not required for the Court's provisional remedy.

5 23. If any conclusion of law is properly a finding of fact, it shall be treated as if
6 appropriately identified and designated.
7

8 **ORDER**

9 THEREFORE, IT IS HEREBY ORDERED, ADJUDGED AND DECREED that the
10 Motion and Countermotion are denied.

11 IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the
12 completion of the contemplated arbitration, the parties are to take no further action to expulse
13 each other on the factual basis presented to the Court during the evidentiary hearing.
14

15 IT IS FURTHER ORDERED that the request to seal these proceedings is denied.

16 Dated this 13th day of January, 2016.

17
18 
19 DISTRICT COURT JUDGE
20

21 **Certificate of Service**

22 I hereby certify, that on the date filed, this Order was served on the parties identified on
23 Wiznet's e-service list.
24

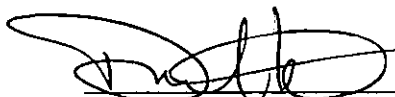
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26 Dan Kutinac
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EXHIBIT 3

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IN THE SUPREME COURT OF THE STATE OF NEVADA

NUVEDA, LLC, A NEVADA LIMITED
LIABILITY COMPANY; SHANE M.
TERRY, A NEVADA RESIDENT; AND
JENNIFER M. GOLDSTEIN, A
NEVADA RESIDENT,
Appellants,
vs.
PEIMAN BADY; AND POUYA
MOHAJER,
Respondents.

No. 69648

FILED

OCT 13 2017

ELIZABETH A. BROWN
CLERK OF SUPREME COURT

BY *[Signature]*
DEPUTY CLERK

ORDER OF AFFIRMANCE

This is an appeal from a district court order denying a motion for a preliminary injunction in a corporate action seeking provisional remedies under NRS 38.222. Eighth Judicial District Court, Clark County; Elizabeth Goff Gonzalez, Judge.

In this dispute between members of a limited liability company, the individual appellants attempted to expel respondents, alleging that respondents engaged in conduct contrary to the company's best interests by agreeing to transfer certain assets to another company, CW Nevada, as well as by engaging in other bad acts. Respondents retaliated by attempting to expel appellants. Appellants sought a preliminary injunction to prevent the asset transfer pending resolution of arbitration, but the district court denied the motion for an injunction. Appellants appeal.

Appellants argue that the district court abused its discretion in denying their motion for a preliminary injunction. A preliminary injunction may be granted when the movant shows a likelihood of success on the merits and a reasonable probability that the nonmovant's conduct will cause irreparable harm if allowed to continue. *Univ. & Cmty. Coll. Sys. of Nev. v.*

Nevadans for Sound Gov't, 120 Nev. 712, 721, 100 P.3d 179, 187 (2004). Whether to deny a motion for a preliminary injunction rests within the district court's discretion, and that decision will not be reversed absent an abuse of discretion or reliance on an erroneous legal standard. *Id.* *Appellants do not have a likelihood of success on the merits because they failed to expel respondents pursuant to the operating agreement*

Appellants first argue that the district court erred in applying a civil conspiracy standard to determine whether respondents were disinterested for the purpose of evaluating whether 60% of disinterested voting interests voted to expel them. Appellants assert that the court should have considered whether respondents' interests precluded their vote. This court construes the construction of a contractual term de novo and unambiguous contracts according to their plain language. *Sheehan & Sheehan v. Nelson Malley & Co.*, 121 Nev. 481, 486-88, 117 P.3d 219, 223-24 (2005).

The relevant provisions of the operating agreement are not ambiguous. Paragraph 6.2 of the limited liability company's operating agreement governs the expulsion of members. The operating agreement permits terminating "[a] member's interest in the company" by a vote of 60% or more of the disinterested voting interests. It defines disinterested voting members as those members whose membership "is not then being voted upon." The plain language of the operating agreement provides a procedure for expelling an individual member without any means for grouping interests; thus, appellants' argument that respondents' alleged joint action permitted appellants to group their interests and to vote to expel respondents simultaneously fails. Appellants' reliance on the interpretation of disinterestedness in *In re Amerco Derivative Litigation*, 127 Nev. 196, 252 P.3d 681 (2011), is misplaced because that case pertained

to a shareholder derivative action, which is not at issue here, and the operating agreement here expressly defines “disinterested voting member.” Further, appellants’ argument has the **absurd** consequence of permitting a holder of, e.g., a 1% interest in the company, to declare that holders of the remaining 99% are jointly acting against company best interests and to expel that majority. *See Reno Club, Inc. v. Young Inv. Co.*, 64 Nev. 312, 325, 182 P.2d 1011, 1017 (1947) (“A contract should not be construed so as to lead to an absurd result.”).

The district court’s application of a civil-conspiracy standard to determine whether respondents’ interests may be grouped for the purpose of expulsion lacks a basis in the operating agreement, and the district court accordingly erred to the extent that it relied on such a standard. However, the agreement did not provide a mechanism for appellants to expel respondents jointly rather than individually, and the record makes clear that 60% of disinterested voting interests did not vote to expel either respondent individually, such that the district court did not err in determining that appellants’ efforts to expel respondents failed or that appellants did not have a likelihood of success on the merits. *See Saavedra-Sandoval v. Wal-Mart Stores, Inc.*, 126 Nev. 592, 599, 245 P.3d 1198, 1202 (2010) (affirming when district court reached correct result on incorrect basis).

Substantial evidence supports the district court’s finding that the asset transfer would not cause the company irreparable harm

The district court determined that appellants failed to demonstrate a basis to interfere with respondents’ majority-approved decision to transfer assets to CW and denied appellants’ request to enjoin

the transfer.¹ The record contains evidence that "a reasonable mind might accept as adequate to support" that the transfer would not cause irreparable harm. *See State Emp. Sec. Dep't v. Hilton Hotels Corp.*, 102 Nev. 606, 608, 729 P.2d 497, 498 (1986) (internal quotation marks omitted). Accordingly, as appellants failed to show a reasonable probability of irreparable harm, we conclude that the district court did not abuse its discretion in denying appellants' motion.

Having considered appellants' contentions and concluded that they do not warrant relief, we

ORDER the judgment of the district court AFFIRMED.

Cherry, C.J.
Cherry

Hardesty, J.
Hardesty

Stiglich, J.
Stiglich

cc: Hon. Elizabeth Goff Gonzalez, Chief Judge
Stephen E. Haberfeld, Settlement Judge
Garman Turner Gordon
Jennifer M. Goldstein
Naylor & Braster
Kolesar & Leatham, Chtd.
Eighth District Court Clerk

¹Appellants do not challenge the district court's determination that the parties' respective efforts to expel each other from the company threatened to cause irreparable harm to the company or its corresponding order enjoining the parties from further efforts to expel each other.

EXHIBIT 4

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From: Rebecca Post
Sent: 12/3/2015 8:49:44 PM
To: Case Filing
Subject: NuVeda, LLC v. Bady et al.

Good afternoon-

Please see the attached Demand for Arbitration and the Credit Authorization in regards to the above-referenced matter for filing. If you have any questions or concerns please contact our office direct.

Respectfully,

Rebecca Post

Legal Assistant

P 725 777 3000 | F 725 777 3112

GARMAN | TURNER | GORDON
650 WHITE DRIVE, SUITE 100
LAS VEGAS, NV 89119

Visit us online at HYPERLINK "<http://www.gtg.legal>"www.gtg.legal



For Consumer or Employment cases, please visit www.adr.org for appropriate forms.

You are hereby notified that a copy of our arbitration agreement and this demand are being filed with the American Arbitration Association with a request that it commence administration of the arbitration. The AAA will provide notice of your opportunity to file an answering statement.

Name of Respondent: Pejman Bady & Pouya Mohajer			Name of Representative (if known): Vincent Aiello, Esq.		
Address: 9280 W. Sunset Road # 412			Name of Firm (if applicable): Kolesar & Leatham		
			Representative's Address: 400 S. Rampart Blvd., #400		
City: Pahrump	State: Nevada	Zip Code: 89148	City: Las Vegas	State: Nevada	Zip Code: 89145
Phone No.:	Fax No.:		Phone No.: 702-362-7800	Fax No.: 702-362-9472	
Email Address:			Email Address: vaiello@klnevada.com		

The named claimant, a party to an arbitration agreement which provides for arbitration under the Commercial Arbitration Rules of the American Arbitration Association, hereby demands arbitration.

Brief Description of the Dispute:

Claimants seek immediate redress for the wrongful conduct of Respondents relating to the business of Nuveda, LLC a medical marijuana licensee. (see attached)

Dollar Amount of Claim: \$ **1 Million- 10 Million**

Other Relief Sought:

☒ Attorneys Fees ☒ Interest ☒ Arbitration Costs
☒ Punitive/ Exemplary ☐ Other

Amount enclosed: \$ **3,500.00**

In accordance with Fee Schedule: ☒ Flexible Fee Schedule ☐ Standard Fee Schedule

Please describe the qualifications you seek for arbitrator(s) to be appointed to hear this dispute:

Local retired Judge and/or gaming/licensing experience

Hearing locale: **Las Vegas** (check one) ☐ Requested by Claimant ☒ Locale provision included in the contract

Estimated time needed for hearings overall:
hours or **5** days

Type of Business: Claimant: **Members of Nuveda, LLC, a medical marijuana licensee**
Respondent: **Former members of Nuveda, LLC, a medical marijuana licensee**

Are any parties to this arbitration, or their controlling shareholder or parent company, from different countries than each other? **No**

Signature (may be signed by a representative):

Date: **12/3/2015**

Name of Claimant: **Nuveda, LLC, Shane Terry & Jennifer Goldstein**

Name of Representative: **Erika Pike Turner, Esq.**

Address (to be used in connection with this case):

c/o Erika Pike Turner, Esq. 650 White Drive

Name of Firm (if applicable): **Garman Turner Gordon**

Representative's Address: **650 White Drive, Suite 100**

City: **Las Vegas** State: **Nevada** Zip Code: **89119**

City: **Las Vegas** State: **Nevada** Zip Code: **89119**

Phone No.: **725-777-3000**

Fax No.:

Phone No.: **725-777-3000**

Fax No.:

Email Address:

Email Address: **eturner@gtg.legal**

To begin proceedings, please send a copy of this Demand and the Arbitration Agreement, along with the filing fee as provided for in the Rules, to: American Arbitration Association, Case Filing Services, 1101 Laurel Oak Road, Suite 100 Voorhees, NJ 08043. At the same time, send the original Demand to the Respondent.

Brief Description of Dispute:

Claimants Shane Terry and Jennifer Mulligan Goldstein (“Claimants”) demand arbitration pursuant to the agreement to arbitrate set forth in Section 11.3 of the Operating Agreement of NuVeda, LLC (“NuVeda”). A true and correct copy of the Operating Agreement is attached hereto as Exhibit 1. Claimants make such demand on their own behalf as well as on behalf of NuVeda.

Respondents Pejman Bady and Pouya Mohajer (“Respondents”) were members of NuVeda along with Claimants until Respondents’ interests in NuVeda were duly terminated on November 20, 2015 as a result of their gross misfeasance and wrongful conduct in total disregard of the NuVeda Operating Agreement and applicable laws and regulations. Respondents have been acting in a renegade fashion in total disregard of the Operating Agreement and their obligations as Managers of NuVeda. In so doing, Respondents breached the Operating Agreement, breached the implied covenant of good faith and fair dealing arising from the Operating Agreement, conspired against Claimants, tortuously and/or negligently interfered with Claimants’ and NuVeda’s prospective and existing contractual relations, breached their fiduciary duties, intentionally and/or negligently committed fraud, intentionally and/or negligently concealed material facts from Claimants to Claimants’ detriment, committed unfair business practices, usurped and misappropriated NuVeda assets and opportunities, were unjustly enriched, and constructively defrauded Claimants. Discovery may reveal additional claims are appropriate. An accounting and discovery will therefore be necessary to fully resolve the parties’ disputes.

Factual allegations:

1. NuVeda was formed for any and all lawful purposes, including the specific purposes of lawfully cultivating, processing and/or dispensing medical marijuana in the State of Nevada.

2. At all times material, Claimants have been Voting Members and Managers (as defined in the Operating Agreement) of NuVeda. In addition, Terry has been the CEO of NuVeda and Goldstein has been General Counsel.

3. NuVeda obtained valuable medical marijuana establishment registration

certificates to dispense medical marijuana in the cities of North Las Vegas and Las Vegas and cultivate and process medical marijuana in the city of North Las Vegas and the city of Pahrump. The dispensaries are to be located in the downtown areas of Las Vegas and North Las Vegas.

4. As NuVeda holds licenses that permit them to engage in all aspects of the medical marijuana business, not just one aspect, there is interest from multiple possible investors in acquiring an interest in NuVeda. Inclusive, at least one other certificate holder has indicated interest in acquiring ownership in NuVeda, and by extension, NuVeda's valuable medical marijuana certificates. Claimants do not want to sell interest in NuVeda to the other certificate holders on the terms that have been proposed.

5. The medical marijuana business is highly regulated. It is important to Terry, a former Commander in the United States Air Force, and Goldstein, an attorney, that NuVeda comply with all applicable laws and responsibly conduct the NuVeda business with appropriate transparency and professionalism. If NuVeda does not operate a clean business, its valuable licenses are jeopardized.

6. On November 20, 2015, Claimants voted to terminate Respondents' interest in NuVeda as a result of their below-described wrongful conduct in violation of the Operating Agreement that is otherwise inconsistent with these notions of professionalism and transparency. Outside counsel for NuVeda hired by Bady supervised the vote to terminate Respondents' interest and determined that it complied with all Operating Agreement requirements.

7. The Operating Agreement requires that the Voting Members, inclusive of Claimants, act collectively on substantive matters and pursuant to the vote of the majority. (Exh. 1, Sects. 2.4 and 4.2). The Operating Agreement further requires that there be a unanimous vote of the Voting Members, inclusive of Claimants, as a condition of the transfer or sale of any membership interest in NuVeda to a third party. (Exh. 1, Sect. 6.3).

8. Bady, in concert with Mohajer, has engaged in negotiations for the sale of interest in NuVeda to other medical marijuana licensees and third party investors, without timely or proper disclosure of these actions to Claimants. It has been discovered that Bady has represented to at

least one other licensee that there are no hurdles to obtaining all requisite authority to selling interest in NuVeda, despite that Claimants have not provided consent to a sale or transfer of NuVeda membership interest. Claimants are informed that a sale is imminent, and therefore intend to seek emergency relief in the district court pending resolution of the parties' disputes in this arbitral proceeding.

9. Subsequent to the termination of their membership interests in NuVeda on November 20, 2015, Bady, in concert with Mohajer, filed an amended list of NuVeda's managers with the Nevada Secretary of State, keeping themselves listed and removing Claimants from the list. This act is for the obvious purpose of corroborating Claimants' misrepresentations to third parties that they have authority to act and bind NuVeda without Claimants' involvement and vote.

10. After the termination of Respondents' membership interests, on November 23, 2015, Respondents purportedly held a meeting in which they claim to have terminated Claimants as officers of NuVeda. The very next day, on November 24, 2015, Respondents purportedly terminated Claimants' membership interest, without any cited cause other than Respondents' dispute of the earlier termination of Respondents' interests. Upon information and belief, Respondents have represented to interested parties that Claimants are no longer members of NuVeda.

11. Repondents have misrepresented to Claimants the source of the funds contributed to NuVeda. Respondents apparently accepted funds from Majid Golpa in exchange for a promise to provide 5.5% interest in NuVeda, despite that Respondents had no right to make that promise without the unanimous approval of the Voting Members. Also, Bady made a deal with Mohsen Bahri to provide Mohsen Bahri with a 4% interest in NuVeda, contrary to Claimants' understanding of the financing. These deals were undisclosed or misrepresented to Claimants. Moreover, given the highly regulated nature of medical marijuana establishments, the promised exchanges are prohibited and therefore void *ab initio*. In addition to the requirements under the Operating Agreement for unanimous consent of the Voting Members, there are regulatory requirements to be met before any new ownership in NuVeda can be granted to a third party (i.e.,

disclosure, fingerprinting, etc.).

12. Following discovery of the true nature of Respondents' wrongful side deals with third parties, a dispute arose between Claimants on one hand and Respondents on the other hand regarding Respondents' clandestine and wrongful side deals, pursuant to which Respondents attempted to allocate ownership interests to their friends and the true source of Bady's capital contribution, Golpa and Bahri. Respondents were not authorized to pledge to Golpa or Bahri a 5.5% or 4% interest in NuVeda, yet Bady still demanded that Members, including Claimants, agree to ratify these apparent promises to provide such interests to Golpa and Bahri.

13. On or about November 1, 2015, a monthly payment was due to Bahri on a \$500,000 note. Bady, a long time personal friend of Bahri, instructed Claimants to not pay the monthly payment and stated that he "would take care of it." On November 11, 2015, Bahri sent demand for the November 1, 2015 payment. Bady then admitted that he did not make the monthly payment but that Bady and Bahri had agreed to extend the monthly payment to November 15, 2015. Bady's non-payment of the loan and subsequent negotiations were done without Claimants' knowledge. Upon information and belief, Bady and Bahri are now acting in concert to allege in threatened frivolous and factually unfounded lawsuits that Goldstein and Terry, not NuVeda or Respondents, are individually liable for the \$500,000 note.

14. When NuVeda's tax advisor was preparing the K-1s, Bady asked Terry to allocate his losses to him to offset Bady's income, but Terry refused. Terry explained to Bady that loss-shifting on tax returns was wrongful. Despite the clear directive in the Operating Agreement mandating that losses "shall be allocated among the Members in proportion to their Percentage Ownership Interests," and the previous objection by Terry, Respondents nonetheless agreed to allocate Mohajer's losses to Bady without disclosure to Plaintiffs. Upon information and belief, amended K-1s were issued to the Members of NuVeda to reflect loss-shifting to Bady in violation of the terms of the Operating Agreement. (Exh. 1, Sect. 5.1).

15. When Claimants made demands for the original K-1s and other financial documents for NuVeda, they were denied the records in violation of their right to review the business records

of NuVeda pursuant to Section 7.2 of the Operating Agreement.

16. Bady has conducted in self-dealing without disclosing his conflicts to the other Members. For instance, it was discovered after the fact that Bady had an undisclosed 50% interest in 2 Prime, LLC, Gulpa's entity who entered into a financing agreement with NuVeda with favorable terms to 2 Prime, LLC.

17. Bady and Joseph Kennedy, another NuVeda Member (albeit not vested), together formed a company, 2113 Investors, LLC, for the sole purpose of purchasing a property that was in escrow and under contract with NuVeda's solely owned subsidiary as the buyer. According to 2113 Investors, LLC's Operating Agreement, Bady held a 79.8% interest in 2113 Investors, LLC and was its managing member. Claimants are informed that Bady later amended 2113 Investors, LLC's corporate documents to conceal his involvement.

18. NuVeda had successfully bid on a property being auctioned by the North Las Vegas Redevelopment Agency for a dispensary property. Immediately prior to escrow closing, 2113 Investors, LLC, without notice or consent from Claimants, purchased the property in its own name. Mohajer, although not a member of 2113 Investors, LLC, knew of the scheme and, again without the knowledge or consent of Claimants, executed the paperwork wrongfully transferring the escrow documents from NuVeda to 2113 Investors, LLC.

19. Bady then negotiated a lease on behalf of NuVeda with 2113 Investors, LLC without disclosing his 79.8% ownership interest in 2113 Investors, LLC. Bady's negotiation of a lease with a pecuniary benefit on the other side of the transaction was wrongful, particularly when such interest was undisclosed.

20. NuVeda also executed a lease with Ralph McKnight for a cultivation facility in Pahrump, Nevada. Bady had a testamentary interest in the property leased by McKnight. After executing the lease, Bady unilaterally, without the knowledge or consent of Plaintiffs, reopened negotiations, using Bady's personal attorney rather than Goldstein, the General Counsel. The second lease only further benefitted McKnight, and ultimately Bady who would inherit the property in the future.

21. Respondents have further disregarded votes of the Voting Members in neglect of notions of good corporate governance.

22. Potential investors have declined to invest in NuVeda as a result of Respondents' above-described self-dealing and failure to disclose essential facts to transactions.

Damages:

23. Delay in obtaining further investment dollars, delay in opening operations of NuVeda, delay in earning revenue, and other damaging consequences of Respondents' conduct must be redressed. Damages will not be easily quantifiable, but are reasonably believed to exceed \$1 million.

24. Attorneys' fees and costs are compensable under the Operating Agreement.

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DISTRICT COURT

CLARK COUNTY, NEVADA

SHANE M. TERRY, a Nevada resident;

Claimant,

vs.

NUVEDA, LLC, a Nevada limited liability
company PEJMAN Bady; POUYA
MOHAJER; DOE Individuals I-X and ROE
Entities I-X, inclusive;

Respondents.

District Court Case No.: A-15-728510-B
Supreme Court No.: 69648

AAA Case No.: 01-15-0005-8574

AMENDED DEMAND FOR ARBITRATION

Brief Description of Dispute:

Claimant Shane Terry ("Claimant") hereby **amends** his demand for arbitration. This amendment has no effect on further claimant Jennifer Mulligan Goldstein. This amendment is necessary to address the termination of Mr. Terry from management as well as membership of NuVeda subsequent to the original arbitration demand.

Claimant hereby demands arbitration pursuant to the agreement to arbitrate set forth in Section 11.3 of the Operating Agreement of NuVeda, LLC ("NuVeda"). A true and correct copy of the Operating Agreement is attached hereto as Exhibit 1.

Respondents are NuVeda, Pejman Bady ("Bady") and Pouya Mohajer ("Mohajer," together with NuVeda and Bady, the "Respondents"). NuVeda is, and has been at all relevant

1 times, a Nevada limited liability company with valuable medical marijuana establishment
2 licenses in the State of Nevada that permit the cultivating, processing and dispensing of medical
3 marijuana.

4 Bady and Mohajer were members of NuVeda along with Claimant until Claimant's
5 interests in NuVeda were wrongfully terminated. Respondents are an immoral majority who
6 engaged in self-dealing at NuVeda, and then negotiated and entered into a conditional sale of
7 NuVeda's assets to third party CW Nevada, LLC, without any notice to Claimant, who was then
8 the designated representative of NuVeda with the State of Nevada, Nye County, North Las
9 Vegas and Las Vegas, as well as CEO and Manager with voting rights at NuVeda.

10 Claimant's position and interest in NuVeda was wrongfully terminated in March 2016, despite
11 that Claimant has ONLY acted in the Company's best interests. NuVeda benefits from such
12 termination, and Claimant is entitled to the fair market value of his interest as of the date of such
13 wrongful termination.

14 Upon the wrongful termination of Claimant, as well as prior to Claimant's wrongful
15 termination from NuVeda, Bady and Mohajer breached the Operating Agreement for NuVeda.
16 Bady and Mohajer breached the express terms of the Operating Agreement as well as the implied
17 covenant of good faith and fair dealing arising from the Operating Agreement.

18 As managers of NuVeda at all relevant times, Bady and Mohajer owed Claimant a
19 fiduciary duty. The fiduciary duty of the managers of NuVeda continues subsequent to
20 Claimant's wrongful termination as Claimant retains at least an economic interest in NuVeda and
21 its assets.

22 Prior to termination, Claimant had worked to obtain investment in NuVeda by a third
23 party, and the proposed investment included superior terms than the transaction entered into by
24 NuVeda under Bady and Mohajer's leadership. Upon information and belief, the CW Nevada,
25 LLC transaction benefitted Bady and/or Mohajer personally and that personal benefit was why
26 Mohajer and Bady surreptitiously dealt with CW Nevada, LLC, as opposed to any determination
27 that the CW Nevada, LLC transaction benefitted NuVeda and the other members more than any
28 other proposal. Respondents are liable to Claimant for the lost value in his membership interest

1 as a result of Respondents' gross misfeasance in conjunction with entering the CW Nevada, LLC
2 conditional sale of NuVeda's assets.

3 Mohajer and Bady intentionally and/or negligently misrepresented the true facts
4 regarding their activities affecting NuVeda, including without limitation failing to disclose to
5 Claimant that Bady was transferring losses to Mohajer in violation of the Operating Agreement,
6 failing to disclose to Claimant that Bady had an ownership interest in entities benefitting from
7 transactions with NuVeda to its detriment, and, by extension, to the detriment of Claimant,
8 NuVeda's then-member, as well as Respondents' omission of material facts from
9 communications with Claimant regarding efforts to sell off of NuVeda's most valuable assets at
10 a lower value than at least one other option because the sale benefitted Mohajer and/or Bady.
11 Claimant is entitled to the diminution of value in Claimant's interest in NuVeda as a result of
12 Respondents' fraudulent actions.

13 Discovery may reveal additional claims are appropriate. An accounting and discovery
14 will therefore be necessary to fully resolve the parties' disputes.

15 Attorneys' fees and costs are compensable under the Operating Agreement.

16 Dated this 3rd day of June, 2016.

17 GARMAN TURNER GORDON LLP

18
19 /s/ Erika Pike Turner

20 ERIKA PIKE TURNER

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25 Attorneys for Plaintiff Shane Terry

Exhibit 1

NuVeda, LLC

Operating Agreement

July 9, 2014

Operating Agreement For NuVeda, LLC

A Nevada Limited Liability Company

This Operating Agreement (the "Agreement") is made effective as of July 9, 2014 (the "Effective Date"), by and among and those persons identified in Exhibit A (collectively, the "Members").

In consideration of the mutual covenants and conditions herein, the Members agree as follows:

ARTICLE I

ORGANIZATION

1.1 Formation and Qualification. The Members have formed NuVeda, LLC ("NUVEDA"), a limited liability company (the "Company") under the Nevada Limited Liability Company Act (currently Chapter 86 of the Nevada Restated Statutes) (the "Act") by filing Articles of Organization with the Nevada Secretary of State.

1.2 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Nevada, including the Nevada Limited Liability Company Act, (the "Act") as amended from time to time, without regard to Nevada's conflicts of laws principles. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that any provision of this Agreement is inconsistent with any provision of the Act, this Agreement shall govern to the extent permitted by the Act.

1.3 Name. The name of the Company shall be "NUVEDA, LLC." The business of the Company may be conducted under that name or, on compliance with applicable laws, any other name that the Voting Members deem appropriate or advisable. The Voting Members on behalf of the Company shall file any certificates, articles, fictitious business name statements and the like, and any amendments and supplements thereto, as the voting Members consider appropriate or advisable.

1.4 Term. The term of the Company commenced on the filing of the Articles of Organization and shall be perpetual unless dissolved as provided in this Agreement.

1.5 Office and Agent. The principal office of the Company shall be at such place or places of business within or without the State of Nevada as the Voting Members may determine. The Company shall continuously maintain a registered agent in the State of Nevada as required by the Act. The registered agent shall be as stated in the Certificate or as otherwise determined by the Voting Members.

1.6 Purpose of Company. The purpose of the Company is to engage in all lawful activities, including, but not limited to the following activities:

The research, design, creation, management, licensing, advising and consulting regarding the legal medical marijuana industry, as such matters shall be lawfully allowed under applicable state laws. Such purpose shall be broadly read to include providing management or other professional services to any individual, group or entity that is lawfully licensed, or seeking to become lawfully licensed, under any state statutory scheme providing for the legal cultivation, processing or dispensing of medical marijuana.

ARTICLE II

MEMBERSHIP INTERESTS, VOTING AND MANAGEMENT

Section 2.1 Initial Members. The initial Members of the Company are the Members who are identified in Exhibit A.

Section 2.2 Classification of Membership Interests. The Company shall issue Class A Voting Capital ("Voting Capital"), to the Voting Members (the "Voting Members"). The Voting Members shall have the right to vote upon all matters upon which Members have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interest ("Percentage Voting Interest") in the Company. The Percentage Voting Interest of a Voting Member shall be the percentage that is derived when the Member's Voting Capital account is divided by the total of all of the Voting Capital accounts. The Company may decide to issue Class B Nonvoting Capital (the "Nonvoting Capital") to Members who have no voting rights, but have an Ownership Interest, as defined below.

Section 2.3 Ownership Interests. A Member's Ownership Interest ("Ownership Interest") shall be the equity holding a Member has in the Company, which shall determine the Member's rights to profits and other payouts and, where applicable, debts and obligations to or on behalf of the Company. The "Percentage Ownership Interest" of a Voting Member shall be the percentage that is derived when the Member's Ownership Interest is divided by the total of all of the Ownership Interests of all Members. The Members shall have the initial Ownership and Voting Interests in the Company that are identified in Exhibit A, immediately following the making of the capital contributions set forth therein if any.

Section 2.4 Management by Voting Members. The Voting Members shall manage the Company and shall have the right to vote, in their capacity as Managers, upon all matters upon which Managers have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interests in the Company. Voting Members need not identify whether they are acting in their capacity as Members or Managers when they act.

The Nonvoting Members shall have no right to vote or otherwise participate in the management of the Company. No Nonvoting Member shall, without the prior written consent of all of the Voting Members, take any action on behalf of, or in the name of, the Company, or enter into any contract, agreement, commitment or obligation binding upon the Company, or perform any act in any way relating to the Company or the Company's assets.

Section 2.5 Voting. Except as otherwise provided or permitted by this Agreement, Voting Members shall in all cases, in their capacity as Members or Managers of the Company, act collectively, and, unless otherwise specified or permitted by this Agreement, upon the majority vote of the Voting Members which members establish a quorum as defined in section 4.6 of this Agreement. Except as otherwise provided or permitted by this Agreement, no Voting Member acting individually, in his capacity as a Member or Manager of the Company, shall have any power or authority to sign for, bind or act on behalf of the Company in any way, to pledge the Company's credit, or to render the Company liable for any purpose.

Unless the context requires otherwise, in this Agreement, the terms "Member" or "Members," without the qualifiers "Voting" or "Nonvoting," refer to the Voting and Nonvoting Members collectively; and the terms "Manager" or "Managers" refers to the Voting Members.

Section 2.6 Liability of Members. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities

of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

Section 2.7 New Members. The Voting Members may issue additional Voting Capital, or reallocate the Ownership Interests among the Members, and thereby admit a new Member or Members, as the case may be, to the Company, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his or her required capital contribution, if any; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto; and (iv) delivers such additional documentation as the Voting Members shall reasonably require to so admit such new Member to the Company.

Upon the admission of a new Member or Members, as the case may be, to the Company, the capital accounts of Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately.

Section 2.8 Vesting Schedule. The Voting and Ownership Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Voting and Ownership Interests as set forth in Exhibit A. The Voting and Ownership Interests of Penders and Winmill are stated as a total possible, and are each subject to vesting upon the successful conclusion of each full calendar from the date hereof year as follows: Penders and Winmill shall each immediately vest in one-quarter of a percent (.25%) upon execution of this Operating Agreement. Subject to Penders and Winmill's continued provision of services in a manner satisfactory to the reasonable professional standards of a majority of the Voting Members, each shall vest in Voting and Ownership Interests at the rate of point one eight seven five of a percent (.1875%) at the conclusion of the first full calendar year, and an additional point four three seven five of a percent (.4375%) per annum for the following three (3) years. Such vesting shall be subject to the terms of the Vesting and Acceleration Agreement. Prior to them becoming vested, all Winmill and Penders unvested Voting and Ownership Interests percentages shall be allocated evenly between Pouya Mohajer and Shane Terry, assuming their continued Membership with the Company, otherwise allocated among all Voting Members in proportion to each Member's Voting and Ownership Interest percentage, to ensure a total of 100% of the Voting and Ownership Interests are allocated at all times ("Allocated Unvested Shares"). As Penders and Winmill vest in the Allocated Unvested Shares, they shall immediately and automatically be reallocated to Penders and Winmill.

With regard to any Ownership Interests granted by the Company after the execution of this Operating Agreement, such Ownership Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted from the Ownership Interest of Pej Bady until such time Bady's Ownership Interest has been reduced to thirty-eight percent (38%). In the event any further or more Ownership Interests are granted by the Company, such Ownership Interests shall be sourced by taking a proportional share of the dilutable Ownership Interests of the Members. All Members whose Ownership Interests are dilutable shall have their Ownership Interest percentages reduced in proportion to their Ownership Interests relative to all other dilutable Members' Ownership Interests. Ownership Interests designated as nondilutable will not decrease.

With regard to any Voting Interests granted by the Company after the execution of this Operating Agreement, such Voting Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Voting Interests of Pouya Mohajer and Shane

Terry until such time Mohajer and Terry's respective Ownership Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Ownership Interests relative to all other dilutable Members' Voting Interests. Voting Interests designated as nondilutable will not decrease.

Section 2.9 Anti-Dilution. Certain of the Members' Ownership Interests will be denoted as being non-dilutable. In the event the Company issues additional Ownership Interests, or reallocates Ownership Interests among the Members (either, a "Dilutive Transaction"), the Non-dilutable Ownership Interests shall remain constant as a percentage of the total outstanding Ownership Interests before and after the Dilutive Transaction.

ARTICLE III CAPITAL ACCOUNTS

3.1 Capital Accounts. A separate capital account shall be maintained for each Member's ownership interest in Class A Voting Capital (the "Voting Capital Account") and Class B Nonvoting Capital (the "Nonvoting Capital Account").

The capital account of each Member shall be increased by (i) the amount of any cash and the fair market value of any property contributed to the Company by such Member (net of any liability secured by such contributed property that the Company is considered to assume or take subject to), (ii) the amount of income or profits allocated to such Member.

The capital account or accounts of each Member shall be reduced by (i) the amount of any cash and the fair market value of any property distributed to the Member by the Company (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to on account of his ownership interest), (ii) the amount of expenses or loss allocated to the Member. If any property other than cash is distributed to a Member, the Capital Accounts of the Members shall be adjusted as if the property had instead been sold by the Company for a price equal to its fair market value and the proceeds distributed.

Guaranteed Payments ("Guaranteed Payments") for salary, wages, fees, payments on loans, approved invoices, rents, etc., may be made to the Members. Guaranteed Payments shall not be deemed to be distributions to the Members on account of their Ownership Interests, and shall not be charged to the Members' capital accounts.

No Member shall be obligated to restore any negative balance in his Capital Account. No Member shall be compensated for any positive balance in his Capital Account except as otherwise expressly provided herein. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2) and shall be interpreted and applied in a manner consistent with such Regulations. The Members agree that the initial Capital Accounts of the Members on the date hereof are as set forth in Exhibit A, or shall be made as such within 30 days of the Effective Date.

3.2 Additional Contributions. If, at any time or times hereafter, the Voting Members

shall determine that additional capital is required by the Company, the Voting Members shall determine the amount of such additional capital and the anticipated time such additional capital will be required and whether such additional capital shall be provided by the Members by way of additional Capital Contributions or by way of loans from Members. No Member shall be obligated, at any time, to guarantee or otherwise assume or become liable for any obligations of the Company or to make any additional Capital Contributions advances or loans to the Company, unless such obligations are specifically accepted and agreed to by such Member.

The capital accounts of the Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately to reflect any transfer of an interest in the Company, distributions, or additional capital contributions.

3.3 Withdrawal and Return of Capital. No Member may withdraw any portion of the capital of the Company, and no Member shall be entitled to the return of any contribution to the capital except upon majority vote of the Voting Members. The return of Capital Contributions shall have priority over any distributions to the members and shall be made within the sole discretion of a majority of the Voting Members.

3.4 Interest on Capital Contributions. Interest on all Capital Contributions made by the Voting Members shall accrue at a rate of 8% from the date of the contribution until fully paid. This shall apply to all contributions made by the Voting Members regardless of the timing of the Capital Contribution. Specifically it is understood that significant sums have been paid or will be paid by the Voting Members in order to effectuate the goals and purposes of the Company. All said contributions shall be repaid in full with interest, as provided for herein, in accordance with the provisions of Section 3.3.

ARTICLE IV MANNER OF ACTING

4.1 Officers and Agents of the Company. The Voting Members may authorize any Member or Members of the Company, or other individuals or entities, whether or not a Member, to take action on behalf of the Company, as the Voting Members deem appropriate. Any Member may lend money to and receive loans from the Company, act as an employee, independent contractor, lessee, lessor, or surety of the company, and transact any business with the Company that could be carried out by someone who is not a Member; and the Company may receive from or pay to any Member remuneration, in the form of wages, salary, fees, rent, interest, or any form that the Voting Members deem appropriate.

The Voting Members may appoint officers of the Company who, to the extent provided by the Voting Members, may have and may exercise all the powers and authority of the Members or Managers in the conduct of the business and affairs of the Company. The officers of the Company may consist of a President, a Treasurer, a Secretary, or other officers or agents as may be elected or appointed by the Voting Members. The Voting Members may provide rules for the appointment, removal, supervision and compensation of such officers, the scope of their authority, and any other matters relevant to the positions. The officers shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Voting Members.

Any action taken by a duly authorized officer, pursuant to authority granted by the Voting Members in accordance with this Agreement, shall constitute the act of and serve to bind the

Company, and each Member hereby agrees neither to dispute such action nor the obligation of the Company created thereby.

4.2 Authority to Bind the Company. Notwithstanding the foregoing, no Member without a majority vote consisting of 60% of the Voting Members' interest in the Company, shall have the authority to engage in the following transactions:

- (a) Borrowing money in the Company's name;
- (b) Transferring, settling or releasing any claim of the Company, except upon payment in full;
- (c) Mortgaging any of the Company's property, or pledging any property of the Company as security for any loan;
- (d) Selling or leasing any of the Company's property other than in the ordinary course of business;
- (e) Knowingly causing anything to be done whereby any of the Company's property may be subjected to seizure, attachment or forfeiture or the Company's ownership or possession of any such property may be put at risk;
- (f) The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in multiple transactions over a six month period, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution;
- (g) The merger of the Company with another partnership, corporation, limited liability company or other entity; and
- (h) Agreeing to or executing any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount greater than One Thousand Dollars (\$1,000.00). Notwithstanding the foregoing, the Chief Executive Officer can agree to or execute any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount more than Ten Thousand Dollars (\$10,000.00).

4.3 Meetings of Voting Members. No regular, annual, special or other meetings of Voting Members are required to be held. Any action that may be taken at a meeting of Voting Members may be taken without a meeting by written consent in accordance with the Act. Meetings of the Voting Members, for any purpose or purposes, may be called at any time by a majority of the Voting Members, or by the President of the Company, if any. The Voting Members may designate any place as the place of meeting for any meeting of the Voting Members. If no designation is made, the place of meeting shall be the principal place of business of the Company.

4.4 Notice of Meetings. In the event that a meeting of the Voting Members is called,

written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five nor more than sixty business days before the date of the meeting unless otherwise provided, either personally or by mail, by or at the direction of the Members calling the meeting, to each Voting Member. Notice of a meeting need not be given to any Voting Member who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Voting Member.

4.5 Record Date. For the purpose of determining Voting Members entitled to notice of or to vote at any meeting of Voting Members or any adjournment thereof, the date on which notice of the meeting is provided shall be the record date for such determination of the Voting Members. When a determination of Voting Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

4.6 Quorum. Members holding at least 66% of the Voting Capital in the Company represented in person, by telephonic participation, or by proxy, shall constitute a quorum at any meeting of Voting Members. In the absence of a quorum at any such meeting, a majority of the Voting Members so represented may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. However, if the adjournment is for more than sixty days, or if after the adjournment a new record date is fixed for another meeting, a notice of the adjourned meeting shall be given to each Voting Member. The Voting Members present at a duly organized meeting may continue to transact business only as previously provided on the agenda until adjournment, notwithstanding the withdrawal during such meeting of that number of Voting Members whose absence would cause less than a quorum.

4.7 Voting. If a quorum is present, a majority vote of the Voting Members so represented shall be the act of the Members or Managers, unless the vote of a lesser or greater proportion or number is otherwise required by the Act, by the Certificate or by this Agreement.

ARTICLE V

ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations of Profits and Losses. Subject to applicable law and any limitations elsewhere in this Agreement, Profits and Losses, after deducting Guaranteed Payments, shall be allocated among the Members in proportion to their Percentage Ownership Interests. Any special allocations necessary to comply with the requirements set forth in Internal Revenue Code Section 704 and the corresponding Regulations, including, without limitation, the qualified income offset and minimum gain chargeback provisions contained therein, shall be made if the Voting Members deem these actions to be appropriate.

5.2 Distributions. Subject to applicable law and any limitations elsewhere in this Agreement below, the Voting Members shall determine the amount and timing of all distributions of cash, or other assets, by the Company. Except as otherwise provided in this Agreement, all distributions shall be made as follows:

Distributions:

- Eighty percent (80%) of each distribution will be allocated among all of the Members, as follows (the "Distribution Interests"):

Pejman Bady	38%
Pouya Mohajer	25.25%
Shane Terry	25.25%
Jennifer Goldstein	7%
Joseph Kennedy	1*%
John Penders	1.75%
Ryan Winmill	1.75%

and

- Twenty percent (20%) of each distribution shall be allocated to satisfy any contractual obligations owed by the Company to consultants, vendors, advisors or others with whom the Company has an appropriate written agreement providing for such distributions (“Distributions Partners”); in the event less than 20% of the Distribution has been allocated to Distributions Partners, the unallocated percentage shall be allocated to the Members in proportion to their Percentage Distribution Interests.

Except as otherwise provided in this Agreement, the decision as to whether to make distributions shall be within the sole discretion of the Voting Members.

With regard to any Distribution Interests granted by the Company after the execution of this Operating Agreement, such Distribution Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Distribution Interests of Pouya Mohajer and Shane Terry until such time Mohajer and Terry’s respective Distribution Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Distribution Interests relative to all other dilutable Members’ Voting Interests. Distribution Interests designated as nondilutable will not decrease.

All such distributions shall be made only to the Members who, according to the books and records of the Company, are the holders of record on the actual date of distribution. The Voting Members may base a determination that a distribution of cash may be made on a balance sheet, profit and loss statement, cash flow statement of the Company or other relevant information. Neither the Company nor the Members shall incur any liability for making distributions.

Vesting Schedule. The Distribution Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Distribution Interests as set forth in Exhibit A.

5.3 Form of Distribution. No Member has the right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to

accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members except on the dissolution and winding up of the Company.

5.4 Non-Compete Agreement. The Members agree that they will not at any time within one (1) year from the earlier of (1) the termination of the Member's Voting Interests for any reason or (2) the termination of this Agreement: directly or indirectly engage in or prepare to engage in, or to have any ownership interest in any business, venture or entity that engages in, or is preparing to engage in, business or activities that directly compete with the services provided by the Company, unless the Member is already engaged in such business or venture at the time this Agreement is entered into, unless such matter is agreed upon in writing by a majority of the disinterested Voting Members. Subject to the foregoing, the departing Member shall only be precluded from competing in any county in which any of the following have occurred: (1) the Company has an in process or pending application; (2) the Company has received licenses to operate any medical marijuana facility; and (3) the Company sells or delivers marijuana and marijuana products (each, a "Competing County"). For purposes of this provision, any county in which the Company's only sale or delivery was related exclusively to Auntie Dolores products shall not be deemed a Competing County unless another provision hereof applies. The other Members may override this provision is by an agreement in writing executed by a majority of the disinterested Voting Members.

ARTICLE VI

TRANSFER AND ASSIGNMENT OF INTERESTS

6.1 Resignation of Membership and Return of Capital. For a period of two (2) years after the Articles of Organization for the Company are filed ("the filing"), no Member may voluntarily resign his membership in the Company, and no Member shall be entitled to any return of capital from the company, except upon the written consent of all of the other Voting Members. During the third year after the filing, a Member may voluntarily resign his membership, but such Member shall be entitled to receive from the Company only the book value of his Ownership Interest, adjusted for profits and losses to the date of resignation, unless otherwise agreed by written consent of all of the other Voting Members. Subsequent to the third year after filing, a Member may voluntarily resign his membership and shall be entitled to receive from the Company the fair market value of his Ownership Interest, adjusted for profits and losses to the date of resignation. Fair market value may be determined informally by unanimous agreement of all of the Voting Members, including the resigning Member. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the resigning Member is entitled. The other Voting Members may elect, by written notice that is provided to the resigning Member within thirty (30) days after the resignation date, for the Company to purchase the resigning Member's Interest (whether the interest is being purchased at book value or fair market value) in four (4) equal annual installments, with the first installment

being due sixty (60) days after the Member's resignation.

6.2 Expulsion or Death of a Member. A Member's interest in the Company may be terminated or expelled only upon agreement of the Disinterested Voting Members by a vote of 60% or more of Disinterested Voting Interests. Expulsion may only be made by a majority vote of 60% or more of the Disinterested Voting Interests that the expelled member was not acting in the best interest of the Company or was otherwise acting in a manner that was contrary to the purpose of the Company. For purposes of this provision, the "Disinterested Voting Members" shall be those Members who's membership in the Company is not then being voted upon, and "Disinterested Voting Interests" shall be the total percentage of the Ownership Interests held by the Disinterested Voting Members. By means of example only, if the Members sought to expel Member A, who owned a 20% Voting Interest, the Disinterested Voting Members would be all Members other than Member A, and the vote would require 60% of the 80% Disinterested Voting Interests to carry. In order to terminate a Member's interest a meeting of the Voting Members must be held in accordance with the provisions of Section 4.3.

Upon the expulsion or death of a Member, the Member's successor-in-interest, estate or beneficiary or beneficiaries, as the case may be, shall be entitled to receive from the Company, in exchange for all of the former Member's Ownership Interest, the fair market value of that Member's Ownership Interest, adjusted for profits and losses to the date of the expulsion or death. Fair market value may be determined informally by a unanimous good-faith agreement of all of the Voting Members. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the former Member or the former Member's successor-in-interest, estate or beneficiary or beneficiaries is or are entitled. The Voting Members may elect, by written notice that is provided to the expelled or deceased Member's successor-in-interest, estate or beneficiary or beneficiaries, within thirty (30) days after the Member's expulsion or death, to purchase the former Member's Ownership Interest over a one-year (1 year) period, in four (4) equal installments, with the first installment being due sixty (60) days after the Member's expulsion or date of death. Unless otherwise agreed unanimously by the Voting Members, prior to the completion of such purchase, the former Member's successor-in-interest, estate or beneficiary or beneficiaries, shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled only to receive the share of profits and the return of capital to which the former Member would otherwise have been entitled. The Company, or the other Voting Members, in its or their discretion, may purchase insurance on the lives of any of the Members, with the company or the purchasing Member named as the beneficiary, as the purchaser may decide, and use all or any of the proceeds from such insurance as a source of proceeds from which the deceased Member's Membership Ownership Interest may be purchased by the Company.

6.3 Restrictions on Transfer. Except (i) as otherwise provided in this Article or (ii) upon the unanimous consent of all of the other Voting Members, no Member shall sell, hypothecate, pledge, assign or otherwise transfer, with or without consideration, any part or all of his Ownership Interest in the Company to any other person or entity (a "Transferee"), without first offering (the "Offer") that portion of his or her Ownership Interest in the Company subject to the contemplated transfer (the "Offered Interest") first to the Company, and secondly, to the other Voting Members, at the purchase price (hereinafter referred to as the "Transfer Purchase Price") and in the manner as prescribed in the Offer.

The Offering Member shall make the Offer first to the Company by written notice (hereinafter referred to as the "Offering Notice"). Within twenty (20) days (the "Company Offer Period") after receipt by the Company of the Offering Notice, the Company shall notify the Offering Member in writing (the "Company Notice"), whether or not the Company shall accept the Offer and shall purchase all but not less than all of the Offered Interest. If the Company accepts the Offer to purchase the Offered Interest, the Company Notice shall fix a closing date not more than twenty-five (25) days (the "Company Closing Date") after the expiration of the Company Offer Period.

In the event the Company decides not to accept the Offer, the Offering Member or the Company, at his or her or its election, shall, by written notice (the "Remaining Member Notice") given within that period (the "Member Offer Period") terminating ten (10) days after the expiration of the Company Offer Period, make the Offer of the Offered Interest to the other Voting Members, each of whom shall then have a period of twenty-five (25) days (the "Member Acceptance Period") after the expiration of the Member Offer Period within which to notify in writing the Offering Member whether or not he or she intends to purchase all but not less than all of the Offered Interest. If two (2) or more Voting Members of the Company desire to accept the Offer to purchase the Offered Interest, then, in the absence of an agreement between them, such Voting Members shall have the right to purchase the Offered Interest in proportion to their respective Percentage Voting Interests. If the other Voting Members intend to accept the Offer and to purchase the Offered Interest, the written notice required to be given by them shall fix a closing date not more than sixty (60) days after the expiration of the Member Acceptance Period (hereinafter referred to as the "Member Closing Date").

The aggregate dollar amount of the Transfer Purchase Price shall be payable in cash on the Company Closing Date or on the Member Closing Date, as the case may be, unless the Company or the purchasing Voting Members shall elect by written notice that is delivered to the Offering Member, prior to or on the Company Closing Date or the Member Closing Date, as the case may be, to purchase such Offered Interest in four (4) equal annual installments, with the first installment being due on the Closing Date.

If the Company or the other Voting Members fail to accept the Offer or, if the Offer is accepted by the Company or the other Voting Members and the Company or the other Voting Members fail to purchase all of the Offered Interest at the Transfer Purchase Price within the time and in the manner specified, then the Offering Member shall be free, for a period (hereinafter referred to as the "Free Transfer Period") of sixty (60) days from the occurrence of such failure, to transfer the Offered Interest to a Transferee; provided, however, that if all of the other Voting Members other than the Offering Member do not approve of the proposed transfer by unanimous written consent, the Transferee of the Offered Interest shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled to receive the share of profits and the return of capital to which the Offering Member would otherwise have been entitled. A Transferee shall be admitted as a Member of the Company, and as a result of which he or she shall become a substituted Member, with the rights that are consistent with the Membership Interest that was transferred, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his required capital contribution; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto.

If the Offering Member shall not transfer the Offered Interest within the Free Transfer Period, his or her right to transfer the Offered Interest free of the foregoing restrictions shall thereupon cease

and terminate.

6.4 Involuntary Transfer of a Membership Interest. A creditor's charging order or lien on a Member's Membership Interest, bankruptcy of a Member resulting in an encumbrance or transfer of the Member's Membership Interest, or other involuntary transfer of Member's Membership Interest, shall constitute a material breach of this Agreement by such Member. The creditor, transferee or other claimant, shall only have the rights of an Assignee, and shall have no right to become a Member, or to participate in the management of the business and affairs of the Company as a Member or Manager under any circumstances, and shall be entitled only to receive the share of profits and losses, and the return of capital, to which the Member would otherwise have been entitled. The Voting Members, including a Voting Member whose interest is the subject of the charging order, lien, bankruptcy, or involuntary transfer, may unanimously elect, by written notice that is provided to the creditor, transferee or other claimant, at any time, to purchase all or any part of Membership Interest that was the subject of the creditor's charging order, lien, bankruptcy, or other involuntary transfer, at a price that is equal to one-half (1/2) of the book value of such interest, adjusted for profits and losses to the date of purchase. The Members agree that such valuation is a good-faith attempt at fixing the value of the interest, after taking into account that the interest does not include all of the rights of a Member or Manager, and after deducting damages that are due to the material breach of this Agreement.

ARTICLE VII

ACCOUNTING, RECORDS AND REPORTING

7.1 Books and Records. The Company shall maintain complete and accurate accounts in proper books of all transactions of or on behalf of the Company and shall enter or cause to be entered therein a full and accurate account of all transactions on behalf of the Company. The Company's books and accounting records shall be kept in accordance with such accounting principles (which shall be consistently applied throughout each accounting period) as the Voting Members may determine to be convenient and advisable. The Company shall maintain at its principal office all of the following:

A current list of the full name and last known business or residence address of each Member in the Company set forth in alphabetical order, together with, for each Member, the Class A Voting Capital account and Class B Nonvoting Capital account, including entries to these accounts for contributions and distributions; the Ownership Interest, Percentage Ownership and Voting Interests; a copy of the Certificate and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Certificate or any amendments thereto have been executed; copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six most recent taxable years; a copy of this Agreement and any and all amendments hereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed; copies of the financial statements of the Company, if any, for the six most recent Fiscal Years; the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four Fiscal Years; true and full information regarding the status of the business and financial condition of the Company; and true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on

which each became a Member.

7.2 Inspection of Books and Records. Each Member has the right, on reasonable request for purposes reasonably related to the interest of the person as a Member or a Manager, to: (a) inspect and copy during normal business hours any of the Company's records described in Section 7.1; and (b) obtain from the Company promptly after their becoming available a copy of the Company's federal, state and local income tax or information returns for each Fiscal Year.

7.3 Accountings. As soon as is reasonably practicable after the close of each Fiscal Year, the Voting Members shall make or cause to be made a full and accurate accounting of the affairs of the Company as of the close of that Fiscal Year and shall prepare or cause to be prepared a balance sheet as of the end of such Fiscal Year, a profit and loss statement for that Fiscal Year and a statement of Members' equity showing the respective Capital Accounts of the Members as of the close of such Fiscal Year and the distributions, if any, to Members during such Fiscal Year, and any other statements and information necessary for a complete and fair presentation of the financial condition of the Company, all of which the Manager shall furnish to each Member. In addition, the Company shall furnish to each Member information regarding the Company necessary for such Member to complete such Member's federal and state income tax returns. The Company shall also furnish a copy of the Company's tax returns to any Member requesting the same. On such accounting being made, profits and losses during such Fiscal Year shall be ascertained and credited or debited, as the case may be, in the books of account of the Company to the respective Members as herein provided.

7.4 Filings. The Voting Members, at Company expense, shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The Voting Members, at Company expense, shall also cause to be prepared and timely filed with appropriate federal and state regulatory and administrative bodies amendments to, or restatements of, the Certificate and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations. If the Company is required by the Act to execute or file any document and fails, after demand, to do so within a reasonable period of time or refuses to do so, any Member may prepare, execute and file that document with the Nevada Secretary of State.

7.5 Bank Accounts. The Company shall maintain its funds in one or more separate bank accounts in the name of the Company, and shall not permit the funds of the Company to be commingled in any fashion with the funds of any other Person.

7.6 Tax Matters Partner. The Voting Members may, in their exclusive discretion, appoint, remove and replace a Tax Matters Partner at any time or times. The Voting Members shall from time to time cause the Company to make such tax elections as they deem to be in the interests of the Company and the Members generally. The Tax Matters Partner, as defined in Internal Revenue Code Section 6231, shall represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting judicial and administrative proceedings, and shall expend the Company funds for professional services and costs associated therewith.

ARTICLE VIII

DISSOLUTION AND WINDING UP

8.1 Dissolution. The Company shall be dissolved, its assets shall be disposed of, and its affairs wound up on the first to occur of: the entry of a decree of judicial dissolution pursuant to

the Act; the majority approval of the Voting Members; or any other event causing a dissolution of a Limited Liability Company under the laws of the State of Nevada.

8.2 Winding Up. On the occurrence of an event specified in Section 8.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Voting Members shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the assets and liabilities of Company, shall cause such assets to be sold or distributed, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.4. The Voting Members shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company. The Members shall be entitled to reasonable compensation for such services.

8.3 Distributions in Kind. All noncash contributions to the Capital Accounts shall be returned to the Member who made such contribution upon dissolution of the Company, to the extent such noncash assets exist and may be legally returned to the contributing Member. Any remaining noncash assets distributed to the Members shall first be valued at their fair market value to determine the profit or loss that would have resulted if such assets were sold for such value. Such profit or loss shall then be allocated pursuant to this Agreement, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged against the Capital Account of each Member receiving an interest in a distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The fair market value of such asset shall be determined by the Voting Members, or if any Voting Member objects, by an independent appraiser (and any such appraiser must be recognized as an expert in valuing the type of asset involved) selected by a Majority of the Voting Members.

8.4 Order of Payment of Liabilities on Dissolution. After a determination that all known debts and liabilities of the Company in the process of winding up, including, without limitation, debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in proportion to their Ownership Interests.

8.5 Adequacy of Payment. The payment of a debt or liability, whether the whereabouts of the creditor is known or unknown, shall have been adequately provided for if payment thereof shall have been assumed or guaranteed in good faith by one or more financially responsible Persons or by the United States government or any agency thereof, and the provision, including the financial responsibility of the Person, was determined in good faith and with reasonable care by the Members to be adequate at the time of any distribution of the assets pursuant to this Section. This Section shall not prescribe the exclusive means of making adequate provision for debts and liabilities.

8.6 Compliance with Regulations. All payments to the Members on the winding up and dissolution of Company shall be strictly in accordance with the positive capital account balance limitation and other requirements of Regulations Section 1.704-1(b)(2)(ii)(d), as the voting Members deem appropriate.

8.7 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of the Company for the return of such Member's positive Capital Account balance and shall have no recourse for such Member's Capital Contribution or share of profits (on dissolution or otherwise)

against any other Member.

8.8 Certificate of Cancellation. The Voting Members conducting the winding up of the affairs of the Company shall cause to be filed in the office of, and on a form prescribed by the Nevada Secretary of State, a certificate of cancellation of the Certificate on the completion of the winding up of the affairs of the Company.

ARTICLE IX

EXCULPATION AND INDEMNIFICATION, REPS AND WARRANTIES

9.1 Exculpation of Members. Subject to the limitations of section 9.3, no Member shall be liable to the Company or to the other Members for damages or otherwise with respect to any actions taken or not taken, as long as such act or omission was made in good faith and reasonably believed by such Member to be in or not opposed to the best interests of the Company, except to the extent any related loss results from fraud, gross negligence or willful or wanton misconduct on the part of such Member or the material breach of any obligation under this Agreement or of the fiduciary duties owed to the Company or the other Members by such Member.

9.2 Indemnification by Company. Subject to the limitations of section 9.3, below, the Company shall indemnify, hold harmless and defend the Members, in their capacity as Members, Managers, or Officers, from and against any loss, expense, damage or injury suffered or sustained by them by reason of any acts or omissions arising out of their activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, if the acts or omissions were not performed or omitted fraudulently or as a result of gross negligence or willful misconduct by the indemnified party. Reasonable expenses incurred by the indemnified party in connection with any such proceeding relating to the foregoing matters may be paid or reimbursed by the Company in advance of the final disposition of such proceeding upon receipt by the Company of (i) written affirmation by the Person requesting indemnification of its good-faith belief that it has met the standard of conduct necessary for indemnification by the Company and (ii) a written undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such Person has not met such standard of conduct, which undertaking shall be an unlimited general obligation of the indemnified party but need not be secured.

9.3 Intellectual Property Indemnification. Notwithstanding the foregoing, each Member will indemnify, defend and hold harmless the other Member and any of its Affiliates, customers, officers, directors, employees, agents, assigns, and successors for any loss, damage, expense, costs (including, but not limited to, fees for attorneys and other professionals) or liability arising out of or in connection with a claim for intellectual property infringement or misappropriation of any patent, copyright, trade secret or other intellectual property right of a third party.

The indemnity obligations under this section are conditioned upon the Party seeking indemnification (the "Indemnified Party") (a) giving the other Party (the "Indemnifying Party") prompt Notice of such claim; (b) cooperating with the Indemnifying Party, at the Indemnifying Party's expense in the defense of such claim; and (c) giving the Indemnifying Party the right to

control the defense and settlement of any such claim, except that the Indemnifying Party shall not enter into any settlement or consent to judgment that affects the Indemnified Party's rights or interests without the Indemnified Party's prior written approval.

9.4 Insurance. The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Member or an agent of the Company against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Member or an agent of the Company, whether or not the Company would have the power to indemnify such Person against such liability under Section 10.1 or under applicable law.

ARTICLE X

INTELLECTUAL PROPERTY

10.1 Definition of Intellectual Property. "Intellectual Property" means all intellectual property rights in the United States or any foreign jurisdiction throughout the world (whether registered or not) including, without limitation, all of the following: (i) all patents and utility models and applications therefore, and all reissues, divisions, re-examinations, renewals, extensions, provisional's, continuations and continuations-in-part thereof, and equivalent or similar rights in inventions and discoveries, including without limitation, invention disclosures; (ii) all trade secrets and other rights in Technology, data, know-how and confidential or proprietary information; (iii) mask works, mask work registrations and applications therefore, and all other rights corresponding thereto throughout the world; (iv) all copyrights, copyrights registrations and applications therefore and all other rights corresponding thereto; (v) all industrial designs and any registrations and applications therefore; (vi) all rights in all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefore; and (vii) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

10.2 Ownership of Intellectual Property. The Parties acknowledge that any and all Intellectual Property created, used or embodied in or in connection with the Project, including without limitation any modifications or improvements made by the Parties based upon ideas, suggestions or proposals communicated between the Parties, are and shall remain the sole and exclusive property of the originating Party, and the other Party shall not during or at any time after the term of this Agreement in any way question or dispute the ownership of any such exclusive ownership rights.

10.3 Definition of Marks. "Mark(s)" means the trademarks, service marks, trademark and service mark applications, trade dress, trade names, logos, insignia, symbols, designs or other marks identifying a Party or its products.

10.4 No Rights in Marks. Nothing in this Agreement should be construed to grant either Party any rights in the Marks of the other Party. The Parties acknowledge, however, that each Party may use the name of the other Party and the name of their Products in advertising and marketing the Products or the Parties, themselves. The Products will be affixed with appropriate copyright and trademark notices sufficient to give Notice as to the rights of the Parties in their respective products.

10.5 Confidentiality. If, during the term, a Party receives or has access to Confidential Information belonging to the other Party, the Parties will be bound to keep all such information confidential. Confidential Information may only be used for purposes related to this Agreement and the Party receiving the confidential information must keep it confidential using the same degree of care that it exercises with respect to its own information of like importance, but in no event less than reasonable care.

ARTICLE XI DISPUTE RESOLUTION

11.1 Disputes Among Members. The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to or in connection with this Agreement or the Company or its organization, formation, business or management ("Member Dispute"), the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

However, in the event that the Members are unable to resolve any Member Dispute, such parties shall first attempt to settle such dispute through a non-binding mediation proceeding. In the event any party to such mediation proceeding is not satisfied with the results thereof, then any unresolved disputes shall be finally settled in accordance with an arbitration proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

11.2 Mediation. Mediation proceedings shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") in effect on the date the notice of mediation was served, other than as specifically modified herein, and shall be non-binding on the parties thereto.

Any Member may commence a mediation proceeding by serving written notice thereof to the other Members, by mail or otherwise, designating the issue(s) to be mediated and the specific provisions of this Agreement under which such issue(s) and dispute arose. The initiating party shall simultaneously file two copies of the notice with the AAA, along with a copy of this Agreement. A Member may withdraw from the Member Dispute by signing an agreement to be bound by the results of the mediation, to the extent the mediation results are accepted by the other Members as provided herein. A Member who withdraws shall have no further right to participate in the Member Dispute.

The Members shall select one neutral third party AAA mediator (the "Mediator") with expertise in the area that is in dispute. If a Mediator has not been selected within five (5) business days thereafter, then a Mediator shall be selected by the AAA in accordance with the Commercial Mediation Rules of the AAA.

The Mediator shall schedule sessions, as necessary, for the presentation by all Members of their respective positions, which, at the option of the Mediator, may be heard by the Mediator jointly or in private, without any other members present. The mediation proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Mediator and all of the Members. The Members may submit to the Mediator, no later than ten (10) business days prior to the first scheduled session, a brief memorandum in support of their position.

The Mediator shall make written recommendations for settlement in respect of the dispute, including apportionment of the mediator's fee, within ten (10) business days of the last scheduled session. If any Member involved is not satisfied with the recommendation for settlement, he or she may commence an arbitration proceeding.

11.3 Arbitration. Arbitration proceedings shall be conducted under the Rules of Commercial Arbitration of the AAA (the "Rules"). A Member may withdraw from the Member

Dispute by signing an agreement to be bound by the results of the arbitration. A Member who withdraws shall have no further right to participate in the Member Dispute.

The arbitration panel shall consist of one arbitrator. The Members shall select one neutral third party AAA arbitrator (the "Arbitrator") with expertise in the area that is in dispute. If an Arbitrator has not been selected within five (5) business days thereafter, then an Arbitrator shall be selected by the AAA in accordance with the Commercial Arbitration Rules of the AAA. The arbitration proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Arbitrator and all of the Members. Any arbitrator who is selected shall disclose promptly to the AAA and to both parties any financial or personal interest the arbitrator may have in the result of the arbitration and/or any other prior or current relationship, or expected or discussed future relationship, with the Members or their representatives. The arbitrator shall promptly conduct proceedings to resolve the dispute in question pursuant to the then existing Rules. To the extent any provisions of the Rules conflict with any provision of this Section, the provisions of this Section shall control.

In any final award and/or order, the arbitrator shall apportion all the costs (other than attorney's fees which shall be borne by the party incurring such fees) incurred in conducting the arbitration in accordance with what the arbitrator deems just and equitable under the circumstances.

Discovery shall not be permitted in such arbitration except as allowed by the rules of arbitration, or as otherwise agreed to by all the parties of the Member Dispute. Notwithstanding, the Members agree to make available to one another and to the arbitrator, for inspection and photocopying, all documents, books and records, if determined by the arbitration panel to be relevant to the dispute, and by making available to one another and to the arbitration panel personnel directly or indirectly under their control, for testimony during hearings if determined by the arbitration panel to be relevant to the dispute. The Members agree, unless undue hardship exists, to conduct arbitration hearings to the greatest extent possible on consecutive business days and to strictly observe time periods established by the Rules or by the arbitrator for the submission of evidence and of briefs. Unless otherwise agreed to by the Members, a stenographic record of the arbitration proceedings shall be made and a transcript thereof shall be ordered for each Member, with each party paying an equal portion of the total cost of such recording and transcription.

The arbitrator shall have all powers of law and equity, which it can lawfully assume, necessary to resolve the issues in dispute including, without limiting the generality of the foregoing, making awards of compensatory damages, issuing both prohibitory and mandatory orders in the nature of injunctions and compelling the production of documents and witnesses for presentation at the arbitration hearings on the merits of the case. The arbitration panel shall neither have nor exercise any power to act as amicable compositeur or ex aequo et bono; or to award special, indirect, consequential or punitive damages. The decision of the arbitration panel shall be in written form and state the reasons upon which it is based. The statutory, case law and common law of the State of Nevada shall govern in interpreting their respective rights, obligations and liabilities arising out of or related to the transactions provided for or contemplated by this Agreement, including without limitation, the validity, construction and performance of all or any portion of this Agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded, but such governing law shall not include the law pertaining to conflicts or choice of laws of Nevada; provided however, that should the parties refer a dispute arising out of or in connection with an ancillary agreement or an agreement between some or all of the Members which specifically references this Article, then

the statutory, case law and common law of the State whose law governs such agreement (except the law pertaining to conflicts or choice of law) shall govern in interpreting the respective rights, obligations and liabilities of the parties arising out of or related to the transactions provided for or contemplated by such agreement, including, without limitation, the validity, construction and performance of all or any portion of such agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded.

Any action or proceeding subsequent to any Award rendered by the arbitrator in the Member Dispute, including, but not limited to, any action to confirm, vacate, modify, challenge or enforce the arbitrator's decision or award shall be filed in a court of competent jurisdiction in the same county where the arbitration of the Member Dispute was conducted, and Nevada law shall apply in any such subsequent action or proceeding.

ARTICLE XII MISCELLANEOUS

12.1 Notices. Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the address set forth in the Company's records.

12.2 Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held to be invalid or unenforceable, shall not be affected thereby.

12.3 Binding Effect. Subject to Article VII, this Agreement shall bind and inure to the benefit of the parties and their respective Successors.

12.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.5 Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior or contemporaneous written or oral negotiations, correspondence, understandings and agreements between or among the parties, regarding the subject matter hereof.

12.6 Further Assurances. Each Member shall provide such further information with respect to the Member as the Company may reasonably request, and shall execute such other and further certificates, instruments and other documents, as may be necessary and proper to implement, complete and perfect the transactions contemplated by this Agreement.

12.7 Headings; Gender; Number; References. The headings of the Sections hereof are solely for convenience of reference and are not part of this Agreement. As used herein, each gender includes each other gender, the singular includes the plural and vice versa, as the context

may require. All references to Sections and subsections are intended to refer to Sections and subsections of this Agreement, except as otherwise indicated.

12.8 Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective Successors nor shall anything in this Agreement relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over or against any party to this Agreement.

12.9 Amendments. All amendments to this Agreement shall be in writing and signed by all of the Members to the agreement at the time of the amendment.

12.10 Attorneys' Fees. In any dispute between or among the Company and one or more of the Members, including, but not limited to, any Member Dispute, the prevailing party or parties in such dispute shall be entitled to recover from the non-prevailing party or parties all reasonable fees, costs and expenses including, without limitation, attorneys' fees, costs and expenses, all of which shall be deemed to have accrued on the commencement of such action, proceeding or arbitration. Attorneys' fees shall include, without limitation, fees incurred in any post-award or post-judgment motions or proceedings, contempt proceedings, garnishment, levy, and debtor and third party examinations, discovery, and bankruptcy litigation, and prevailing party shall mean the party that is determined in the arbitration, action or proceeding to have prevailed or who prevails by dismissal, default or otherwise.

12.11 Remedies Cumulative. Subject to Article XI, remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Member may be lawfully entitled.

12.12 Jurisdiction and Venue/Equitable Remedies. The Company and each Member hereby expressly agrees that if, under any circumstances, any dispute or controversy arising out of or relating to or in any way connected with this Agreement shall, notwithstanding Article XI, be the subject of any court action at law or in equity, such action shall be filed exclusively in the courts of the State of Nevada or of the United States of America with jurisdiction over any county of Nevada as selected by the Member that is the plaintiff in the action, or that initiates the proceeding or arbitration. Each Member agrees not to commence any action, suit or other proceeding arising from, relating to, or in connection with this Agreement except in such a court and each Member irrevocably and unconditionally consents and submits to the personal and exclusive jurisdiction of such courts for the purposes of litigating any such action, and hereby grants jurisdiction to such courts and to any appellate courts having jurisdiction over appeals from such courts or review of such proceedings. Because the breach of the provisions of this Section would cause irreparable harm and significant injury to the Company and the other Members, which would be difficult to ascertain and which may not be compensable by damages alone, each Member agrees that the Company and the other Members will have the right to enforce the provisions of this Section by injunction, specific performance or other equitable relief in addition to any and all other remedies available to such party or parties without showing or proving any actual damage to such parties. Members will be entitled to recover all reasonable costs and expenses, including but not limited to all reasonable attorneys' fees, expert and consultants' fees, incurred in connection with the enforcement of this Section.

12.13 Authority. This Agreement constitutes a legal, valid and binding agreement of the Member, enforceable against the Member in accordance with its terms. The Member is

empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

12.14 Indemnification by Members in Breach. Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

Peyman Badly
Member: PEYMAN BADY

DocuSigned by:
Pouya Mohajer

Member: POUYA MOHAJER

DocuSigned by:
Shane Terry

Member: SHANE TERRY

DocuSigned by:
Ryan Winmill

Member: RYAN WINMILL

Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

DocuSigned by:
Joseph Kennedy

Member: JOSEPH KENNEDY

Member: JOHN PENDERS

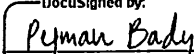
NUVEDA, LLC

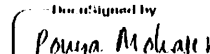
LISTING OF MEMBERS

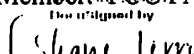
NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	200 Hoover Street #1113 Las Vegas, NV 89101	7%*/7%*/7%*
Joe Kennedy	11115 Kilkerran Ct. Las Vegas, NV 89141	1%*/1%*/1%*
John Penders	29 Marshall Terrace Wayland, MA 01778	1.75%*/1.75%*/1.75%
Ryan Winmill	412 Princess Street Alexandria VA 222314	1.75%*/1.75%*/1.75%


*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

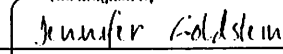
Member Listing as of this 16th day of July, 2014

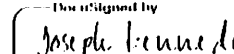
DocuSigned by:

 Member: PEJMAN BADY

DocuSigned by:

 Member: POUYA MOHAJER

DocuSigned by:

 Member: SHANE TERRY

DocuSigned by:

 Member: RYAN WINMILL

DocuSigned by:

 Member: JENNIFER GOLDSTEIN

DocuSigned by:

 Member: JOSEPH KENNEDY

Member: JOHN PENDERS

**NUVEDA, LLC
CAPITAL CONTRIBUTIONS**

Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

Description	Value
Member: PEJ BADY	\$440,000.00
Member: POUYA MOHAJER	\$440,000.00
Member: SHANE TERRY	\$120,000.00

SIGNED AND AGREED this 16th day of July, 2014.

DocuSigned by:
Pejman Bady
Member: PEJMAN BADY

DocuSigned by:
Pouya Mohajer
Member: POUYA MOHAJER

DocuSigned by:
Shane Terry
Member: SHANE TERRY

DocuSigned by:
Ryan Winmill
Member: RYAN WINMILL

DocuSigned by:
Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

DocuSigned by:
Joseph Kennedy
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

12.14 Indemnification by Members in Breach. Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

Member: PEJMAN BADY

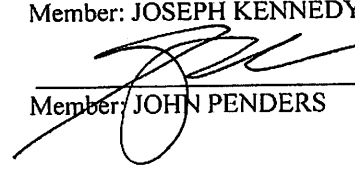
Member: JENNIFER GOLDSTEIN

Member: POUYA MOHAJER

Member: JOSEPH KENNEDY

Member: SHANE TERRY

Member: JOHN PENDERS

 16 JULY 2014

Member: RYAN WINMILL

NUVEDA, LLC

LISTING OF MEMBERS

NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	200 Hoover Street #1113 Las Vegas, NV 89101	7%*/7%*/7%*
Joe Kennedy	11115 Kilkerran Ct. Las Vegas, NV 89141	1%*/1%*/1%*
John Penders	29 Marshall Terrace Wayland, MA 01778	1.75%*/1.75%*/1.75%
Ryan Winmill	412 Princess Street Alexandria VA 222314	1.75%*/1.75%*/1.75%

*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

Member Listing as of this 16 day of JULY, 2014

Member: PEJMAN BADY

Member: JENNIFER GOLDSTEIN

Member: POUYA MOHAJER

Member: JOSEPH KENNEDY

Member: SHANE TERRY

Member: JOHN PENDERS

Member: RYAN WINMILL

Page 23 of 24

**NUVEDA, LLC
CAPITAL CONTRIBUTIONS**

Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

Description	Value
Member: PEJ BADY	\$440,000.00
Member: POUYA MOHAJER	\$440,000.00
Member: SHANE TERRY	\$120,000.00

SIGNED AND AGREED this 16 day of JULY, 2014.

Member: PEJMAN BADY

Member: JENNIFER GOLDSTEIN

Member: POUYA MOHAJER

Member: JOSEPH KENNEDY

Member: SHANE TERRY

Member: JOHN PENDERS

Member: RYAN WINMILL

EXHIBIT 5

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

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

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

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

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

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

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

1 of 5
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Substantially reduced

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

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

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

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

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

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

Litigation, Releases and Cooperation:

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

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

2 of 5
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Arbitration and District Court Case to Buyer.

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

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

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

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

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

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

shall be awarded to the prevailing party.

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

Dated this 30th day April, 2018

BUYER:

BCP 7, LLC

By its Manager:




Name:

GUARANTOR:



Brian C. Padgett

SELLER:



Shane Terry

4 of 5

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

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

Purchase price is substantially reduced

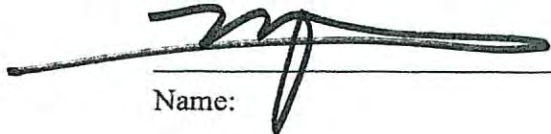
YJP

Dated this 30th day April, 2018

BUYER:

BCP 7, LLC

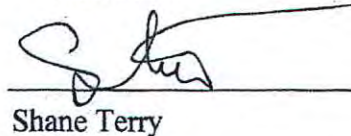
By its Manager:


Name:

GUARANTOR:


Brian C. Padgett

SELLER:


Shane Terry

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Assignment of Interests

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

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

Assignor

Shane Terry

Assignee

BCP 7, LLC

By: _____

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EXHIBIT 6

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Subject: RE: Terry et al. v. NuVeda et al.- Arbitration Case No. A-15-728510-B

 **Erika Turner** <eturner@gtg.legal>

Fri, May 4, 2018, 10:58 AM

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

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

Arbitrator Baker,

On behalf of Shane Terry:

1. Motion to Substitute.

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

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

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

2. Motion to Withdraw.

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

Thank you,

Erika

Erika Pike Turner
Partner

GARMAN | TURNER | GORDON

P 725 777 3000 | D 725 244 4573
E eturner@gtg.legal

EXHIBIT 7

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From: **Brian Padgett** brian@briancpadgett.com
Subject: Terry/NuVeda case number 01-15-0005-8574
Date: June 5, 2018 at 7:41 PM

BP

To: nbaker@petersonbaker.com

Cc: pejman bady pbady@me.com, Pouya Mohajer pouyamohajer@gmail.com, Joseph Kennedy joe90275@gmail.com, Matthew T. Dushoff mdushoff@klnvada.com, Jason Wiley jwiley@wileypetersenlaw.com, Amy Sugden amy@briancpadgett.com

Dear Arbitrator Baker:

I hereby dismiss all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry (all right, title and interest) against Bady, Mohajer, and NuVeda and its subsidiaries (Clark NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with prejudice.

Please initiate necessary proceedings to dismiss my claims.

Ms. Sugden shall oversee the process and may sign on my behalf any necessary paperwork.

Brian C. Padgett

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



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EXHIBIT 8

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Subject: RE: BCP 7



Nikki Baker <nbaker@petersonbaker.com>

Tue, Oct 9, 2018, 9:59 AM

to Jason Wiley, David Feuerstein, Matthew T. Dushoff, AAA Lance Tanaka, Amy Sugden, Kristina R. Cole, Scott D.

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

Counsel:

Based on the below email string and my orders regarding Ms. Goldstein’s request for discovery, BCP Holding 7, LLC is hereby DISMISSED from this arbitration.

Mr. Tanaka, BCP Holding 7, LLC may be removed from the caption.

Additionally, based on the below emails, I will extend the time for the parties to provide to me proposed new deadlines related to a new arbitration hearing date to **5:00 p.m. PST on Monday, October 15**. Absent exceptional circumstances, which do not include ongoing settlement discussions, this deadline will not be extended again.

Thank you,

Nikki

Nikki Baker, Esq.
Peterson Baker, PLLC
702.786.1001

From: Jason Wiley <jwiley@wileypetersenlaw.com>
Sent: Tuesday, October 09, 2018 8:52 AM
To: 'David Feuerstein' <david@dfmklaw.com>; Nikki Baker <nbaker@petersonbaker.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>
Cc: "Amy Sugden" <amy@briancpadgett.com>; 'Kristina R. Cole' <kcole@knevada.com>; 'Scott D. Fleming' <sfleming@knevada.com>
Subject: RE: BCP 7

Arbitrator Baker:

I can confirm Mr. Feuerstein’s comments regarding the parties’ negotiations and ongoing efforts to schedule arbitration dates and other deadlines.

JMW

Jason M. Wiley, Esq.
Partner



1050 Indigo Drive
Suite 130
Las Vegas, Nevada 89145
Office 702.910.3329|Direct 702.909.5487|Mobile 702.845.7401
jwiley@wileypetersenlaw.com

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From: David Feuerstein <david@dfmklaw.com>
Sent: Monday, October 8, 2018 2:39 PM
To: Nikki Baker <nbaker@petersonbaker.com>; Jason Wiley <jwiley@wileypetersenlaw.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>



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ARBITRATION
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INTERNATIONAL CENTRE
FOR DISPUTE RESOLUTION®

Lance Tanaka
Vice President
1400 16th Street, Suite 400
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Telephone: (303)831-0824
Fax: (646)640-1840

October 9, 2018

Matthew T. Dushoff, Esq.
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400 South Rampart Boulevard, Suite 400
Las Vegas, NV 89145-5725
Via Email to: mdushoff@klnevada.com

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Via Email to: david@dfmklaw.com

Jason M. Wiley
Wiley Petersen
1050 Indigo Drive, Suite 130
Las Vegas, NV 89145
Via Email to: jwiley@wileypetersenlaw.com

Case Number: 01-15-0005-8574

Pouya Mohajer and Pejman Bady;
-vs-
Jennifer Goldstein
-vs-
Nuveda, LLC

Dear Parties:

This will confirm that BCP 7, LLC has been dismissed as a party in this matter, in accordance with the Arbitrator's Ruling of October 9, 2018. Counsel for BCP 7, LLC is copied on this letter however they have been removed from the case and will no longer receive correspondence concerning this matter.

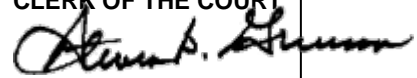
Sincerely,

/s/

Lance K Tanaka
Vice President
Direct Dial: (303)831-0824
Email: LanceTanaka@adr.org
Fax: (646)640-1840

cc: Amy Sudgen
Kristina Cole
Brian C. Padgett
Anne M. Landis
Scott Fleming, Esq.
Nikki Baker, Esq.

It/bs



Michael R. Mushkin, Esq.
Nevada Bar No. 2421
L. Joe Coppedge, Esq.
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Telephone: (702) 454-3333
Fax: (702) 386-4979
michael@mushlaw.com
jcoppedge@mccnvlaw.com

**DISTRICT COURT
CLARK COUNTY, NEVADA**

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

Plaintiffs,

v.

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

Defendants.

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 Date: January 11, 2021

Hearing Time: 9:00 am

AND RELATED MATTERS

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

Dotan Y. Melech, as the Court Appointed Receiver of CWNevada, LLC, Shane Terry and Phillip D. Ivey, by and through their attorneys, the law firm of Mushkin & Coppedge, submit the following Opposition to NuVeda, LLC's Motion to Enter Order on Shane Terry's Claims and Related Relief ("Opposition"). This Opposition is made based on the following Memorandum of Points and Authorities, together with the papers and pleadings on file herein.

MEMORANDUM OF POINTS AND AUTHORITIES

I. Statement of the Case

Shane Terry ("Terry"), together with Dotan Y. Melech, the Court-appointed receiver (the

1 “Receiver”) for CWNevada, LLC (“CWNevada”) and Phillip D. Ivey (“Ivey”, collectively, the
2 Receiver, Terry and Ivey are referred to as “Plaintiffs”) retained the undersigned counsel and firm
3 to pursue claims each possesses against NuVeda, LLC (“NuVeda”), its subsidiaries, licensees,
4 members and/or related entities and Brian C. Padgett (“Padgett”). The Receiver filed a motion to
5 engage the undersigned firm as contingency counsel in Case No. A-17-755479-B (Dept. 11) (the
6 “Receivership Action”), and after an initial objection by NuVeda, the Receiver and NuVeda
7 entered into a stipulation approving the Receiver’s request to engage the undersigned firm as
8 counsel for CWNevada, Terry and Ivey. The order approving the parties’ stipulation and
9 counsels’ engagement was entered May 8, 2020.

10 Plaintiffs then filed their initial complaint on June 30, 2020 as Case No. A-20-817363-B
11 (Dept. 13). The Complaint includes nine (9) claims for relief asserted by Terry, including the
12 following:

- 13 • The First Claim for Relief (all Plaintiffs) against all Defendants for Declaratory
14 Relief that (i) the Terry Purchase Agreement is null and void resulting from a fraud
15 in the inducement and for a complete failure of consideration, (ii) the Terry Interest
16 was never transferred to BCP 7 or any other entity, (iii) Plaintiff Terry is the sole
17 and only owner of the Terry Interest;
- 18 • The Fourth Claim for Relief (Terry only) for Rescission of the Terry Purchase
19 Agreement for Fraud in the Inducement and/or Failure of Consideration against
20 Defendants BCP 7 and Padgett only;
- 21 • The Fifth Claim for Relief (Terry only) in the alternative for Breach of Contract
22 against Defendants BCP 7 and Padgett only;
- 23 • The Sixth Claim for Relief (Terry only) in the alternative for Breach of the
24 Covenant of Good Faith and Fair Dealing against Defendants BCP 7 and Padgett
25 only;
- 26 • The Ninth Claim for Relief (all Plaintiffs) for Unjust Enrichment against
27 Defendants NuVeda, Bady, Mohajer and Kennedy;
- 28 • The Tenth Claim for Relief (all Plaintiffs) for an accounting against Defendants

1 NuVeda, Bady, Mohajer and Kennedy;

- 2 • The Eleventh Claim for Relief (all Plaintiffs) for Violation of NRS 225.084 against
- 3 Defendants NuVeda, Bady, Mohajer and Kennedy;
- 4 • The Thirteenth Claim for Relief (all Plaintiffs) for Injunctive Relief against all
- 5 Defendants; and
- 6 • The Fourteenth Claim for Relief (all Plaintiffs) for the Appointment of a Receiver
- 7 against all Defendants.

8 After NuVeda filed multiple motions to dismiss, Plaintiffs filed a motion to consolidate
9 several related actions with the Receivership Action. This Court granted the motion to
10 consolidate following a hearing on August 18, 2020. NuVeda's motion to dismiss concerning the
11 Receiver's and Terry's claims came before the Receivership Court for a hearing on August 31,
12 2020. The Court denied NuVeda's motion to dismiss with respect to the Receiver's claims.
13 However, with respect to Terry's claims, the Court stayed the motion "for a period of ninety (90)
14 days from the date of the hearing for Mr. Terry to request any relief from the arbitrator, Ms. Nikki
15 Baker, of the American Arbitration Association." See Order Denying Motion to Dismiss or for
16 Summary Judgment, attached hereto as Exhibit 2. Terry submitted a Motion to Set Aside
17 Dismissal on Monday, November 30, 2020 in the matter proceeding before the American
18 Arbitration Association ("AAA"). However, AAA responded that the matter was "closed on
19 March 20, 2019 and the Association no longer has jurisdiction regarding this matter." See
20 electronic mail correspondence with AAA, Ex. 8. Plaintiffs are currently in the process of serving
21 Mr. Padgett and BCP 7 as authorized by Order Granting Motion to Extend Deadline for
22 Completing Service on Defendants Mohajer, Padgett and BCP 7, LLC and to Complete Such
23 Service by Alternative Means entered herein on November 24, 2020.

24 **II. Statement of Facts**

25 1. On or about July 9, 2014, Terry entered into an Operating Agreement for NuVeda,
26 LLC (the "NuVeda Operating Agreement") with Pejman Bady ("Bady"), Pouya Mohajer
27 ("Mohajer") and Jennifer Goldstein ("Goldstein") to apply for and operate marijuana
28 dispensaries, cultivation and processing facilities for medical marijuana pursuant to licenses

1 obtained from certain governmental divisions. Terry Declaration, ¶ 3; NuVeda Operating
2 Agreement, Exhibit 3.

3 2. The NuVeda Operating Agreement was also signed by Joseph Kennedy, John
4 Penders and Ryan Winmill. Terry Declaration, ¶ 4.

5 3. Since July 2014, NuVeda has been governed by the NuVeda Operating
6 Agreement. Terry Declaration, ¶ 5.

7 4. The NuVeda Operating Agreement is governed by, construed and interpreted in
8 accordance with Nevada law. Terry Declaration, ¶ 6.

9 5. Since NuVeda's formation, Terry has been a manager, voting member and at
10 times, NuVeda's Chief Executive Officer and Chief Operations Officer. Terry Declaration, ¶ 7.

11 6. Initially, Terry owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark
12 Natural, and Nye Natural. Terry's ownership interest was later increased to 22.88%. Terry
13 Declaration, ¶ 8.

14 7. During the month of December 2015, NuVeda's annual license renewal paperwork
15 was due to the State of Nevada. Terry Declaration, ¶ 9.

16 8. During this time, Terry was NuVeda's designated and registered point of contact
17 with the State of Nevada for all regulatory correspondence. Terry Declaration, ¶ 10.

18 9. During this time, NuVeda removed Terry as NuVeda's State of Nevada designated
19 point of contact and refused to provide Terry with access to any records. Terry Declaration, ¶ 11.

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

21 10. Bady, Mohajer and Kennedy, individually and at times through NuVeda or other
22 entities, have engaged in additional fraudulent acts of self-dealing and other acts of misconduct
23 that constituted a breach of their legal duties. Terry Declaration, ¶ 12.

24 11. For instance, Terry and other members of NuVeda learned that Bady
25 misrepresented the source of his funds Bady originally contributed to NuVeda in exchange for
26 equity. Terry Declaration, ¶ 13.

27 12. Nevada law and the state regulatory agencies required in depth financial
28 disclosures. Terry Declaration, ¶ 14.

1 13. While Bady averred that his funding came from the sale of a business, upon
2 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from
3 money he acquired from his friend, Majid Golpa (“Golpa”). Terry Declaration, ¶ 15.

4 14. Upon information and belief, Bady and Mohajer then promised that in exchange
5 for the funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was
6 prohibited by Nevada law. Terry Declaration, ¶ 16.

7 15. Mohsen Bahri (“Bahri”) and Bady also negotiated the terms of a \$500,000
8 promissory note. Terry Declaration, ¶ 17.

9 16. Bady then made an undisclosed deal with Bahri to provide Bady with a \$500,000
10 investment in which Bahri would receive a 4% interest in NuVeda. Terry Declaration, ¶ 18

11 17. This was contrary to NuVeda’s understanding of the financing. Terry Declaration,
12 ¶ 19

13 18. Following discovery of the true nature of Bady and Mohajer’s wrongful side deals
14 with third parties, a dispute arose between Terry and Goldstein on the one hand and Bady and
15 Mohajer on the other hand regarding Defendants’ clandestine and wrongful side deals, pursuant
16 to which Bady and Mohajer attempted to allocate ownership interests to their friends, and the true
17 source of Bady’s capital contribution, Golpa and Bahri. Terry Declaration, ¶ 20.

18 19. Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4%
19 interest in NuVeda, yet Bady demanded that the members, including Terry and Goldstein, agree
20 to ratify his apparent promises to provide such interest to Golpa and Bahri. Terry Declaration, ¶
21 21.

22 20. Upon information and belief, the transfer of the interests, as proposed by Bady,
23 would jeopardize NuVeda’s licenses. Terry Declaration, ¶ 22.

24 21. On or about November 1, 2015, a monthly payment was due to Bahri on the
25 \$500,000 promissory note. Terry Declaration, ¶ 23.

26 22. Bady, long-time personal friends with Bahri, instructed Terry to not pay the
27 monthly payment and stated he “would take care of it.” Terry Declaration, ¶ 24.

28 23. On November 11, 2015, Bahri sent demand for the November 1, 2015 payment.

1 Terry Declaration, ¶ 25.

2 24. Bady admitted he did not make the monthly payment, but that he and Bahri had
3 agreed to extend the monthly payment to November 15, 2015. Terry Declaration, ¶ 26.

4 25. Bady's non-payment of the Bahri loan and subsequent negotiations were done
5 without Terry's knowledge and jeopardized NuVeda's operations. Terry Declaration, ¶ 27.

6 26. Bahri subsequently presented a lawsuit against Terry and Goldstein, individually,
7 falsely alleging that they were liable for his investment through Bady. Terry Declaration, ¶ 28.

8 27. Bady and Bahri then acted in concert to allege that Goldstein and Terry were liable
9 for the \$500,000 promissory note, as neither NuVeda nor Bady, who single-handedly
10 communicated with Bahri and who negotiated all terms of the clandestine deal with his friend
11 Bahri, were named as defendants. Terry Declaration, ¶ 29.

12 28. Bady and Bahri acted in concert to paralyze Terry and Goldstein from obtaining
13 the necessary funding by threatening to file frivolous and factually unfounded lawsuits against
14 Terry and Goldstein for Bady's strategic gain. Terry Declaration, ¶ 30.

15 29. Additionally, when Kennedy (an IRS enrolled agent) was preparing NuVeda's K-
16 1s, Bady asked Terry to allocate his tax losses to Bady to offset Bady's income from an unrelated
17 medical business. Terry Declaration, ¶ 31.

18 30. Terry refused and explained to Bady that loss-shifting was wrongful and
19 potentially constituted fraud, but Bady ignored Terry's concern and collaborated with Mohajer to
20 shift Mohajer's losses to him instead. Terry Declaration, ¶ 32.

21 31. Bady and Mohajer then had nominal-member Kennedy amend the K-1s to reflect
22 the loss-shifting to Bady in violation of the terms of the NuVeda Operating Agreement without
23 notifying any other NuVeda members. Terry Declaration, ¶ 33.

24 32. Goldstein and Terry made demands for the original K-1s and other financial
25 documents for NuVeda, but Bady and Kennedy denied the records request in violation of Terry's
26 right to review the business records of NuVeda pursuant to Section 7.2 of the NuVeda Operating
27 Agreement. Terry Declaration, ¶ 34.

28 33. It was also discovered that Bady engaged in rampant self-dealing on multiple

occasions. An entity known as 2 Prime, LLC (“2 Prime”) entered into a financing agreement with NuVeda. Terry Declaration, ¶ 35-36.

34. Bady exclusively negotiated the agreement with favorable terms to 2 Prime. Thereafter, it was discovered after the fact that Bady had an undisclosed 50% interest in 2 Prime, which was also co-owned by Golpa. Terry Declaration, ¶ 37-38.

35. On or about November 20, 2015 under the guidance of NuVeda’s corporate counsel, who was hired directly by Bady, Bady’s and Mohajer’s NuVeda interests were terminated pursuant to Section 6.2 of the Operating Agreement. Terry Declaration, ¶ 39.

36. However, Bady and Mohajer disregarded the expulsion and claimed they remained voting members, managers, and officers with authority to act on behalf of NuVeda. Terry Declaration, ¶ 40.

37. Between November 20th, 2015 and December 3, 2015, Bady and Mohajer, acting as purported representatives of NuVeda, attempted to sell NuVeda’s interests in its highly valuable and privileged licenses to multiple parties, including CWNevada. Terry Declaration, ¶ 41.

The District Court Action

38. Over concerns that any attempted and unauthorized transfer of interest could jeopardize NuVeda’s licenses, on December 3, 2015, Goldstein and Terry filed a complaint, as individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady and Mohajer as Case Number A-15-728510-B (the “District Court Action”) and contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin any transfer of NuVeda’s membership interests. Terry Declaration, ¶ 42.

39. The District Court Action sought, among other things, the issuance of a preliminary and permanent injunction maintaining the status quo pending a final resolution of the parties’ disputes in an arbitral proceeding. Terry Declaration, ¶ 43.

40. Although the District Court did not issue a preliminary injunction in the District Court Action, on January 13, 2016, the Court ordered (the “January 13, 2016 Order”), among other things, “IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the

1 completion of the contemplated arbitration, the parties are to take no further action to expulse
2 each other on the factual bases presented to the Court during the evidentiary hearing.” Terry
3 Declaration, ¶ 44.

4 41. Goldstein and Terry commenced a private arbitration proceeding with the
5 American Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al.*
6 *v. NuVeda LLC, et al.*, AAA Case No. 01-15-005-8574 (the “Arbitration”). Terry Declaration, ¶
7 45.

8 42. Notwithstanding the express language of the January 13, 2016 Order, in a March
9 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda. Terry
10 Declaration, ¶ 46.

11 43. Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in
12 violation of the January 13, 2016 Order. Terry Declaration, ¶ 47.

13 44. The purported expulsion was further documented in a meeting on or about
14 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry’s interest in NuVeda
15 was distributed to Bady and Mohajer in yet another act of blatant self-dealing. Terry Declaration,
16 ¶ 48.

17 45. NuVeda, Bady and Mohajer transferred Terry’s individual license interest in
18 NuVeda directly to Bady and Mohajer without Terry’s consent. Terry Declaration, ¶ 49.

19 **Purchase and Sale Agreement for Terry’s Ownership Interest in NuVeda and**
20 **NuVeda-Managed Licenses**

21 46. During the pendency of the District Court Action and Arbitration, on or about
22 April 30, 2018, Terry entered into a “Purchase and Sale Agreement for Terry’s Ownership Interest
23 in NuVeda and NuVeda-Managed Licenses” (the “Terry Purchase Agreement”) with BCP 7 as
24 the Buyer. Terry Declaration, ¶ 50; Terry Purchase Agreement, Ex. 4.

25 47. Padgett personally guaranteed all payments and other performance obligations due
26 under the Terry Purchase Agreement. Terry Declaration, ¶ 51.

27 48. The Terry Purchase Agreement provides, among other things, that Terry agreed to
28 sell the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration

1 and on specific terms. Terry Declaration, ¶ 52.

2 49. The total purchase price for BCP 7 to acquire the Terry Interest was \$1.75 million
3 (the “Purchase Price”), which was “substantially reduced” from fair market value. Terry
4 Declaration, ¶ 53.

5 50. Terry was induced to sign the Purchase Agreement in reliance upon Padgett’s
6 representations that the Purchase Price would be paid. Terry Declaration, ¶ 54.

7 51. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00
8 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the “Initial
9 Payment”), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,
10 2028 with payments due monthly until paid in full (the “Monthly Payments”). Terry Declaration,
11 ¶ 55

12 52. The Monthly Payments were to be made on or before the first day of the month in
13 an amount not less than the interest accrued on the outstanding balance at an interest rate of 18%.
14 Terry Declaration, ¶ 56.

15 53. The Monthly Payments were to commence May 1, 2018, and the first payment
16 was to have been made no later than May 2, 2018. Terry Declaration, ¶ 57.

17 54. The Terry Purchase Agreement further provided that there shall be acceleration of
18 the outstanding balance and any unpaid accrued interest thereon upon (1) the sale or transfer of
19 the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP
20 7 to a third party (other than CWNV, LLC); or (2) a default of a payment obligations, which shall
21 result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the
22 Balance following notice of failure to Padgett and no cure within 10 business days thereof. Terry
23 Declaration, ¶ 58.

24 55. Upon execution of the Terry Purchase Agreement and upon receipt of the first
25 Monthly Payment, Terry agreed, among other things, to assign any and all claims and right in the
26 Arbitration and District Court Action to BCP 7. Terry Declaration, ¶ 59.

27 56. BCP 7 made a partial payment toward the Initial Payment in the sum of
28 \$250,000.00 on or about August 1, 2018. Terry Declaration, ¶ 60.

1 57. In addition to the partial Initial Payment, BCP 7 made partial interest and extension
2 payments. Terry Declaration, ¶ 61.

3 58. However, BCP 7 failed to pay the Initial Payment or Monthly Payments in full.
4 Terry Declaration, ¶ 62.

5 59. As a result of BCP 7's failure to pay the Initial Payment or any of the Monthly
6 Payments in full, Terry provided notice of and right to cure this failure to BCP 7 and Padgett.
7 Terry Declaration, ¶ 63.

8 60. BCP 7 and Padgett failed to cure the outstanding balance owed following notice
9 of such failure and a right to cure within 10 business days. Terry Declaration, ¶ 64.

10 61. As a result of BCP 7's and Padgett's failure to pay the Initial Payment and Monthly
11 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the
12 Terry Interest to BCP 7. Terry Declaration, ¶ 65.

13 62. Notwithstanding the fact that the Terry Interest was never properly transferred to
14 BCP 7, in an email dated June 5, 2018 from Padgett to the Arbitrator in the Arbitration, Padgett
15 purported to dismiss "all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry
16 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark
17 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with
18 prejudice." Terry Declaration, ¶ 66; Electronic mail from Padgett to Nikki Baker, Ex. 5.

19 63. Ms. Baker then proceeded to dismiss the arbitration as to BCP Holding 7, LLC.
20 See electronic mail dated October 9, 2018, Ex. 6. AAA then confirmed that BCP 7, LLC was
21 dismissed as a party. See letter from AAA dated October 9, 2018, Ex. 7.

22 64. 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. Terry Declaration, ¶ 67.

27 ///
28

1 **III. Argument**

2 **A. Legal Standard**

3 **1. Standard of Review**

4 Previously, NuVeda sought dismissal of the Plaintiffs’ claim for declaratory relief as it
5 related to the Receiver and Terry or summary judgment on those claims. NuVeda now requests
6 an order of either dismissal or summary judgment with respect to Terry’s claims. To the extent
7 the original motion seeks dismissal for “failure to state a claim upon which relief can be granted”,
8 the Motion must be denied. The Nevada Supreme Court has long held:

9 The standard of review for a dismissal under subsection b(5) is rigorous, as
10 the court must construe the pleadings liberally and draw ever fair inference
11 in favor of the non moving party.

12 . . .
13 A complaint will not be dismissed for failure to state a claim unless it
14 appears beyond a doubt that the plaintiff could prove no set of facts which,
15 if accepted by the trier of fact would entitle him or her to relief.

16 *Simpson v. Mars Inc.*, 113 Nev. 188, 929 P.2d 966 (1997).

17 In addition, in *Hynds Plumbing & Heating Co. v. Clark County Sch. Dist.*, 94 Nev. 776,
18 587 P.2d 1331 (1978), the Nevada Supreme Court held that: “When tested by a subdivision (b)(5)
19 motion to dismiss for failure to state a claim upon which relief can be granted, the allegations of
20 the complaint must be accepted as true.” Further, the Nevada Supreme Court clearly stated that:
21 “The appropriate standard for a motion to dismiss based on a failure to state a claim is ‘beyond a
22 doubt’ and not ‘beyond a reasonable doubt.’” *Buzz Stew, LLC v. City of N. Las Vegas*, 124 Nev.
23 224, 228 n.6, 181 P.3d 670, 672 n.6 (2008).

24 “The trial court may consider some matters outside the pleadings... A court may also
25 consider unattached evidence on which the complaint necessarily relies if: (1) the complaint refers
26 to the document; (2) the document is central to the plaintiffs claim; and (3) no party questions the
27 authenticity of the document.” *Baxter v. Dignity Health*, 131 Nev. Adv. Op. 76, 357 P.3d 927
28 (2015).

Should the Court treat NuVeda’s original motion as one for summary judgment, before
granting a motion for summary judgment, NRCP 56 requires there be no genuine issue of material

1 fact. *Wood v. Safeway, Inc.*, 121 Nev. 724, 732, 121 P.3d 1026, 1031 (2005).

2 While the pleadings and other proof must be construed in a light most
3 favorable to the nonmoving party, that party bears the burden to “do more
4 than simply show that there is some metaphysical doubt” as to the operative
5 facts in order to avoid summary judgment being entered in the moving
6 party’s favor. The nonmoving party “must, by affidavit or otherwise, set
7 forth specific facts demonstrating the existence of a genuine issue for trial
8 or have summary judgment entered against him.” *Id.*

9 Terry has more than established genuine issues of material fact concerning the rescission
10 of the Terry Purchase Agreement, setting aside the dismissal in the Arbitration and his entitlement
11 to the Terry Interest. Under the facts of this case, NuVeda’s motion must be denied.

12 **2. The NuVeda Operating Agreement**

13 The NuVeda Operating Agreement provides in part:

14 **11.3 Arbitration** Arbitration proceedings shall be conducted under the
15 Rules of Commercial Arbitration of the AAA (the “Rules”).

16 To the extent any provisions of the Rules conflict with any provision of this
17 Section, the provisions of this section shall control.

18 The arbitrator shall have all powers of law and equity, which it can lawfully
19 assume, necessary to resolve the issues in dispute including, without
20 limiting the generality of the foregoing, making awards of compensatory
21 damages, issuing both prohibitory and mandatory orders in the nature of
22 injunctions and compelling the production of documents and witnesses for
23 presentation at the arbitration hearings on the merits of the case...The
24 statutory, case law and common law of the State of Nevada shall govern in
25 interpreting their respective rights, obligations and liabilities arising out of
26 or related to the transactions provided for or contemplated by this
27 Agreement, including without limitation, the validity, construction and
28 performance of all or any portion of this Agreement, and the applicable
remedy for any liability established thereunder, and the amount or method
of computation of damages which may be awarded, but such governing law
shall not include the law pertaining to conflicts or choice of laws of Nevada;
provided however, that should the parties refer a dispute arising out of or in
connection with an ancillary agreement or an agreement between some or
all of the Members which specifically references this Article, then the
statutory, case law and common law of the State whose law governs such
agreement (except the law pertaining to conflicts or choice of law) shall
govern in interpreting the respective rights, obligations and liabilities of the
parties arising out of or related to the transactions provided for or
contemplated by such agreement, including without limitation, the validity,

1 construction and performance of all or any portion of such agreement, and
2 the applicable remedy for any liability established thereunder, and the
3 amount or method of computation of damages which may be awarded.

4 **Any action or proceeding subsequent to any award rendered by the**
5 **arbitrator in the Member Dispute, including but not limited to, any**
6 **action to confirm, vacate, modify, challenge or enforce the arbitrator's**
7 **decision or award shall be filed in a court of competent jurisdiction in**
8 **the same county where the arbitration of the Member dispute was**
9 **conducted, and Nevada law shall apply in any such subsequent action**
10 **or proceeding.** (emphasis added).

11 See NuVeda Operating Agreement, Ex. 3, pp. 18-19.

12 As set forth above, AAA no longer has jurisdiction over the Arbitration and that matter
13 has been closed. Moreover, the NuVeda Operating Agreement specifically provides that any post
14 Arbitration proceedings be filed with this Court. Thus, this Court is the proper place to bring
15 Terry's claim for rescission, setting aside the dismissal and eventually, for declaratory relief
16 regarding the Terry Interest.

17 **B. The Terry Purchase Agreement should be rescinded for fraud in the**
18 **inducement and failure of consideration.**

19 Once the alternative means of service regarding Mr. Padgett and BCP7 are complete,
20 Terry intends to pursue his claim for rescission of the Terry Purchase Agreement. "Rescission is
21 an equitable remedy which totally abrogates a contract, and which seeks to place the parties in
22 the position they occupied prior to executing the contract." *Bergstrom v. Estate of DeVoe*, 109
23 Nev. 575, 577, 854 P.2d 860, 861 (1993). A party to a contract may seek rescission of that contract
24 based upon fraud in the inducement or a failure of consideration. *Awada v. Shuffle Master, Inc.*
25 123 Nev. 613, 621, 173 P.2d 707, 713 (2007); *Sprouse v. Wentz*, 105 Nev. 597, 601, 781 P.2d
26 1136, ____ (1989). To establish fraud in the inducement of a contract, a party must prove that the
27 other party made a false representation that was material to the transaction. *Awada*, 123 Nev. at
28 621. To establish a failure of consideration, a party must demonstrate he failed to receive his
bargained for consideration. *Sprouse*, 105 Nev. at 601.

When a contract has been partially performed, and one of the parties defaults, the other
has a choice of remedies. He may rescind or affirm the contract, *but he cannot do both*. If he

1 rescinds, he must return whatever of value he received under it and he may recover back whatever
2 he has paid. He cannot at the same time affirm the contract by retaining its benefits and rescind it
3 by repudiating its burdens. *Bergstrom*, 109 Nev. at 577, citing 5 Arthur Linton Corbin, CORBIN
4 on Contracts § 1114 (1964) (emphasis in original). “Further, there can be no partial rescission; a
5 contract is either valid or void *in toto*.’ *Bergstrom*, 109 Nev. at 577. quoting, *Holden v. Dubois*,
6 665 P.2d 1175 (Okla. 1983). “Because a rescinded contract is void ab initio, following a lawful
7 rescission the ‘injured’ party is precluded from recovering damages for breach just as though the
8 contract had never been entered into by the parties.” *Bergstrom*, 109 Nev. at 577-78. Upon
9 rescission, the parties should be returned as closely as possible to their respective positions prior
10 to entering into the contract. *Bergstrom*, 109 Nev. at 578.

11 Here, Terry believes the facts are not in dispute that Padgett fraudulently induced Terry
12 to sign the Terry Purchase Agreement and after submitting the dismissal in the Arbitration,
13 Padgett failed to pay the agreed consideration. In these circumstances, where Terry was
14 fraudulently induced to sign the Terry Purchase Agreement and where he did not receive his
15 bargained for consideration, rescission is proper.

16 **C. The Dismissal entered in the Arbitration should be set aside.**

17 It follows that if the Terry Purchase Agreement is void, then the dismissal entered in the
18 Arbitration, based solely on the electronic mail proffered by Mr. Padgett, is equally void. Upon
19 rescission, the dismissal should be set aside, the Terry Interest should be returned to Mr. Terry
20 and he should be allowed to proceed with his claims. Because the Arbitration is closed and AAA
21 no longer has jurisdiction, it is appropriate that once service is complete upon Mr. Padgett, that
22 this Court hear the issue of setting aside the dismissal.

23 NRCP 60(b) provides in part:

24 (b) *Grounds for Relief from a Final Judgment, Order, or Proceeding.* On
25 motion and just terms, the court may relieve a party or its legal
26 representative from a final judgment, order, or proceeding for the
27 following reasons:

- 28 (1) mistake, inadvertence, surprise, or excusable neglect;
(2) newly discovered evidence that, with reasonable diligence, could
not have been discovered in time to move for a new trial under Rule
59(b);

- (3) fraud (whether previously called intrinsic or extrinsic), misrepresentation, or misconduct by an opposing party;
- (4) the judgment is void;
- (5) the judgment has been satisfied, released, or discharged; it is based on an earlier judgment that has been reversed or vacated; or applying it prospectively is no longer equitable; or
- (6) any other reason that justifies relief.

Rule 60(b)(4) allows a court to set aside a judgment, in this case the AAA dismissal, when it is void. *LN Mgmt. LLC Services 440 Sarment v. Wells Fargo Bank, N.A.*, 2018 Nev. App. Unpub. LEXIS 768 (Nev. App. 2018). This rule, which is a remedial in nature, is to be construed liberally to relieve the harshness of rigid form by applying the flexibility of discretion. *La-Tex Partnership v. Deters*, 111 Nev. 471, 893 P.2d 361 (1995). Importantly, as it concerns NuVeda's motion, the 6 months timing requirement under NRCP 60(c)(1) does not apply to void judgments. Therefore, under the circumstances of this case, where the dismissal in the Arbitration was submitted as a result of a void agreement, such dismissal must be set aside, and Terry allowed to proceed with his claims.

D. Terry's claim for Declaratory Relief is properly before this Court.

Article XI of the NuVeda Operating Agreement concerns dispute resolution among NuVeda's members and provides in part:

11.1 Disputes Among Members. The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to or in connection with this Agreement or the Company or its organization, formation, business or management ("Member Dispute"), the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

However, in the event that the Members are unable to resolve any Member Dispute, such parties shall first attempt to settle such dispute through a non-binding mediation proceeding. In the event any party to such mediation proceeding is not satisfied with the results thereof, then any unresolved disputes shall be finally settled in according with an arbitration proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

See NuVeda Operating Agreement, Ex. 3, p. 18.

1 The First Claim for Relief includes a claim for relief by Terry against all Defendants for
2 Declaratory Relief that (i) the Terry Purchase Agreement is null and void resulting from a fraud
3 in the inducement and for a complete failure of consideration, (ii) the Terry Interest was never
4 transferred to BCP 7 or any other entity, (iii) Plaintiff Terry is the sole and only owner of the
5 Terry Interest. In addition to being against NuVeda and its members, it is also against Padgett and
6 BCP 7. As a result, it is not solely among the Members of NuVeda and by its express terms, the
7 dispute resolution clause in the NuVeda Operating Agreement requiring mediation and/or
8 arbitration does not apply to this claim for relief. Thus, Terry's claims, specifically including his
9 claim for declaratory relief, are properly before this Court.

10 **E. Conclusion**

11 The facts are not in dispute. Terry can demonstrate (i) that the Terry Purchase Agreement
12 is void for fraud in the inducement and/or a failure of consideration, (ii) that the Terry Purchase
13 Agreement should be rescinded, (iii) that the dismissal entered in the Arbitration, based solely on
14 the void Terry Purchase Agreement, should be set aside as void, and (iv) upon setting aside the
15 void dismissal, that the Terry Interest should be returned to him. Based on the foregoing, Terry
16 respectfully requests that this Court deny NuVeda's Motion to Enter Order on Shane Terry's
17 Claims and Related Relief.

18 DATED this 21st day of December, 2020.

19 MUSHKIN & COPPEDGE

20
21 /s/L. Joe Coppedge
22 MICHAEL R. MUSHKIN, ESQ.
23 Nevada State Bar No. 2421
24 L. JOE COPPEDGE, ESQ.
25 Nevada Bar No. 4954
26 6070 South Eastern Ave Ste 270
27 Las Vegas, Nevada 89119
28

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that the foregoing **Opposition to Motion to Enter Order On Shane**
3 **Terry's Claims and Related Relief** was submitted electronically for filing and/or service with
4 the Eighth Judicial District Court on this 21st day of December, 2020. Electronic service of the
5 foregoing document shall be upon all parties listed on the Odyssey eFileNV service contact list.
6

7 /s/Karen L. Foley
8 An Employee of
9 MUSHKIN & COPPEDGE
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EXHIBIT “1”

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8 **DISTRICT COURT**
9 **CLARK COUNTY, NEVADA**

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

12 Plaintiffs,

13 v.
14

15 4FRONT ADVISORS LLC, foreign limited
16 liability company, DOES I through X and
ROE ENTITIES, II through XX, inclusive,

17 Defendants.
18

Case No.: A-17-755479-B

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

Dept. No.: 11

19 **DECLARATION OF SHANE M. TERRY IN SUPPORT OF OPPOSITION TO**
20 **MOTION TO ENTER ORDER ON SHANE TERRY'S CLAIMS**
AND RELATED RELIEF

21 SHANE M. TERRY, under penalty of perjury, states as follows:

22 1. I have personal knowledge of the facts stated herein, except for those facts stated
23 to be based upon information and belief. If called to do so, I would truthfully and competently
24 testify to the facts stated herein, except those facts stated to be based upon information and belief.

25 2. I make this Declaration in support of the Opposition to Motion to Enter Order on
26 Shane Terry's Claims and Related Relief (the "Opposition").

27 3. On or about July 9, 2014, I entered into an Operating Agreement for NuVeda, LLC
28 (the "NuVeda Operating Agreement") with Pejman Bady ("Bady"), Pouya Mohajer ("Mohajer")

1 and Jennifer Goldstein (“Goldstein”) to apply for and operate marijuana dispensaries, cultivation
2 and processing facilities for medical marijuana pursuant to licenses obtained from certain
3 governmental divisions. A true and correct copy of the NuVeda Operating Agreement is attached
4 to the Opposition as Exhibit 3.

5 4. The NuVeda Operating Agreement was also signed by Joseph Kennedy, John
6 Penders and Ryan Winmill.

7 5. Since July 2014, I understand and believe that NuVeda has been governed by the
8 NuVeda Operating Agreement.

9 6. The NuVeda Operating Agreement is governed by, construed and interpreted in
10 accordance with Nevada law.

11 7. Since NuVeda’s formation, I have been a manager, voting member and at times,
12 NuVeda’s Chief Executive Officer and Chief Operations Officer.

13 8. Initially, I owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark
14 Natural, and Nye Natural. My ownership interest was later increased to 22.88%.

15 9. During the month of December 2015, NuVeda’s annual license renewal paperwork
16 was due to the State of Nevada.

17 10. During this time, I was NuVeda’s designated and registered point of contact with
18 the State of Nevada for all regulatory correspondence.

19 11. After I submitted the renewal application representing NuVeda’s then current
20 ownership structure, Bady falsely submitted documentation to the State of Nevada that removed
21 me as NuVeda’s State of Nevada designated point of contact and refused to provide me with
22 access to any records.

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

24 12. Bady, Mohajer and Kennedy, individually and at times through NuVeda or other
25 entities, engaged in fraudulent acts of self-dealing and other acts of misconduct that constituted a
26 breach of their legal duties.

27 13. For example, I and other members of NuVeda learned that Bady misrepresented
28 the source of funds he originally contributed to NuVeda in exchange for equity.

1 14. Nevada law and the state regulatory agencies required in depth financial
2 disclosures.

3 15. While Bady averred that his funding came from the sale of a business, upon
4 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from
5 money he acquired from his friend, Majid Golpa (“Golpa”).

6 16. Upon information and belief, Bady and Mohajer then promised that in exchange
7 for the funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was
8 prohibited by Nevada law.

9 17. Mohsen Bahri (“Bahri”) and Bady also negotiated the terms of a \$500,000
10 promissory note.

11 18. Bady then made an undisclosed deal with Bahri to provide Bady with a \$500,000
12 investment in which Bahri would receive a 4% interest in NuVeda.

13 19. This was contrary to NuVeda’s understanding of Bady’s financial contribution.

14 20. Following discovery of the true nature of Bady and Mohajer’s wrongful side deals
15 with third parties, a dispute arose between Goldstein and I on the one hand and Bady and Mohajer
16 on the other hand regarding their clandestine and wrongful side deals, pursuant to which Bady
17 and Mohajer attempted to allocate ownership interests to their friends, and the true source of
18 Bady’s capital contribution, Golpa and Bahri.

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

22 22. Upon information and belief, the transfer of the interests, as proposed by Bady,
23 would jeopardize NuVeda’s licenses.

24 23. On or about November 1, 2015, a monthly payment was due to Bahri on the
25 \$500,000 promissory note.

26 24. Bady, a long-time personal friend with Bahri, instructed me to not pay the monthly
27 payment and stated he “would take care of it.”

28 25. On November 11, 2015, Bahri sent demand for the November 1, 2015 payment.

1 26. Bady admitted he did not make the monthly payment, but that he and Bahri had
2 agreed to extend the monthly payment to November 15, 2015.

3 27. Bady's non-payment of the Bahri loan and subsequent negotiations were done
4 without my knowledge and jeopardized NuVeda's operations.

5 28. Bahri subsequently presented a lawsuit against Goldstein and I, individually,
6 falsely alleging that we were liable for his investment through Bady.

7 29. Bady and Bahri then acted in concert to allege that Goldstein and I were liable for
8 the \$500,000 promissory note, as neither NuVeda nor Bady, who single-handedly communicated
9 with Bahri and who negotiated all terms of the clandestine deal with his friend Bahri, were named
10 as defendants.

11 30. Bady and Bahri acted in concert to paralyze Goldstein and I from obtaining the
12 necessary funding by threatening to file frivolous and factually unfounded lawsuits against
13 Goldstein and I for Bady's strategic gain.

14 31. Additionally, when Kennedy (an IRS enrolled agent) was preparing NuVeda's K-
15 1s, Bady asked me to allocate his tax losses to Bady to offset Bady's income from an unrelated
16 medical business.

17 32. I refused and explained to Bady that loss-shifting was wrongful and potentially
18 constituted fraud, but Bady ignored my concern and collaborated with Mohajer to shift Mohajer's
19 losses to him instead.

20 33. Bady and Mohajer then had nominal-member Kennedy amend the K-1s to reflect
21 the loss-shifting to Bady in violation of the terms of the NuVeda Operating Agreement without
22 notifying any other NuVeda members.

23 34. Goldstein and I made demands for the original K-1s and other financial documents
24 for NuVeda, but Bady and Kennedy denied the records request in violation of my right to review
25 the business records of NuVeda pursuant to Section 7.2 of the NuVeda Operating Agreement.

26 35. I also discovered that Bady engaged in rampant self-dealing on multiple occasions.

27 36. An entity known as 2 Prime, LLC ("2 Prime") entered into a financing agreement
28 with NuVeda.

1 37. Bady exclusively negotiated the financing agreement with favorable terms to 2
2 Prime.

3 38. Thereafter, it was discovered after the fact that Bady had an undisclosed 50%
4 interest in 2 Prime, which was also co-owned by Golpa.

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

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

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

13 **The District Court Action**

14 42. Over concerns that any attempted and unauthorized transfer of interest could
15 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and I filed a complaint, as
16 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady
17 and Mohajer as Case Number A-15-728510-B (the "District Court Action") and
18 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin
19 any transfer of NuVeda's membership interests.

20 43. The District Court Action sought, among other things, the issuance of a
21 preliminary and permanent injunction maintaining the status quo pending a final resolution of the
22 parties' disputes in an arbitration.

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

28 45. Goldstein and I commenced a private arbitration proceeding with the American

1 Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al. v. NuVeda*
2 *LLC, et al.*, AAA Case No. 01-15-005-8574 (the “Arbitration”).

3 46. Notwithstanding the express language of the January 13, 2016 Order, in a March
4 10, 2016 meeting I attended, Bady called for a vote to expel me from NuVeda.

5 47. Bady, Mohajer and Kennedy voted in favor of the motion to expel me in violation
6 of the January 13, 2016 Order.

7 48. The purported expulsion was further documented in a meeting on or about
8 September 19, 2017, where the NuVeda Meeting Minutes indicate my interest in NuVeda was
9 distributed to Bady and Mohajer in yet another act of blatant self-dealing.

10 49. NuVeda, Bady and Mohajer transferred my individual license interest in NuVeda
11 directly to Bady and Mohajer without my consent.

12 **Purchase and Sale Agreement for Terry’s Ownership Interest in NuVeda and NuVeda-**
13 **Managed Licenses**

14 50. During the pendency of the District Court Action and Arbitration, on or about
15 April 30, 2018, I entered into a “Purchase and Sale Agreement for Terry’s Ownership Interest in
16 NuVeda and NuVeda-Managed Licenses” (the “Terry Purchase Agreement”) with BCP7 as the
17 Buyer. A true and correct copy of the Terry Purchase Agreement to the Opposition as Exhibit 4.

18 51. Padgett personally guaranteed all payments and other performance obligations due
19 under the Terry Purchase Agreement.

20 52. The Terry Purchase Agreement provides, among other things, that I agreed to sell
21 the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration and
22 on specific terms.

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

25 54. I was induced to sign the Terry Purchase Agreement in reliance upon Padgett’s
26 representations that the Purchase Price would be paid.

27 55. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00
28 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the “Initial

1 Payment”), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,
2 2028 with payments due monthly until paid in full (the “Monthly Payments”).

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

5 57. The Monthly Payments were to commence May 1, 2018, and the first payment
6 was to have been made no later than May 2, 2018.

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

13 59. Upon execution of the Terry Purchase Agreement and upon receipt of the first
14 Monthly Payment, I agreed, among other things, to assign any and all claims and right in the
15 Arbitration and District Court Action to BCP 7.

16 60. BCP 7 made a partial payment toward the Initial Payment in the sum of
17 \$250,000.00 on or about August 1, 2018.

18 61. In addition to the partial Initial Payment, BCP 7 made partial interest and extension
19 payments.

20 62. However, BCP 7 failed to pay the Initial Payment or Monthly Payments in full.

21 63. As a result of BCP 7’s failure to pay the Initial Payment or any of the Monthly
22 Payments in full, I provided notice of and right to cure this failure to BCP 7 and Padgett.

23 64. BCP 7 and Padgett failed to cure the outstanding balance owed following notice
24 of such failure and a right to cure within 10 business days.

25 65. As a result of BCP 7’s and Padgett’s failure to pay the Initial Payment and Monthly
26 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the
27 Terry Interest to BCP 7.

28 66. Notwithstanding the fact that the Terry Interest was never properly transferred to

1 BCP 7, in an email dated June 5, 2018 from Padgett to the Arbitrator in the Arbitration, Padgett
2 purported to dismiss “all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry
3 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark
4 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with
5 prejudice.” See electronic mail from Padgett to Nikki Baker, Exhibit 5 to the Opposition.

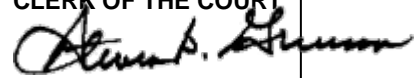
6 67. Not only did CWNevada never make or assert any claims related to the Arbitration,
7 the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady and Mohajer
8 to defraud me by having BCP 7 purportedly purchase the Terry Interest, and then immediately
9 attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying the agreed
10 consideration.

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

12 DATED this 21st day of December, 2020

13
14 /s/Shane M. Terry
15 SHANE M. TERRY
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EXHIBIT “2”



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DISTRICT COURT

CLARK COUNTY, NEVADA

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

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

Dept. No.: 11

AND RELATED MATTERS

ORDER DENYING MOTION TO DISMISS OR FOR SUMMARY JUDGMENT

This matter came before the Honorable Elizabeth Gonzalez on August 31, 2020 on NuVeda's Motion to Dismiss or for Summary Judgment (the "Motion") with Mitchell D. Stipp of the Law Office of Mitchell Stipp appearing for NuVeda, LLC; L Joe Coppedge of the law firm Mushkin & Coppedge appearing for the Court Appointed Receiver, Dotan Melech, for CWNevada, LLC, Shane Terry and Phillip Ivey; Christopher R. Miltenberger of the law firm Greenberg Traurig, LLP appearing on behalf of Intervenor, Green Pastures Fund, LLC Series 1 (CWNevada, LLC), Jakal Investments, LLC, Jonathan S. Fenn as Trustee for the Jonathan S.

1 Fenn Revocable Trust, and Growth Opportunities, LLC; and William Urga of the firm Jolley Urga
2 Woodbury & Holthus appearing on behalf of Intervenor, Highland Partners NV LLC and the
3 MI-CW related parties; and the Court, having reviewed and considered the record, the points and
4 authorities on file, and the argument of counsel, this Court ORDERS, JUDGES AND DECREES
5 AS FOLLOWS:

6 1. Given the Receiver's Declaration that the Receiver on behalf of CWNevada, LLC
7 can perform the obligations of CWNevada, LLC under the various joint venture agreements with
8 NuVeda, LLC, there is a genuine issue of material fact regarding the issue of impossibility, which
9 precludes summary judgment.

10 2. The Motion related to the Intervenor's complaint-in-intervention, is moot (since
11 resolution was depended on the court's determination that CWNevada, LLC's performance under
12 the joint venture agreements was impossible).

13 3. With respect to Shane Terry, the Motion is stayed for a period of ninety (90) days
14 from the date of the hearing for Mr. Terry to request any relief from the arbitrator, Ms. Nikki
15 Baker, of the American Arbitration Association.

16 DATED this 18th day of September, 2020.

17
18 
19 DISTRICT COURT JUDGE

20
21 Respectfully Submitted:
22 MUSHKIN & COPPEDGE

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

23 /s/L. Joe Coppedge
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27 *Attorneys for Dotan Y. Melech, Receiver,*
28 *Shane Terry, and Phillip D. Ivey*

Attorneys for NuVeda, LLC

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Approved as to Form and Content:
JOLLEY URG A WOODBURY
HOLTHUS & ROSE

/s/William R. Urga
WILLIAM R. URG A, ESQ.
Nevada Bar No. 1195
DAVID J. MALLEY, ESQ.
Nevada Bar No. 8171
330 S. Rampart Boulevard, Suite 380
Las Vegas, NV 89145

Approved as to Form and Content:
GREENBERG TRAURIG

/s/Christopher R. Miltenberger
MARK E. FERRARIO, ESQ.
Nevada Bar No. 1625
CHRISTOPHER R. MILTENBERGER, ESQ.
Nevada Bar No. 10153
10845 Griffith Peak Drive, Suite 600
Las Vegas, NV 89135

Karen Foley

From: Joe Coppedge
Sent: Thursday, September 17, 2020 3:17 PM
To: Karen Foley
Subject: FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge
Mushkin & Coppedge
6070 S. Eastern Ave., Suite 270
Las Vegas, Nevada 89119
Tel. No. (702) 454-3333
Dir. No. (702) 386-3942
Fax No. (702) 454-3333

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From: William Urga <WRU@juwlaw.com>
Sent: Thursday, September 17, 2020 2:27 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>; Mitchell Stipp <mstipp@stipplaw.com>; miltenbergerc@gtlaw.com
Subject: RE: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Joe, I have no comments regarding the order and you can electronically sign my name.

William R. Urga, Esq.
Jolley Urga Woodbury & Holthus
Tivoli Village
330 S. Rampart Boulevard, Suite 380
Las Vegas, Nevada 89145
Telephone: (702) 699-7500
Facsimile: (702) 699-7555
E-mail: wru@juwlaw.com

Please consider the environment before printing this email.

JOLLEY URGA | attorneys
WOODBURY & HOLTHUS | at law

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immediately notify us by telephone and delete the e-mail from your computer. You may contact Jolley Urga Woodbury & Holthus at (702) 699-7500 (Las Vegas, NV).

From: Joe Coppedge <jcoppedge@mccnvlaw.com>

Sent: Thursday, September 17, 2020 2:20 PM

To: Mitchell Stipp <mstipp@stipplaw.com>; William Urga <WRU@juwlaw.com>; miltenbergerc@gtlaw.com

Subject: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

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Karen Foley

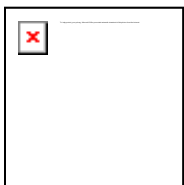
From: Joe Coppedge
Sent: Thursday, September 17, 2020 3:18 PM
To: Karen Foley
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From: Mitchell Stipp <mstipp@stiplaw.com>
Sent: Thursday, September 17, 2020 2:59 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>
Cc: WRU@juwlaw.com; miltenbergerc@gtlaw.com
Subject: Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

You need to update the footer. Otherwise, you may include my e-signature.



Mitchell Stipp

Law Office of Mitchell Stipp
(O) 702.602.1242 | (M) 702.378.1907 | mstipp@stiplaw.com

Address: 1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144

Website: www.stiplaw.com

On Thu, Sep 17, 2020 at 2:20 PM Joe Coppedge <jcoppedge@mccnvlaw.com> wrote:

Mitch, Bill and Chris,

My apologies for the short delay, but I was out of the office yesterday. We added signature blocks for Bill and Chris, and I believe accepted all of the changes. Since the order is short, everyone might check one last time. If okay, let me know if we can insert your electronic signature.

Joe

L. Joe Coppedge

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From: miltenbergerc@gtlaw.com <miltenbergerc@gtlaw.com>
Sent: Thursday, September 17, 2020 3:06 PM
To: mstipp@stipplaw.com; Joe Coppedge <jcoppedge@mccnvlaw.com>
Cc: WRU@juwlaw.com
Subject: RE: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

Joe – Good catch by Mitchell. You have my permission to e-sign as well.

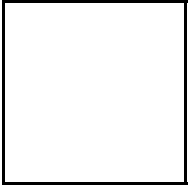
Thanks,

Chris Miltenberger
Greenberg Traurig, LLP
702.599.8024

From: Mitchell Stipp <mstipp@stipplaw.com>
Sent: Thursday, September 17, 2020 2:59 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>
Cc: WRU@juwlaw.com; Miltenberger, Chris (Shld-LV-LT) <miltenbergerc@gtlaw.com>
Subject: Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

EXTERNAL TO GT

You need to update the footer. Otherwise, you may include my e-signature.



Mitchell Stipp

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EXHIBIT “3”

NuVeda, LLC

Operating Agreement

July 9, 2014

Operating Agreement For NuVeda, LLC

A Nevada Limited Liability Company

This Operating Agreement (the "Agreement") is made effective as of July 9, 2014 (the "Effective Date"), by and among and those persons identified in Exhibit A (collectively, the "Members").

In consideration of the mutual covenants and conditions herein, the Members agree as follows:

ARTICLE I

ORGANIZATION

1.1 Formation and Qualification. The Members have formed NuVeda, LLC ("NUVEDA"), a limited liability company (the "Company") under the Nevada Limited Liability Company Act (currently Chapter 86 of the Nevada Restated Statutes) (the "Act") by filing Articles of Organization with the Nevada Secretary of State.

1.2 Governing Law. This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Nevada, including the Nevada Limited Liability Company Act, (the "Act") as amended from time to time, without regard to Nevada's conflicts of laws principles. The rights and liabilities of the Members shall be determined pursuant to the Act and this Agreement. To the extent that any provision of this Agreement is inconsistent with any provision of the Act, this Agreement shall govern to the extent permitted by the Act.

1.3 Name. The name of the Company shall be "NUVEDA, LLC." The business of the Company may be conducted under that name or, on compliance with applicable laws, any other name that the Voting Members deem appropriate or advisable. The Voting Members on behalf of the Company shall file any certificates, articles, fictitious business name statements and the like, and any amendments and supplements thereto, as the voting Members consider appropriate or advisable.

1.4 Term. The term of the Company commenced on the filing of the Articles of Organization and shall be perpetual unless dissolved as provided in this Agreement.

1.5 Office and Agent. The principal office of the Company shall be at such place or places of business within or without the State of Nevada as the Voting Members may determine. The Company shall continuously maintain a registered agent in the State of Nevada as required by the Act. The registered agent shall be as stated in the Certificate or as otherwise determined by the Voting Members.

1.6 Purpose of Company. The purpose of the Company is to engage in all lawful activities, including, but not limited to the following activities:

The research, design, creation, management, licensing, advising and consulting regarding the legal medical marijuana industry, as such matters shall be lawfully allowed under applicable state laws. Such purpose shall be broadly read to include providing management or other professional services to any individual, group or entity that is lawfully licensed, or seeking to become lawfully licensed, under any state statutory scheme providing for the legal cultivation, processing or dispensing of medical marijuana.

ARTICLE II

MEMBERSHIP INTERESTS, VOTING AND MANAGEMENT

Section 2.1 Initial Members. The initial Members of the Company are the Members who are identified in Exhibit A.

Section 2.2 Classification of Membership Interests. The Company shall issue Class A Voting Capital ("Voting Capital"), to the Voting Members (the "Voting Members"). The Voting Members shall have the right to vote upon all matters upon which Members have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interest ("Percentage Voting Interest") in the Company. The Percentage Voting Interest of a Voting Member shall be the percentage that is derived when the Member's Voting Capital account is divided by the total of all of the Voting Capital accounts. The Company may decide to issue Class B Nonvoting Capital (the "Nonvoting Capital") to Members who have no voting rights, but have an Ownership Interest, as defined below.

Section 2.3 Ownership Interests. A Member's Ownership Interest ("Ownership Interest") shall be the equity holding a Member has in the Company, which shall determine the Member's rights to profits and other payouts and, where applicable, debts and obligations to or on behalf of the Company. The "Percentage Ownership Interest" of a Voting Member shall be the percentage that is derived when the Member's Ownership Interest is divided by the total of all of the Ownership Interests of all Members. The Members shall have the initial Ownership and Voting Interests in the Company that are identified in Exhibit A, immediately following the making of the capital contributions set forth therein if any.

Section 2.4 Management by Voting Members. The Voting Members shall manage the Company and shall have the right to vote, in their capacity as Managers, upon all matters upon which Managers have the right to vote under the Act or under this Agreement, in proportion to their respective Percentage Voting Interests in the Company. Voting Members need not identify whether they are acting in their capacity as Members or Managers when they act.

The Nonvoting Members shall have no right to vote or otherwise participate in the management of the Company. No Nonvoting Member shall, without the prior written consent of all of the Voting Members, take any action on behalf of, or in the name of, the Company, or enter into any contract, agreement, commitment or obligation binding upon the Company, or perform any act in any way relating to the Company or the Company's assets.

Section 2.5 Voting. Except as otherwise provided or permitted by this Agreement, Voting Members shall in all cases, in their capacity as Members or Managers of the Company, act collectively, and, unless otherwise specified or permitted by this Agreement, upon the majority vote of the Voting Members which members establish a quorum as defined in section 4.6 of this Agreement. Except as otherwise provided or permitted by this Agreement, no Voting Member acting individually, in his capacity as a Member or Manager of the Company, shall have any power or authority to sign for, bind or act on behalf of the Company in any way, to pledge the Company's credit, or to render the Company liable for any purpose.

Unless the context requires otherwise, in this Agreement, the terms "Member" or "Members," without the qualifiers "Voting" or "Nonvoting," refer to the Voting and Nonvoting Members collectively; and the terms "Manager" or "Managers" refers to the Voting Members.

Section 2.6 Liability of Members. All debts, obligations and liabilities of the Company, whether arising in contract, tort or otherwise, shall be solely the debts, obligations and liabilities

of the Company, and no Member shall be obligated personally for any such debt, obligation or liability of the Company solely by reason of being a Member.

Section 2.7 New Members. The Voting Members may issue additional Voting Capital, or reallocate the Ownership Interests among the Members, and thereby admit a new Member or Members, as the case may be, to the Company, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his or her required capital contribution, if any; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto; and (iv) delivers such additional documentation as the Voting Members shall reasonably require to so admit such new Member to the Company.

Upon the admission of a new Member or Members, as the case may be, to the Company, the capital accounts of Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately.

Section 2.8 Vesting Schedule. The Voting and Ownership Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Voting and Ownership Interests as set forth in Exhibit A. The Voting and Ownership Interests of Penders and Winmill are stated as a total possible, and are each subject to vesting upon the successful conclusion of each full calendar from the date hereof year as follows: Penders and Winmill shall each immediately vest in one-quarter of a percent (.25%) upon execution of this Operating Agreement. Subject to Penders and Winmill's continued provision of services in a manner satisfactory to the reasonable professional standards of a majority of the Voting Members, each shall vest in Voting and Ownership Interests at the rate of point one eight seven five of a percent (.1875%) at the conclusion of the first full calendar year, and an additional point four three seven five of a percent (.4375%) per annum for the following three (3) years. Such vesting shall be subject to the terms of the Vesting and Acceleration Agreement. Prior to them becoming vested, all Winmill and Penders unvested Voting and Ownership Interests percentages shall be allocated evenly between Pouya Mohajer and Shane Terry, assuming their continued Membership with the Company, otherwise allocated among all Voting Members in proportion to each Member's Voting and Ownership Interest percentage, to ensure a total of 100% of the Voting and Ownership Interests are allocated at all times ("Allocated Unvested Shares"). As Penders and Winmill vest in the Allocated Unvested Shares, they shall immediately and automatically be reallocated to Penders and Winmill.

With regard to any Ownership Interests granted by the Company after the execution of this Operating Agreement, such Ownership Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted from the Ownership Interest of Pej Bady until such time Bady's Ownership Interest has been reduced to thirty-eight percent (38%). In the event any further or more Ownership Interests are granted by the Company, such Ownership Interests shall be sourced by taking a proportional share of the dilutable Ownership Interests of the Members. All Members whose Ownership Interests are dilutable shall have their Ownership Interest percentages reduced in proportion to their Ownership Interests relative to all other dilutable Members' Ownership Interests. Ownership Interests designated as nondilutable will not decrease.

With regard to any Voting Interests granted by the Company after the execution of this Operating Agreement, such Voting Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Voting Interests of Pouya Mohajer and Shane

Terry until such time Mohajer and Terry's respective Ownership Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Ownership Interests relative to all other dilutable Members' Voting Interests. Voting Interests designated as nondilutable will not decrease.

Section 2.9 Anti-Dilution. Certain of the Members' Ownership Interests will be denoted as being non-dilutable. In the event the Company issues additional Ownership Interests, or reallocates Ownership Interests among the Members (either, a "Dilutive Transaction"), the Non-dilutable Ownership Interests shall remain constant as a percentage of the total outstanding Ownership Interests before and after the Dilutive Transaction.

ARTICLE III CAPITAL ACCOUNTS

3.1 Capital Accounts. A separate capital account shall be maintained for each Member's ownership interest in Class A Voting Capital (the "Voting Capital Account") and Class B Nonvoting Capital (the "Nonvoting Capital Account").

The capital account of each Member shall be increased by (i) the amount of any cash and the fair market value of any property contributed to the Company by such Member (net of any liability secured by such contributed property that the Company is considered to assume or take subject to), (ii) the amount of income or profits allocated to such Member.

The capital account or accounts of each Member shall be reduced by (i) the amount of any cash and the fair market value of any property distributed to the Member by the Company (net of liabilities secured by such distributed property that the Member is considered to assume or take subject to on account of his ownership interest), (ii) the amount of expenses or loss allocated to the Member. If any property other than cash is distributed to a Member, the Capital Accounts of the Members shall be adjusted as if the property had instead been sold by the Company for a price equal to its fair market value and the proceeds distributed.

Guaranteed Payments ("Guaranteed Payments") for salary, wages, fees, payments on loans, approved invoices, rents, etc., may be made to the Members. Guaranteed Payments shall not be deemed to be distributions to the Members on account of their Ownership Interests, and shall not be charged to the Members' capital accounts.

No Member shall be obligated to restore any negative balance in his Capital Account. No Member shall be compensated for any positive balance in his Capital Account except as otherwise expressly provided herein. The foregoing provisions and the other provisions of this Agreement relating to the maintenance of Capital Accounts are intended to comply with the provisions of Treasury Regulations Section 1.704-1(b)(2) and shall be interpreted and applied in a manner consistent with such Regulations. The Members agree that the initial Capital Accounts of the Members on the date hereof are as set forth in Exhibit A, or shall be made as such within 30 days of the Effective Date.

3.2 Additional Contributions. If, at any time or times hereafter, the Voting Members

shall determine that additional capital is required by the Company, the Voting Members shall determine the amount of such additional capital and the anticipated time such additional capital will be required and whether such additional capital shall be provided by the Members by way of additional Capital Contributions or by way of loans from Members. No Member shall be obligated, at any time, to guarantee or otherwise assume or become liable for any obligations of the Company or to make any additional Capital Contributions advances or loans to the Company, unless such obligations are specifically accepted and agreed to by such Member.

The capital accounts of the Members, and the calculations that are based on the capital accounts, shall be adjusted appropriately to reflect any transfer of an interest in the Company, distributions, or additional capital contributions.

3.3 Withdrawal and Return of Capital. No Member may withdraw any portion of the capital of the Company, and no Member shall be entitled to the return of any contribution to the capital except upon majority vote of the Voting Members. The return of Capital Contributions shall have priority over any distributions to the members and shall be made within the sole discretion of a majority of the Voting Members.

3.4 Interest on Capital Contributions. Interest on all Capital Contributions made by the Voting Members shall accrue at a rate of 8% from the date of the contribution until fully paid. This shall apply to all contributions made by the Voting Members regardless of the timing of the Capital Contribution. Specifically it is understood that significant sums have been paid or will be paid by the Voting Members in order to effectuate the goals and purposes of the Company. All said contributions shall be repaid in full with interest, as provided for herein, in accordance with the provisions of Section 3.3.

ARTICLE IV MANNER OF ACTING

4.1 Officers and Agents of the Company. The Voting Members may authorize any Member or Members of the Company, or other individuals or entities, whether or not a Member, to take action on behalf of the Company, as the Voting Members deem appropriate. Any Member may lend money to and receive loans from the Company, act as an employee, independent contractor, lessee, lessor, or surety of the company, and transact any business with the Company that could be carried out by someone who is not a Member; and the Company may receive from or pay to any Member remuneration, in the form of wages, salary, fees, rent, interest, or any form that the Voting Members deem appropriate.

The Voting Members may appoint officers of the Company who, to the extent provided by the Voting Members, may have and may exercise all the powers and authority of the Members or Managers in the conduct of the business and affairs of the Company. The officers of the Company may consist of a President, a Treasurer, a Secretary, or other officers or agents as may be elected or appointed by the Voting Members. The Voting Members may provide rules for the appointment, removal, supervision and compensation of such officers, the scope of their authority, and any other matters relevant to the positions. The officers shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Voting Members.

Any action taken by a duly authorized officer, pursuant to authority granted by the Voting Members in accordance with this Agreement, shall constitute the act of and serve to bind the

Company, and each Member hereby agrees neither to dispute such action nor the obligation of the Company created thereby.

4.2 Authority to Bind the Company. Notwithstanding the foregoing, no Member without a majority vote consisting of 60% of the Voting Members' interest in the Company, shall have the authority to engage in the following transactions:

- (a) Borrowing money in the Company's name;
- (b) Transferring, settling or releasing any claim of the Company, except upon payment in full;
- (c) Mortgaging any of the Company's property, or pledging any property of the Company as security for any loan;
- (d) Selling or leasing any of the Company's property other than in the ordinary course of business;
- (e) Knowingly causing anything to be done whereby any of the Company's property may be subjected to seizure, attachment or forfeiture or the Company's ownership or possession of any such property may be put at risk;
- (f) The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in multiple transactions over a six month period, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution;
- (g) The merger of the Company with another partnership, corporation, limited liability company or other entity; and
- (h) Agreeing to or executing any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount greater than One Thousand Dollars (\$1,000.00). Notwithstanding the foregoing, the Chief Executive Officer can agree to or execute any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount more than Ten Thousand Dollars (\$10,000.00).

4.3 Meetings of Voting Members. No regular, annual, special or other meetings of Voting Members are required to be held. Any action that may be taken at a meeting of Voting Members may be taken without a meeting by written consent in accordance with the Act. Meetings of the Voting Members, for any purpose or purposes, may be called at any time by a majority of the Voting Members, or by the President of the Company, if any. The Voting Members may designate any place as the place of meeting for any meeting of the Voting Members. If no designation is made, the place of meeting shall be the principal place of business of the Company.

4.4 Notice of Meetings. In the event that a meeting of the Voting Members is called,

written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five nor more than sixty business days before the date of the meeting unless otherwise provided, either personally or by mail, by or at the direction of the Members calling the meeting, to each Voting Member. Notice of a meeting need not be given to any Voting Member who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Voting Member.

4.5 Record Date. For the purpose of determining Voting Members entitled to notice of or to vote at any meeting of Voting Members or any adjournment thereof, the date on which notice of the meeting is provided shall be the record date for such determination of the Voting Members. When a determination of Voting Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

4.6 Quorum. Members holding at least 66% of the Voting Capital in the Company represented in person, by telephonic participation, or by proxy, shall constitute a quorum at any meeting of Voting Members. In the absence of a quorum at any such meeting, a majority of the Voting Members so represented may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. However, if the adjournment is for more than sixty days, or if after the adjournment a new record date is fixed for another meeting, a notice of the adjourned meeting shall be given to each Voting Member. The Voting Members present at a duly organized meeting may continue to transact business only as previously provided on the agenda until adjournment, notwithstanding the withdrawal during such meeting of that number of Voting Members whose absence would cause less than a quorum.

4.7 Voting. If a quorum is present, a majority vote of the Voting Members so represented shall be the act of the Members or Managers, unless the vote of a lesser or greater proportion or number is otherwise required by the Act, by the Certificate or by this Agreement.

ARTICLE V

ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations of Profits and Losses. Subject to applicable law and any limitations elsewhere in this Agreement, Profits and Losses, after deducting Guaranteed Payments, shall be allocated among the Members in proportion to their Percentage Ownership Interests. Any special allocations necessary to comply with the requirements set forth in Internal Revenue Code Section 704 and the corresponding Regulations, including, without limitation, the qualified income offset and minimum gain chargeback provisions contained therein, shall be made if the Voting Members deem these actions to be appropriate.

5.2 Distributions. Subject to applicable law and any limitations elsewhere in this Agreement below, the Voting Members shall determine the amount and timing of all distributions of cash, or other assets, by the Company. Except as otherwise provided in this Agreement, all distributions shall be made as follows:

Distributions:

- Eighty percent (80%) of each distribution will be allocated among all of the Members, as follows (the "Distribution Interests"):

Pejman Bady	38%
Pouya Mohajer	25.25%
Shane Terry	25.25%
Jennifer Goldstein	7%
Joseph Kennedy	1*%
John Penders	1.75%
Ryan Winmill	1.75%

and

- Twenty percent (20%) of each distribution shall be allocated to satisfy any contractual obligations owed by the Company to consultants, vendors, advisors or others with whom the Company has an appropriate written agreement providing for such distributions ("Distributions Partners"); in the event less than 20% of the Distribution has been allocated to Distributions Partners, the unallocated percentage shall be allocated to the Members in proportion to their Percentage Distribution Interests.

Except as otherwise provided in this Agreement, the decision as to whether to make distributions shall be within the sole discretion of the Voting Members.

With regard to any Distribution Interests granted by the Company after the execution of this Operating Agreement, such Distribution Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Distribution Interests of Pouya Mohajer and Shane Terry until such time Mohajer and Terry's respective Distribution Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Distribution Interests relative to all other dilutable Members' Voting Interests. Distribution Interests designated as nondilutable will not decrease.

All such distributions shall be made only to the Members who, according to the books and records of the Company, are the holders of record on the actual date of distribution. The Voting Members may base a determination that a distribution of cash may be made on a balance sheet, profit and loss statement, cash flow statement of the Company or other relevant information. Neither the Company nor the Members shall incur any liability for making distributions.

Vesting Schedule. The Distribution Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Distribution Interests as set forth in Exhibit A.

5.3 Form of Distribution. No Member has the right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to

accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members except on the dissolution and winding up of the Company.

5.4 Non-Compete Agreement. The Members agree that they will not at any time within one (1) year from the earlier of (1) the termination of the Member's Voting Interests for any reason or (2) the termination of this Agreement: directly or indirectly engage in or prepare to engage in, or to have any ownership interest in any business, venture or entity that engages in, or is preparing to engage in, business or activities that directly compete with the services provided by the Company, unless the Member is already engaged in such business or venture at the time this Agreement is entered into, unless such matter is agreed upon in writing by a majority of the disinterested Voting Members. Subject to the foregoing, the departing Member shall only be precluded from competing in any county in which any of the following have occurred: (1) the Company has an in process or pending application; (2) the Company has received licenses to operate any medical marijuana facility; and (3) the Company sells or delivers marijuana and marijuana products (each, a "Competing County"). For purposes of this provision, any county in which the Company's only sale or delivery was related exclusively to Auntie Dolores products shall not be deemed a Competing County unless another provision hereof applies. The other Members may override this provision is by an agreement in writing executed by a majority of the disinterested Voting Members.

ARTICLE VI

TRANSFER AND ASSIGNMENT OF INTERESTS

6.1 Resignation of Membership and Return of Capital. For a period of two (2) years after the Articles of Organization for the Company are filed ("the filing"), no Member may voluntarily resign his membership in the Company, and no Member shall be entitled to any return of capital from the company, except upon the written consent of all of the other Voting Members. During the third year after the filing, a Member may voluntarily resign his membership, but such Member shall be entitled to receive from the Company only the book value of his Ownership Interest, adjusted for profits and losses to the date of resignation, unless otherwise agreed by written consent of all of the other Voting Members. Subsequent to the third year after filing, a Member may voluntarily resign his membership and shall be entitled to receive from the Company the fair market value of his Ownership Interest, adjusted for profits and losses to the date of resignation. Fair market value may be determined informally by unanimous agreement of all of the Voting Members, including the resigning Member. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the resigning Member is entitled. The other Voting Members may elect, by written notice that is provided to the resigning Member within thirty (30) days after the resignation date, for the Company to purchase the resigning Member's Interest (whether the interest is being purchased at book value or fair market value) in four (4) equal annual installments, with the first installment

being due sixty (60) days after the Member's resignation.

6.2 Expulsion or Death of a Member. A Member's interest in the Company may be terminated or expelled only upon agreement of the Disinterested Voting Members by a vote of 60% or more of Disinterested Voting Interests. Expulsion may only be made by a majority vote of 60% or more of the Disinterested Voting Interests that the expelled member was not acting in the best interest of the Company or was otherwise acting in a manner that was contrary to the purpose of the Company. For purposes of this provision, the "Disinterested Voting Members" shall be those Members who's membership in the Company is not then being voted upon, and "Disinterested Voting Interests" shall be the total percentage of the Ownership Interests held by the Disinterested Voting Members. By means of example only, if the Members sought to expel Member A, who owned a 20% Voting Interest, the Disinterested Voting Members would be all Members other than Member A, and the vote would require 60% of the 80% Disinterested Voting Interests to carry. In order to terminate a Member's interest a meeting of the Voting Members must be held in accordance with the provisions of Section 4.3.

Upon the expulsion or death of a Member, the Member's successor-in-interest, estate or beneficiary or beneficiaries, as the case may be, shall be entitled to receive from the Company, in exchange for all of the former Member's Ownership Interest, the fair market value of that Member's Ownership Interest, adjusted for profits and losses to the date of the expulsion or death. Fair market value may be determined informally by a unanimous good-faith agreement of all of the Voting Members. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the former Member or the former Member's successor-in-interest, estate or beneficiary or beneficiaries is or are entitled. The Voting Members may elect, by written notice that is provided to the expelled or deceased Member's successor-in-interest, estate or beneficiary or beneficiaries, within thirty (30) days after the Member's expulsion or death, to purchase the former Member's Ownership Interest over a one-year (1 year) period, in four (4) equal installments, with the first installment being due sixty (60) days after the Member's expulsion or date of death. Unless otherwise agreed unanimously by the Voting Members, prior to the completion of such purchase, the former Member's successor-in-interest, estate or beneficiary or beneficiaries, shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled only to receive the share of profits and the return of capital to which the former Member would otherwise have been entitled. The Company, or the other Voting Members, in its or their discretion, may purchase insurance on the lives of any of the Members, with the company or the purchasing Member named as the beneficiary, as the purchaser may decide, and use all or any of the proceeds from such insurance as a source of proceeds from which the deceased Member's Membership Ownership Interest may be purchased by the Company.

6.3 Restrictions on Transfer. Except (i) as otherwise provided in this Article or (ii) upon the unanimous consent of all of the other Voting Members, no Member shall sell, hypothecate, pledge, assign or otherwise transfer, with or without consideration, any part of his Ownership Interest in the Company to any other person or entity (a "Transferee"), without first offering (the "Offer") that portion of his or her Ownership Interest in the Company subject to the contemplated transfer (the "Offered Interest") first to the Company, and secondly, to the other Voting Members, at the purchase price (hereinafter referred to as the "Transfer Purchase Price") and in the manner as prescribed in the Offer.

The Offering Member shall make the Offer first to the Company by written notice (hereinafter referred to as the "Offering Notice"). Within twenty (20) days (the "Company Offer Period") after receipt by the Company of the Offering Notice, the Company shall notify the Offering Member in writing (the "Company Notice"), whether or not the Company shall accept the Offer and shall purchase all but not less than all of the Offered Interest. If the Company accepts the Offer to purchase the Offered Interest, the Company Notice shall fix a closing date not more than twenty-five (25) days (the "Company Closing Date") after the expiration of the Company Offer Period.

In the event the Company decides not to accept the Offer, the Offering Member or the Company, at his or her or its election, shall, by written notice (the "Remaining Member Notice") given within that period (the "Member Offer Period") terminating ten (10) days after the expiration of the Company Offer Period, make the Offer of the Offered Interest to the other Voting Members, each of whom shall then have a period of twenty-five (25) days (the "Member Acceptance Period") after the expiration of the Member Offer Period within which to notify in writing the Offering Member whether or not he or she intends to purchase all but not less than all of the Offered Interest. If two (2) or more Voting Members of the Company desire to accept the Offer to purchase the Offered Interest, then, in the absence of an agreement between them, such Voting Members shall have the right to purchase the Offered Interest in proportion to their respective Percentage Voting Interests. If the other Voting Members intend to accept the Offer and to purchase the Offered Interest, the written notice required to be given by them shall fix a closing date not more than sixty (60) days after the expiration of the Member Acceptance Period (hereinafter referred to as the "Member Closing Date").

The aggregate dollar amount of the Transfer Purchase Price shall be payable in cash on the Company Closing Date or on the Member Closing Date, as the case may be, unless the Company or the purchasing Voting Members shall elect by written notice that is delivered to the Offering Member, prior to or on the Company Closing Date or the Member Closing Date, as the case may be, to purchase such Offered Interest in four (4) equal annual installments, with the first installment being due on the Closing Date.

If the Company or the other Voting Members fail to accept the Offer or, if the Offer is accepted by the Company or the other Voting Members and the Company or the other Voting Members fail to purchase all of the Offered Interest at the Transfer Purchase Price within the time and in the manner specified, then the Offering Member shall be free, for a period (hereinafter referred to as the "Free Transfer Period") of sixty (60) days from the occurrence of such failure, to transfer the Offered Interest to a Transferee; provided, however, that if all of the other Voting Members other than the Offering Member do not approve of the proposed transfer by unanimous written consent, the Transferee of the Offered Interest shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled to receive the share of profits and the return of capital to which the Offering Member would otherwise have been entitled. A Transferee shall be admitted as a Member of the Company, and as a result of which he or she shall become a substituted Member, with the rights that are consistent with the Membership Interest that was transferred, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his required capital contribution; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto.

If the Offering Member shall not transfer the Offered Interest within the Free Transfer Period, his or her right to transfer the Offered Interest free of the foregoing restrictions shall thereupon cease

and terminate.

6.4 Involuntary Transfer of a Membership Interest. A creditor's charging order or lien on a Member's Membership Interest, bankruptcy of a Member resulting in an encumbrance or transfer of the Member's Membership Interest, or other involuntary transfer of Member's Membership Interest, shall constitute a material breach of this Agreement by such Member. The creditor, transferee or other claimant, shall only have the rights of an Assignee, and shall have no right to become a Member, or to participate in the management of the business and affairs of the Company as a Member or Manager under any circumstances, and shall be entitled only to receive the share of profits and losses, and the return of capital, to which the Member would otherwise have been entitled. The Voting Members, including a Voting Member whose interest is the subject of the charging order, lien, bankruptcy, or involuntary transfer, may unanimously elect, by written notice that is provided to the creditor, transferee or other claimant, at any time, to purchase all or any part of Membership Interest that was the subject of the creditor's charging order, lien, bankruptcy, or other involuntary transfer, at a price that is equal to one-half (1/2) of the book value of such interest, adjusted for profits and losses to the date of purchase. The Members agree that such valuation is a good-faith attempt at fixing the value of the interest, after taking into account that the interest does not include all of the rights of a Member or Manager, and after deducting damages that are due to the material breach of this Agreement.

ARTICLE VII

ACCOUNTING, RECORDS AND REPORTING

7.1 Books and Records. The Company shall maintain complete and accurate accounts in proper books of all transactions of or on behalf of the Company and shall enter or cause to be entered therein a full and accurate account of all transactions on behalf of the Company. The Company's books and accounting records shall be kept in accordance with such accounting principles (which shall be consistently applied throughout each accounting period) as the Voting Members may determine to be convenient and advisable. The Company shall maintain at its principal office all of the following:

A current list of the full name and last known business or residence address of each Member in the Company set forth in alphabetical order, together with, for each Member, the Class A Voting Capital account and Class B Nonvoting Capital account, including entries to these accounts for contributions and distributions; the Ownership Interest, Percentage Ownership and Voting Interests; a copy of the Certificate and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Certificate or any amendments thereto have been executed; copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six most recent taxable years; a copy of this Agreement and any and all amendments hereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed; copies of the financial statements of the Company, if any, for the six most recent Fiscal Years; the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four Fiscal Years; true and full information regarding the status of the business and financial condition of the Company; and true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on

the Act; the majority approval of the Voting Members; or any other event causing a dissolution of a Limited Liability Company under the laws of the State of Nevada.

8.2 Winding Up. On the occurrence of an event specified in Section 8.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Voting Members shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the assets and liabilities of Company, shall cause such assets to be sold or distributed, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.4. The Voting Members shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company. The Members shall be entitled to reasonable compensation for such services.

8.3 Distributions in Kind. All noncash contributions to the Capital Accounts shall be returned to the Member who made such contribution upon dissolution of the Company, to the extent such noncash assets exist and may be legally returned to the contributing Member. Any remaining noncash assets distributed to the Members shall first be valued at their fair market value to determine the profit or loss that would have resulted if such assets were sold for such value. Such profit or loss shall then be allocated pursuant to this Agreement, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged against the Capital Account of each Member receiving an interest in a distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The fair market value of such asset shall be determined by the Voting Members, or if any Voting Member objects, by an independent appraiser (and any such appraiser must be recognized as an expert in valuing the type of asset involved) selected by a Majority of the Voting Members.

8.4 Order of Payment of Liabilities on Dissolution. After a determination that all known debts and liabilities of the Company in the process of winding up, including, without limitation, debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in proportion to their Ownership Interests.

8.5 Adequacy of Payment. The payment of a debt or liability, whether the whereabouts of the creditor is known or unknown, shall have been adequately provided for if payment thereof shall have been assumed or guaranteed in good faith by one or more financially responsible Persons or by the United States government or any agency thereof, and the provision, including the financial responsibility of the Person, was determined in good faith and with reasonable care by the Members to be adequate at the time of any distribution of the assets pursuant to this Section. This Section shall not prescribe the exclusive means of making adequate provision for debts and liabilities.

8.6 Compliance with Regulations. All payments to the Members on the winding up and dissolution of Company shall be strictly in accordance with the positive capital account balance limitation and other requirements of Regulations Section 1.704-1(b)(2)(ii)(d), as the voting Members deem appropriate.

8.7 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of the Company for the return of such Member's positive Capital Account balance and shall have no recourse for such Member's Capital Contribution or share of profits (on dissolution or otherwise)

against any other Member.

8.8 Certificate of Cancellation. The Voting Members conducting the winding up of the affairs of the Company shall cause to be filed in the office of, and on a form prescribed by the Nevada Secretary of State, a certificate of cancellation of the Certificate on the completion of the winding up of the affairs of the Company.

ARTICLE IX

EXCULPATION AND INDEMNIFICATION, REPS AND WARRANTIES

9.1 Exculpation of Members. Subject to the limitations of section 9.3, no Member shall be liable to the Company or to the other Members for damages or otherwise with respect to any actions taken or not taken, as long as such act or omission was made in good faith and reasonably believed by such Member to be in or not opposed to the best interests of the Company, except to the extent any related loss results from fraud, gross negligence or willful or wanton misconduct on the part of such Member or the material breach of any obligation under this Agreement or of the fiduciary duties owed to the Company or the other Members by such Member.

9.2 Indemnification by Company. Subject to the limitations of section 9.3, below, the Company shall indemnify, hold harmless and defend the Members, in their capacity as Members, Managers, or Officers, from and against any loss, expense, damage or injury suffered or sustained by them by reason of any acts or omissions arising out of their activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, if the acts or omissions were not performed or omitted fraudulently or as a result of gross negligence or willful misconduct by the indemnified party. Reasonable expenses incurred by the indemnified party in connection with any such proceeding relating to the foregoing matters may be paid or reimbursed by the Company in advance of the final disposition of such proceeding upon receipt by the Company of (i) written affirmation by the Person requesting indemnification of its good-faith belief that it has met the standard of conduct necessary for indemnification by the Company and (ii) a written undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such Person has not met such standard of conduct, which undertaking shall be an unlimited general obligation of the indemnified party but need not be secured.

9.3 Intellectual Property Indemnification. Notwithstanding the foregoing, each Member will indemnify, defend and hold harmless the other Member and any of its Affiliates, customers, officers, directors, employees, agents, assigns, and successors for any loss, damage, expense, costs (including, but not limited to, fees for attorneys and other professionals) or liability arising out of or in connection with a claim for intellectual property infringement or misappropriation of any patent, copyright, trade secret or other intellectual property right of a third party.

The indemnity obligations under this section are conditioned upon the Party seeking indemnification (the "Indemnified Party") (a) giving the other Party (the "Indemnifying Party") prompt Notice of such claim; (b) cooperating with the Indemnifying Party, at the Indemnifying Party's expense in the defense of such claim; and (c) giving the Indemnifying Party the right to

control the defense and settlement of any such claim, except that the Indemnifying Party shall not enter into any settlement or consent to judgment that affects the Indemnified Party's rights or interests without the Indemnified Party's prior written approval.

9.4 Insurance. The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Member or an agent of the Company against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Member or an agent of the Company, whether or not the Company would have the power to indemnify such Person against such liability under Section 10.1 or under applicable law.

ARTICLE X

INTELLECTUAL PROPERTY

10.1 Definition of Intellectual Property. "Intellectual Property" means all intellectual property rights in the United States or any foreign jurisdiction throughout the world (whether registered or not) including, without limitation, all of the following: (i) all patents and utility models and applications therefore, and all reissues, divisions, re-examinations, renewals, extensions, provisional's, continuations and continuations-in-part thereof, and equivalent or similar rights in inventions and discoveries, including without limitation, invention disclosures; (ii) all trade secrets and other rights in Technology, data, know-how and confidential or proprietary information; (iii) mask works, mask work registrations and applications therefore, and all other rights corresponding thereto throughout the world; (iv) all copyrights, copyrights registrations and applications therefore and all other rights corresponding thereto; (v) all industrial designs and any registrations and applications therefore; (vi) all rights in all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefore; and (vii) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

10.2 Ownership of Intellectual Property. The Parties acknowledge that any and all Intellectual Property created, used or embodied in or in connection with the Project, including without limitation any modifications or improvements made by the Parties based upon ideas, suggestions or proposals communicated between the Parties, are and shall remain the sole and exclusive property of the originating Party, and the other Party shall not during or at any time after the term of this Agreement in any way question or dispute the ownership of any such exclusive ownership rights.

10.3 Definition of Marks. "Mark(s)" means the trademarks, service marks, trademark and service mark applications, trade dress, trade names, logos, insignia, symbols, designs or other marks identifying a Party or its products.

10.4 No Rights in Marks. Nothing in this Agreement should be construed to grant either Party any rights in the Marks of the other Party. The Parties acknowledge, however, that each Party may use the name of the other Party and the name of their Products in advertising and marketing the Products or the Parties, themselves. The Products will be affixed with appropriate copyright and trademark notices sufficient to give Notice as to the rights of the Parties in their respective products.

10.5 Confidentiality. If, during the term, a Party receives or has access to Confidential Information belonging to the other Party, the Parties will be bound to keep all such information confidential. Confidential Information may only be used for purposes related to this Agreement and the Party receiving the confidential information must keep it confidential using the same degree of care that it exercises with respect to its own information of like importance, but in no event less than reasonable care.

ARTICLE XI DISPUTE RESOLUTION

11.1 Disputes Among Members. The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to or in connection with this Agreement or the Company or its organization, formation, business or management ("Member Dispute"), the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

However, in the event that the Members are unable to resolve any Member Dispute, such parties shall first attempt to settle such dispute through a non-binding mediation proceeding. In the event any party to such mediation proceeding is not satisfied with the results thereof, then any unresolved disputes shall be finally settled in accordance with an arbitration proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

11.2 Mediation. Mediation proceedings shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") in effect on the date the notice of mediation was served, other than as specifically modified herein, and shall be non-binding on the parties thereto.

Any Member may commence a mediation proceeding by serving written notice thereof to the other Members, by mail or otherwise, designating the issue(s) to be mediated and the specific provisions of this Agreement under which such issue(s) and dispute arose. The initiating party shall simultaneously file two copies of the notice with the AAA, along with a copy of this Agreement. A Member may withdraw from the Member Dispute by signing an agreement to be bound by the results of the mediation, to the extent the mediation results are accepted by the other Members as provided herein. A Member who withdraws shall have no further right to participate in the Member Dispute.

The Members shall select one neutral third party AAA mediator (the "Mediator") with expertise in the area that is in dispute. If a Mediator has not been selected within five (5) business days thereafter, then a Mediator shall be selected by the AAA in accordance with the Commercial Mediation Rules of the AAA.

The Mediator shall schedule sessions, as necessary, for the presentation by all Members of their respective positions, which, at the option of the Mediator, may be heard by the Mediator jointly or in private, without any other members present. The mediation proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Mediator and all of the Members. The Members may submit to the Mediator, no later than ten (10) business days prior to the first scheduled session, a brief memorandum in support of their position.

The Mediator shall make written recommendations for settlement in respect of the dispute, including apportionment of the mediator's fee, within ten (10) business days of the last scheduled session. If any Member involved is not satisfied with the recommendation for settlement, he or she may commence an arbitration proceeding.

11.3 Arbitration. Arbitration proceedings shall be conducted under the Rules of Commercial Arbitration of the AAA (the "Rules"). A Member may withdraw from the Member

Dispute by signing an agreement to be bound by the results of the arbitration. A Member who withdraws shall have no further right to participate in the Member Dispute.

The arbitration panel shall consist of one arbitrator. The Members shall select one neutral third party AAA arbitrator (the "Arbitrator") with expertise in the area that is in dispute. If an Arbitrator has not been selected within five (5) business days thereafter, then an Arbitrator shall be selected by the AAA in accordance with the Commercial Arbitration Rules of the AAA. The arbitration proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Arbitrator and all of the Members. Any arbitrator who is selected shall disclose promptly to the AAA and to both parties any financial or personal interest the arbitrator may have in the result of the arbitration and/or any other prior or current relationship, or expected or discussed future relationship, with the Members or their representatives. The arbitrator shall promptly conduct proceedings to resolve the dispute in question pursuant to the then existing Rules. To the extent any provisions of the Rules conflict with any provision of this Section, the provisions of this Section shall control.

In any final award and/or order, the arbitrator shall apportion all the costs (other than attorney's fees which shall be borne by the party incurring such fees) incurred in conducting the arbitration in accordance with what the arbitrator deems just and equitable under the circumstances.

Discovery shall not be permitted in such arbitration except as allowed by the rules of arbitration, or as otherwise agreed to by all the parties of the Member Dispute. Notwithstanding, the Members agree to make available to one another and to the arbitrator, for inspection and photocopying, all documents, books and records, if determined by the arbitration panel to be relevant to the dispute, and by making available to one another and to the arbitration panel personnel directly or indirectly under their control, for testimony during hearings if determined by the arbitration panel to be relevant to the dispute. The Members agree, unless undue hardship exists, to conduct arbitration hearings to the greatest extent possible on consecutive business days and to strictly observe time periods established by the Rules or by the arbitrator for the submission of evidence and of briefs. Unless otherwise agreed to by the Members, a stenographic record of the arbitration proceedings shall be made and a transcript thereof shall be ordered for each Member, with each party paying an equal portion of the total cost of such recording and transcription.

The arbitrator shall have all powers of law and equity, which it can lawfully assume, necessary to resolve the issues in dispute including, without limiting the generality of the foregoing, making awards of compensatory damages, issuing both prohibitory and mandatory orders in the nature of injunctions and compelling the production of documents and witnesses for presentation at the arbitration hearings on the merits of the case. The arbitration panel shall neither have nor exercise any power to act as amicable compositeur or ex aequo et bono; or to award special, indirect, consequential or punitive damages. The decision of the arbitration panel shall be in written form and state the reasons upon which it is based. The statutory, case law and common law of the State of Nevada shall govern in interpreting their respective rights, obligations and liabilities arising out of or related to the transactions provided for or contemplated by this Agreement, including without limitation, the validity, construction and performance of all or any portion of this Agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded, but such governing law shall not include the law pertaining to conflicts or choice of laws of Nevada; provided however, that should the parties refer a dispute arising out of or in connection with an ancillary agreement or an agreement between some or all of the Members which specifically references this Article, then

the statutory, case law and common law of the State whose law governs such agreement (except the law pertaining to conflicts or choice of law) shall govern in interpreting the respective rights, obligations and liabilities of the parties arising out of or related to the transactions provided for or contemplated by such agreement, including, without limitation, the validity, construction and performance of all or any portion of such agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded.

Any action or proceeding subsequent to any Award rendered by the arbitrator in the Member Dispute, including, but not limited to, any action to confirm, vacate, modify, challenge or enforce the arbitrator's decision or award shall be filed in a court of competent jurisdiction in the same county where the arbitration of the Member Dispute was conducted, and Nevada law shall apply in any such subsequent action or proceeding.

ARTICLE XII

MISCELLANEOUS

12.1 Notices. Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the address set forth in the Company's records.

12.2 Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held to be invalid or unenforceable, shall not be affected thereby.

12.3 Binding Effect. Subject to Article VII, this Agreement shall bind and inure to the benefit of the parties and their respective Successors.

12.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.5 Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior or contemporaneous written or oral negotiations, correspondence, understandings and agreements between or among the parties, regarding the subject matter hereof.

12.6 Further Assurances. Each Member shall provide such further information with respect to the Member as the Company may reasonably request, and shall execute such other and further certificates, instruments and other documents, as may be necessary and proper to implement, complete and perfect the transactions contemplated by this Agreement.

12.7 Headings; Gender; Number; References. The headings of the Sections hereof are solely for convenience of reference and are not part of this Agreement. As used herein, each gender includes each other gender, the singular includes the plural and vice versa, as the context

may require. All references to Sections and subsections are intended to refer to Sections and subsections of this Agreement, except as otherwise indicated.

12.8 Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective Successors nor shall anything in this Agreement relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over or against any party to this Agreement.

12.9 Amendments. All amendments to this Agreement shall be in writing and signed by all of the Members to the agreement at the time of the amendment.

12.10 Attorneys' Fees. In any dispute between or among the Company and one or more of the Members, including, but not limited to, any Member Dispute, the prevailing party or parties in such dispute shall be entitled to recover from the non-prevailing party or parties all reasonable fees, costs and expenses including, without limitation, attorneys' fees, costs and expenses, all of which shall be deemed to have accrued on the commencement of such action, proceeding or arbitration. Attorneys' fees shall include, without limitation, fees incurred in any post-award or post-judgment motions or proceedings, contempt proceedings, garnishment, levy, and debtor and third party examinations, discovery, and bankruptcy litigation, and prevailing party shall mean the party that is determined in the arbitration, action or proceeding to have prevailed or who prevails by dismissal, default or otherwise.

12.11 Remedies Cumulative. Subject to Article XI, remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Member may be lawfully entitled.

12.12 Jurisdiction and Venue/Equitable Remedies. The Company and each Member hereby expressly agrees that if, under any circumstances, any dispute or controversy arising out of or relating to or in any way connected with this Agreement shall, notwithstanding Article XI, be the subject of any court action at law or in equity, such action shall be filed exclusively in the courts of the State of Nevada or of the United States of America with jurisdiction over any county of Nevada as selected by the Member that is the plaintiff in the action, or that initiates the proceeding or arbitration. Each Member agrees not to commence any action, suit or other proceeding arising from, relating to, or in connection with this Agreement except in such a court and each Member irrevocably and unconditionally consents and submits to the personal and exclusive jurisdiction of such courts for the purposes of litigating any such action, and hereby grants jurisdiction to such courts and to any appellate courts having jurisdiction over appeals from such courts or review of such proceedings. Because the breach of the provisions of this Section would cause irreparable harm and significant injury to the Company and the other Members, which would be difficult to ascertain and which may not be compensable by damages alone, each Member agrees that the Company and the other Members will have the right to enforce the provisions of this Section by injunction, specific performance or other equitable relief in addition to any and all other remedies available to such party or parties without showing or proving any actual damage to such parties. Members will be entitled to recover all reasonable costs and expenses, including but not limited to all reasonable attorneys' fees, expert and consultants' fees, incurred in connection with the enforcement of this Section.

12.13 Authority. This Agreement constitutes a legal, valid and binding agreement of the Member, enforceable against the Member in accordance with its terms. The Member is

empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

12.14 Indemnification by Members in Breach. Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

Peyman Bady
Member: PEYMAN BADY

Pouya Mohajer
Member: POUYA MOHAJER

Shane Terry
Member: SHANE TERRY

RYAN WINMILL
Member: RYAN WINMILL

Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

Joseph Kennedy
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

NUVEDA, LLC
LISTING OF MEMBERS

NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	200 Hoover Street #1113 Las Vegas, NV 89101	7%*/7%*/7%*
Joe Kennedy	11115 Kilkerran Ct, Las Vegas, NV 89141	1%*/1%*/1%*
John Penders	29 Marshall Terrace Wayland, MA 01778	1.75%*/1.75%*/1.75%
Ryan Winmill	412 Princess Street Alexandria VA 222314	1.75%*/1.75%*/1.75%

*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

Member Listing as of this _____ day of _____, 2014

DocuSigned by:
Pejman Bady
Member: PEJMAN BADY

DocuSigned by:
Pouya Mohajer
Member: POUYA MOHAJER

DocuSigned by:
Shane Terry
Member: SHANE TERRY

DocuSigned by:
RYAN WINMILL
Member: RYAN WINMILL

DocuSigned by:
Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

DocuSigned by:
Joseph Kennedy
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

**NUVEDA, LLC
CAPITAL CONTRIBUTIONS**

Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

Description	Value
Member: PEJ BADY	\$440,000.00
Member: POUYA MOHAJER	\$440,000.00
Member: SHANE TERRY	\$120,000.00

SIGNED AND AGREED this _____ day of _____, 2014.

DocuSigned by:
Pejman Bady
Member: PEJMAN BADY

DocuSigned by:
Pouya Mohajer
Member: POUYA MOHAJER

DocuSigned by:
STW
Member: SHANE TERRY

DocuSigned by:
STW
Member: ROBIN WINMILL

DocuSigned by:
Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

DocuSigned by:
Joseph Kennedy
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

EXHIBIT “4”

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

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

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

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

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

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

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

1.45
45 MR

ST
Substantially reduced

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

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

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

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

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

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

Litigation, Releases and Cooperation:

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

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

245
b

Arbitration and District Court Case to Buyer.

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

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

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

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

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

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

shall be awarded to the prevailing party.

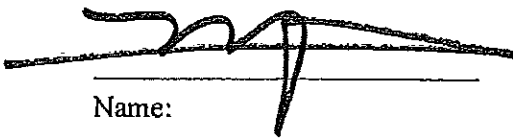
The Parties acknowledge that there is no other agreement and no other term incorporated into this Purchase and Sale Agreement other than what is expressed herein.

Dated this 30th day April, 2018

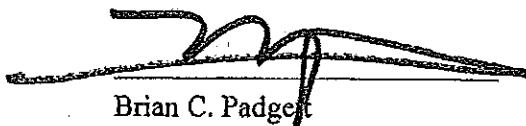
BUYER:

BCP 7, LLC

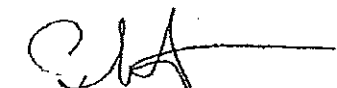
By its Manager:


Name:

GUARANTOR:


Brian C. Padgett

SELLER:


Shane Terry

4.85

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

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

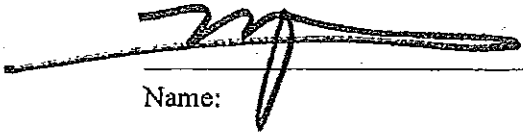
Purchase price is substantially reduced
RP *Q*

Dated this 30th day April, 2018.

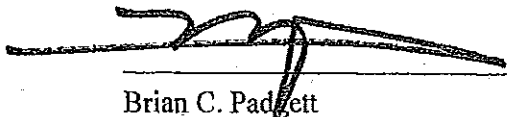
BUYER:

BCP 7, LLC

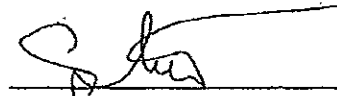
By its Manager:


Name:

GUARANTOR:


Brian C. Padgett

SELLER:


Shane Terry

Assignment of Interests

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

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

Assignor

Shane Terry

Assignee

BCP 7, LLC

By: _____

5/2/18

EXHIBIT “5”

From: Brian Padgett brian@briancpadgett.com
Subject: Terry/NuVeda case number 01-15-0005-8574
Date: June 5, 2018 at 7:41 PM
To: nbaker@petersonbaker.com
Cc: pejman bady pbady@me.com, Pouya Mohajer pouyamohajer@gmail.com, Joseph Kennedy joe90275@gmail.com, Matthew T. Dushoff mdushoff@klnevada.com, Jason Wiley jwiley@wileypetersenlaw.com, Amy Sugden amy@briancpadgett.com

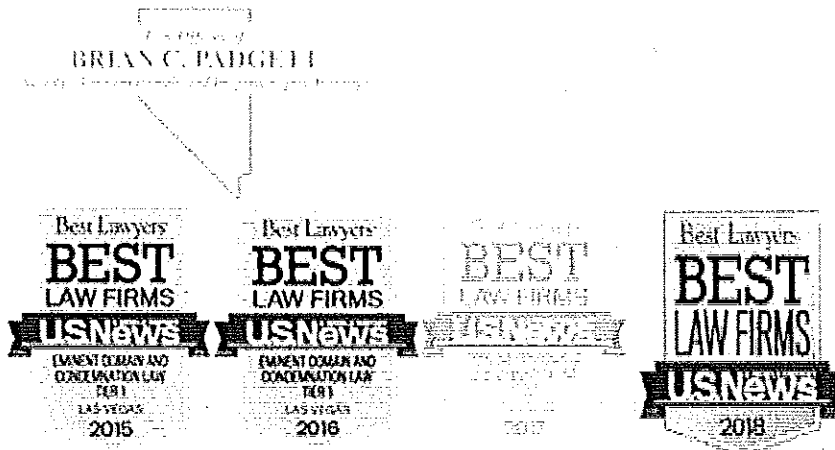
Dear Arbitrator Baker:

I hereby dismiss all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry (all right, title and interest) against Bady, Mohajer, and NuVeda and its subsidiaries (Clark NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with prejudice.

Please initiate necessary proceedings to dismiss my claims.

Ms. Sugden shall oversee the process and may sign on my behalf any necessary paperwork.

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



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EXHIBIT “6”

Subject: RE: BCP 7

Nikki Baker <nbaker@petersonbaker.com>

Tue, Oct 9, 2018, 9:59 AM

to Jason Wiley, David Feuerstein, Matthew T. Dushoff, AAA Lance Tanaka, Amy Sugden, Kristina R. Cole, Scott D.

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

Counsel:

Based on the below email string and my orders regarding Ms. Goldstein's request for discovery, BCP Holding 7, LLC is hereby DISMISSED from this arbitration.

Mr. Tanaka, BCP Holding 7, LLC may be removed from the caption.

Additionally, based on the below emails, I will extend the time for the parties to provide to me proposed new deadlines related to a new arbitration hearing date to 5:00 p.m. PST on Monday, October 15. Absent exceptional circumstances, which do not include ongoing settlement discussions, this deadline will not be extended again.

Thank you,

Nikki

Nikki Baker, Esq.
Peterson Baker, PLLC
702.786.1001

From: Jason Wiley <jwiley@wileypetersenlaw.com>

Sent: Tuesday, October 09, 2018 8:52 AM

To: 'David Feuerstein' <david@dfmklaw.com>; Nikki Baker <nbaker@petersonbaker.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>

Cc: 'Amy Sugden' <amy@briancpadgett.com>; 'Kristina R. Cole' <kcole@knevada.com>; 'Scott D.

Fleming' <sfleming@knevada.com>

Subject: RE: BCP 7

Arbitrator Baker:

I can confirm Mr. Feuerstein's comments regarding the parties' negotiations and ongoing efforts to schedule arbitration dates and other deadlines.

JMW

Jason M. Wiley, Esq.
Partner



1050 Indigo Drive
Suite 130
Las Vegas, Nevada 89145
Office 702.910.3329 | Direct 702.909.5487 | Mobile 702.845.7401
jwiley@wileypetersenlaw.com

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From: David Feuerstein <david@dfmklaw.com>

Sent: Monday, October 8, 2018 2:39 PM

To: Nikki Baker <nbaker@petersonbaker.com>; Jason Wiley <jwiley@wileypetersenlaw.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>

Nevada's Exhibits Page 77 of 165

EXHIBIT “7”



AMERICAN
ARBITRATION
ASSOCIATION®

INTERNATIONAL CENTRE
FOR DISPUTE RESOLUTION®

Lance Tanaka
Vice President
1400 16th Street, Suite 400
Denver, CO 80202
Telephone: (303)831-0824
Fax: (646)640-1840

October 9, 2018

Matthew T. Dushoff, Esq.
Kolesar & Leatham, Chtd.
400 South Rampart Boulevard, Suite 400
Las Vegas, NV 89145-5725
Via Email to: mdushoff@knevada.com

David Feuerstein
Feuerstein Kulick LLP
205 East 42nd Street, 20th Floor
New York, NY 10017
Via Email to: david@dfmklaw.com

Jason M. Wiley
Wiley Petersen
1050 Indigo Drive, Suite 130
Las Vegas, NV 89145
Via Email to: jwiley@wileypetersenlaw.com

Case Number: 01-15-0005-8574

Pouya Mohajer and Pejman Bady;
-vs-
Jemifer Goldstein
-vs-
Nuveda, LLC

Dear Parties:

This will confirm that BCP 7, LLC has been dismissed as a party in this matter, in accordance with the Arbitrator's Ruling of October 9, 2018. Counsel for BCP 7, LLC is copied on this letter however they have been removed from the case and will no longer receive correspondence concerning this matter.

Sincerely,

/s/
Lance K Tanaka
Vice President
Direct Dial: (303)831-0824
Email: LanceTanaka@adr.org
Fax: (646)640-1840

cc: Amy Sudgen
Kristina Cole
Brian C. Padgett
Anne M. Landis
Scott Fleming, Esq.
Nikki Baker, Esq.

lt/bs

EXHIBIT “8”

From: [Karen Foley](#)
To: ["lancetanaka@adr.org"](mailto:lancetanaka@adr.org)
Cc: [Michael Mushkin](#)
Bcc: [Joe Coppedge](#)
Subject: AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al
Date: Monday, November 30, 2020 4:08:54 PM
Attachments: [201130\[Executed\] AAA - Motion to Set Aside Dismissal.pdf](#)
[201130\[Executed\] AAA - Notice of Appearance.pdf](#)

Mr. Tanaka,

Please be advised that the law firm of Mushkin & Coppedge has been retained to represent the interests of Shane Terry, in regard to the above-referenced matter. I have attached a Notice of Appearance. In addition, I am attaching a Motion to Set Aside Dismissal for your review.

If this is not the proper procedural order would you please be able to lead me in the right direction.

Thank you for your attention to this matter.

Regards,

Karen L. Foley
Legal Administrator/Case Manager
MUSHKIN & COPPEDGE
6070 South Eastern Avenue, Suite 270
Las Vegas, NV 89119
Tel. No. (702) 454-3333
Fax No. (702) 386-4979

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From: [AAA Lance Tanaka](#)
To: [Karen Foley](#)
Cc: [Michael Mushkin](#)
Subject: RE: AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al
Date: Tuesday, December 1, 2020 11:17:25 AM
Attachments: [image881d5c.PNG](#)

Dear Ms. Foley,

This will confirm receipt of your email and attachments.

Our files in the matter referenced were closed on March 20, 2019 and the Association no longer has jurisdiction regarding this matter.

Sincerely,

Lance K. Tanaka



Lance Tanaka

American Arbitration Association

16 Market Square
1400 16th Street, Suite 400, Denver, CO 80202
T: 303 831 0824 F: 646 640 1840 E: LanceTanaka@adr.org
adr.org | icdr.org | aaamediation.org



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From: Karen Foley <KFoley@mccnvlaw.com>
Sent: Monday, November 30, 2020 5:09 PM
To: AAA Lance Tanaka <LanceTanaka@adr.org>
Cc: Michael Mushkin <Michael@mccnvlaw.com>
Subject: AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al

***** External E-Mail – Use Caution *****

Mr. Tanaka,

Please be advised that the law firm of Mushkin & Coppedge has been retained to represent the interests of Shane Terry, in regard to the above-referenced matter. I have attached a Notice of Appearance. In addition, I am attaching a Motion to Set Aside Dismissal for your review.

If this is not the proper procedural order would you please be able to lead me in the right direction.

Thank you for your attention to this matter.

Regards,

Karen L. Foley
Legal Administrator/Case Manager
MUSHKIN & COPPEDGE
6070 South Eastern Avenue, Suite 270
Las Vegas, NV 89119
Tel. No. (702) 454-3333
Fax No. (702) 386-4979

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