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.

Electronically Filed
Aug 26 2021 03:45 p.m.
Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court No. 82767

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

Lead Case: A-17-755479-B

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

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

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

Volume	Document	
I	Order Appointing Temporary Receiver Case No. A-18-773230-B 6/13/2019	RA 001-RA 016
I	Order Appointing Receiver 7/10/2019	RA 017-RA 045
I	Complaint – Case No A-20-817363-B	RA 046-RA 081
I	Court Minutes – Motion to Consolidate A-19-791405-C, A-19-796300-B and A-20-817363-B With the Receivership Action 7/28/2020	RA 082-RA 083
I	Order Denying Motion to dismiss or for Summary Judgment 9/18/2020	RA 084-RA 092
I	Motion to Enter Order on Shane Terr's Claims and Related Relief	RA 093-RA 168
I	Opposition to Motion to Enter Order on Shane Terry's Claims and Related Relief	RA 169-RA 245
II	Reply to Opposition to Motion to Enter Order on Shane Terry's Claims and Related Relief	RA 246-RA 306
II	Business Court Scheduling Order and Order Setting Civil Jury Trial, Calendar Call and Pre-Trail Conference for Case A-20-817363-B 4/7/2021	RA 307-RA 311
II	Order Denying Renewed Motion to Enter Order on Shane Terry's Claims and Related Relief 6/11/2021	RA 312-RA 318
II	Order Denying Motion to Stay 6/14/2021	RA 319-RA 324
II	Motion for Leave to File Second Amended Complaint	RA 325-RA434

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Steven D. Grierson
CLERK OF THE COURT

MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531
LAW OFFICE OF MITCHELL STIPP
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Telephone: 702.602.1242
mstipp@stipplaw.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 **REPLY TO OPPOSITION TO MOTION TO ENTER ORDER ON SHANE TERRY'S CLAIMS AND RELATED RELIEF** **Date of Hearing: January 11, 2021** **Time of Hearing: 9:00 a.m.**

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

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

///

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DATED this 4th day of January, 2021.

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

MEMORANDUM OF POINTS AND AUTHORITIES

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

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

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

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

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

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

> *State Bank (In re Harrison Living Trust)*, 121 Nev. 217, 222, 112 P.3d 1058 (2005). NRCP 60(c)(1) does not impose a six-month time period for bringing a motion to set aside a judgment that is void. Instead, under NRCP60(b)(4) and (c)(1), a motion to set aside a void judgment must be made within a reasonable time. *Teriano*, 121 Nev. at 221-22. Once Terry obtains rescission of the Terry Purchase Agreement in this Court, only then can he bring a motion to set aside the dismissal in the Arbitration case. At that time, it will be a decision for the arbitrator whether the motion was brought within a reasonable time. Accepting all of the statements in the complaint as true, and construing them liberally and in favor of the Plaintiffs, NuVeda's motion to dismiss must be denied as to Terry's claims

See Opposition filed on August 10, 2020, pages 16-17. Mr. Terry argued that he could only seek relief before AAA after the transaction between Mr. Terry and BCP 7 was successfully set aside by this court through rescission. Mr. Terry's position apparently has not changed. It appears from Mr. Terry's opposition filed on December 21, 2020 that he still intends to seek rescission of the transaction with BCP 7 after service of the complaint has been made on Mr. Padgett and BCP 7. See Opposition, pg. 13-14. According to Mr. Terry, Mr. Padgett and BCP 7 have not been served. Despite this fact, Mr. Terry cavalierly assumes there will be no genuine issues of material fact preventing this court from granting summary judgment in favor of Mr. Terry on the request for rescission. If this court grants summary judgment in favor of Mr. Terry on rescission of the transaction with BCP 7, Mr. Terry then contends that the order dismissing his claims by BCP 7 before AAA could be voided by this court under NRCP 60(b)(4). Id. at pg. 14-15.

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

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

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

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

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

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

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

DATED this 4th day of January, 2021.

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 A-
NUVEDA'S REPLY

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Steven D. Grierson
CLERK OF THE COURT

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

DISTRICT COURT

CLARK COUNTY, NEVADA

NUVEDA, LLC, a Nevada Limited Liability Company; and CWNEVADA LLC, a Nevada Limited Liability Company, Plaintiffs, v. 4FRONT ADVISORS LLC, foreign limited liability company, DOES I through X and ROE ENTITIES, II through XX, inclusive, Defendants.	Case No.: A-17-755479-B Consolidated With: A-19-791405-C, A-19-796300-B, and A-20-817363-B Dept. No.: 11 **Hearings on August 18, 2020 at 9:00 am and in Chambers on August 28, 2020**
AND RELATED MATTERS	

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

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

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

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

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

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

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

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

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

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

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

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

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

DATED this 24th 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

EXHIBIT B-
NUVEDA'S REPLY

Mitchell Stipp <mstipp@stipplaw.com>

NuVeda/Shane Terry

1 message

Mitchell Stipp <mstipp@stipplaw.com> Mon, Aug 31, 2020 at 1:01 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>

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

Mitchell Stipp
Law Office of Mitchell Stipp
(O) 702.602.1242 | (M) 702.378.1907 | mstipp@stipplaw.com
Address: 1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Website: www.stipplaw.com

EXHIBIT C-
NUVEDA'S REPLY

Assignment of Interests

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

As set forth in the arbitration demand on file in the Case, Shane Terry was purportedly expulsed 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	Assignee
Shane Terry	BCP 7, LLC By: 5/2/18

EXHIBIT D-
NUVEDA'S REPLY

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Steven D. Grierson
CLERK OF THE COURT

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

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

DISTRICT COURT

CLARK COUNTY, NEVADA

SHANE TERRY, an individual, Plaintiff, *vs.* BCP 7, LLC, a Nevada limited liability company, BRIAN C. PADGETT, an individual, and DOES I and X, and ROE CORPORATIONS I through X inclusive, Defendants.	Case No: _____ Department No.: _____ **COMPLAINT** (1) BREACH OF CONTRACT (2) UNJUST ENRICHMENT (3) BREACH OF IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING **ARBITRATION EXEMPTION CLAIMED:** Amount Exceeds $50,000 **JURY TRIAL DEMANDED** **BUSINESS COURT ASSIGNMENT REQUESTED**

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

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PARTIES

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

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

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

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

JURISDICTION AND VENUE

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

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

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

GENERAL ALLEGATIONS

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

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

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

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

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

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

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FIRST CAUSE OF ACTION
(Breach of Contract-Defendants)

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

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

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

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

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

SECOND CAUSE OF ACTION
(Unjust Enrichment-Defendants)

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

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

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

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

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

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

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

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

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

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

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PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for judgment as follows:

1. For damages in excess of $15,000.00 with an exact amount to be proven at trial; or

2. For rescission of the Modified PSA and any assignments pursuant thereto as alternative equitable relief; and

3. For an award of attorney's fees and costs, as allowed by law or contract; and

4. For such other and further relief as the Court may deem just and proper.

DATED this 31st day of May, 2019.

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

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

EXHIBIT 1

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

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

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

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

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

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

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

1 of 5

ST Substantially reduced

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

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

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

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

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

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

Litigation, Releases and Cooperation:

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

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

2 of 5

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

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

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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EXHIBIT 2

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

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

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

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

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

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

Regards,
Shane

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

TAPROOT

> On Feb 27, 2019, at 9:30 AM, Brian Padgett <brian@briancpadgett.com> wrote:
>
> Agreed.
>
> BCP
>
> iPhone
>
> On Feb 27, 2019, at 12:17 AM, Shane Terry <shane@taprootbrands.com> wrote:
>
> > Brian,
> > Summarizing what we discussed via text today:
> >
> > On 1 March 2019 $182,266 will be due. That does not include the second payment of $250K that was due in September and was extended under a previous agreement in the email thread below. As you know, part of that agreement involved additional $10K per week as an extension fee until the $250K was paid, and at that point reoccurring payments would revert back to an interest-only payment due on the first of every month.
> >
> > In order to avoid acceleration of the entire note and past dues which are currently in default, I will agree to roll most of the outstanding fees into principle payments with the following breakdown:
> >
> > **Payment Schedule within 30 days:**
> >
> > $10K to be paid 2/26/19 (outstanding from 2/20/19)
> > $12.5K on 3/4/19 (#1 of 2 of the monthly interest payment normally due 3/1/19)
> > $12.5K on 3/8/19 (#2 of 2 of the monthly interest payment)
> > $16,007 due 3/15/19
> >
> > If that payment schedule is met, then I will roll the remaining past due payments into the principle which will be a total principle of $1,679,819 as of close of business on 3/15/19.
> >
> > **Monthly Reoccurring Payments after 30 days:**
> >
> > Starting 4/1/19 $30K per month will be due on the 1st of each month until the remaining initial fee of $250K is paid. In addition, extension fees of $10K per week will be accrued and added to the principle and compounded monthly, along with any deficit in

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

Once the remaining initial fee of $250K is paid, then the monthly payment due on the 1st of each month will drop to an estimated $22,500** per month, and the $10K/month extension fee will cease.
**The actual interest-only payment will be calculated based on the current principle at that time.

Additional Agreements:

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

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

If you agree, please affirmatively reply.
Regards,

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

<TAPROOT_emailsig.png>

> On Feb 18, 2019, at 9:47 PM, Shane Terry <shane@taprootbrands.com> wrote:
>
> Brian,
> Based on our call tonight I'd like to summarize what we discussed so that we're in agreement on the payment schedule:
>
> $52,500 - Due 18/19 Feb (principle extension fees)
> $25,000 - Due 22 Feb (Sept extension fee #1)
> $25,000 - Due 25 Feb (Sept extension fee #2)
> $86,914 - Due 2 March (Late fees assuming $52,500 is paid on the 18th/19th of Feb and we don't do a deal on shelf space)
>
> Those are just the overdue payments. Additionally, the following routine payments will become due during that time period:
>
> $10,000 - Due 20 Feb
> $10,000 - Due 27 Feb
> $22,500 - Due 1 March
>
> If we come to an agreement on shelf space AND the payment deadlines are made then I'm open to waiving some of the late fees, but thats a separate discussion.
>
> We also have $23,361 that was a deficit on monthly interest payments through January. I'm open to paying that off or just adding it to the principle at your discretion. Just let me know which one or I'll assume I should just add it to the principle until its paid.
>
> Please reply that you're in agreement with this, and I'll even send calendar invites for each date so there aren't any surprises.
>
> Regards,
> Shane
>
> **SHANE TERRY** | CEO
> TapRoot Holdings, Inc.
> m. 702.858.2465
>
> <TAPROOT_emailsig.png>
>
> > On Feb 18, 2019, at 4:18 PM, Shane Terry <shane@taprootbrands.com> wrote:
> >
> > Thank you for the response Brian and I have the following comments/questions:
> >
> > 1) What would you propose for a post-tax revenue split?

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

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

Regards,
Shane

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

<TAPROOT_emailsig.png>

> On Feb 18, 2019, at 3:53 AM, Brian Padgett <brian@briancpadgett.com> wrote:
>
> Shane,
>
> I think we are in agreement on many general terms.
>
> Here are a items for us to discuss:
>
> > Taproot will have the rights to shelf space and a pop-up sized merchandizing for 18 months that includes 100% of the post-tax proceeds from the sale of all products TapRoot offers
>
> 100% of post tax profits is too tough for any of our stores to lose.
>
> Additionally wasn't there a prior offer that waived ALL late fees? Currently, you have offered :
>
> > $39,173 to be paid on 25 Feb for late fees (50% of the fees will be waived if this agreement is executed on time)
>
> Let's discuss today. I'm open between 2-4pm.
>
> BCP
>
> iPhone
>
> On Feb 17, 2019, at 9:20 PM, Shane Terry <shane@taprootbrands.com> wrote:
>
> > Brian,
> > Thank you for working with me on this. Just to highlight where we stand now, I've attached the demand letter that you received that highlights $300,000 of the initial payment is still past due. Per our extension agreement last September, I was willing to extend that with certain conditions in the email thread below. Under that additional agreement, I have attached an excel sheet that shows what is currently due in addition to the $300,000 and is summarized with the following:
> >
> > $250,000 - second half of initial payment
> > $50,000 - September extension fee
> > $52,500 - principle extension fees
> > $78,346
> > - late fees
> > $430,846 - Total Past Due Payments
> >
> > Per our phone call tonight, to avoid commencing litigation to accelerate the entire amount outstanding of $1,677,057 please reply stating your agreement with the following:
> >
> > $52,500 to be paid on 18 Feb 2019 for the principle extension fees
> > $50,000 to be paid on 22 Feb
> > $39,173 to be paid on 25 Feb for late fees (50% of the fees will be waived if this agreement is executed on time)
> >
> > In addition, lapRoot will have the rights to shelf space and a pop-up sized merchandizing for 18 months that includes 100% of the post-tax proceeds from the sale of all products TapRoot offers in Canopi's three dispensaries. TapRoot will provide those products at no cost to Canopi, and will collect payment for units sold every Friday of each week along with a summary of all units sold from Canopi's accounting team. I will have my attorney draft the agreement and we will have an execution date of no later than 1 March 2019

an execution date of no later than 1 March 2019.

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

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

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

Regards,
Shane

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

<TAPROOT_emailsig.png>

> Begin forwarded message:
>
> **From:** Shane Terry <shane@taprootbrands.com>
> **Subject: Re: 5 Sept Extension Agreement**
> **Date:** February 8, 2019 at 11:44:42 AM PST
> **To:** Brian Padgett <brian@briancpadgett.com>
> **Cc:** "ann.cooper@cwnevada.com" <ann.cooper@cwnevada.com>
>
> Brian,
> Per your request I've attached the overdue amounts.
>
> Let me also re-iterate a summary of my text offer to you:
>
> As of 8 Feb the following is due:
>
> $62,500 in principle
> $41,977 in late fees
> $104,477 total
>
> I gave you until yesterday to pay $62,500 in principle and I would have waived 100% of the late fees. Since that didn't happen here is the remaining schedule of the offer if you pay the $62,500 principle:
>
> - paid today and I'll waive 75% of late fees
> - paid tomorrow and I'll waive 50%
> - paid Sunday and I'll waive 25%
> - Paid Monday and I'll waive 15%
>
> Tuesday I'll have to file a default and accelerate the entire note with your attached personal guarantee.
>
> Breakdown of individual charges is attached.
>
> **SHANE TERRY** | CEO
> TapRoot Holdings, Inc.
> m. 702.858.2465
>
> <TAPROOT_emailsig.png>

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

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

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

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

<TAPROOT_emailsig.png>

> On Feb 2, 2019, at 6:45 PM, Shane Terry <shane@taprootbrands.com> wrote:
>
> Brian,
> I've attached a spreadsheet showing what is overdue as of today. It includes the $10K payment I received from Dell today.
>
> As of close of business 2 February 2019 a total of $79,628 is overdue. Late fees are accumulating at $2,856/day. There's another $10K payment due Wednesday, and if that is late we are back at a rate of $4,284/day.
>
> Out of the $79,628 due, $52,500 is principle payments and the rest are late fees. Until the $52,500 is caught up the late fees will continue to accumulate at a rate that exceeds dispensary sales.
>
> I need a plan for the payments that has specific payment dates or else I'll have no choice but to call the outstanding note (which would be due immediately).
>
> Here's what I'm willing to offer: I will waive the late fees which are approximately $30K and increasing daily. In exchange, we will execute a 18 month contract that 1) gives me the right to sell product through all Canopi dispensaries and recoup 100% of the retail price (net of taxes) and 2) allows us to setup an in-store display (like a pop-up) that will permanently remain in your stores.
>
> This should be an easy win for both of us. I went to each store last week and I know product availability is limited so this will at least get more product on your shelves. Additionally, just from our marketing campaign we drove traffic to your store which gives you the opportunity for up-sells/cross-sells. You have nothing to lose.
>
> Let me know what you think.

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

<TAPROOT_emailsig.png>

> On Jan 16, 2019, at 6:09 PM, Shane Terry <shane@taprootbrands.com> wrote:
>
> Hi Bryan,
> I just brought in a new CPA and legal team and they were reviewing all our documents & payments so far and discovered that we've been underpaying the interest to date.
>
> Per our original agreement there was a $500K initial payment and then you would make interest only payments each month at 18% of the balance which in our contract we assumed would be a principal balance of $1,250,000 which would equate to $18,750/month.
>
> However, when only half of the initial payment was made, we never adjusted the remaining principle (which is now $1.5m instead of $1.25m) so actually $22,500/month was due beginning 1 August 2018 instead of $18,750. Therefore, between August and January there was a deficit of $3,750/month for a total of $22,500 (6 months x $3,750 deficit) as of 1 January 2018.
>
> I do realize that when we agreed on a payment schedule below we did agree on $18,750/month for the monthly payment, even though it should have been $22,500/month. Therefore, I'll propose the following options to catch us back up. Please note that this applies to the monthly payment only, and has no bearing on the weekly

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

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

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

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

> On Sep 11, 2018, at 6:13 PM, Brian Padgett <brian@briancpadgett.com> wrote:
>
> Sounds like long days for both of us.
>
> Will you be in town tomorrow or you need a wire?
>
> BCP
>
> iPhone
>
> On Sep 11, 2018, at 5:40 PM, Shane Terry <shane@taprootbrands.com> wrote:
>
> > Also, I've settled my bill and no longer have a retainer with Erika. If continuing to accept payments is normal within legal community then I don't mind asking her, but I know the cash makes it a pain for everyone and I was trying to keep her office from having that liability.
> >
> > If it's coordinated with me (or wire) then there's a better chance i'll be able to be flexible after hours and weekends to avoid fees, but that's totally up to you.
> >
> > Shane Terry
> > CEO, TapRoot Holdings
> > 702.858.2465
> >
> > Sent from my iPhone
> >
> > On Sep 11, 2018, at 4:56 PM, Brian Padgett <brian@briancpadgett.com> wrote:
> >
> > > In the future cash is best.
> > >
> > > Delivery to Erika if she is still accepting on your behalf.
> > >
> > > Why $15,000?
> > >
> > > What is interest on the $11k+\- ?
> > >
> > > BCP
> > >
> > > iPhone
> > >
> > > On Sep 11, 2018, at 1:47 PM, Shane Terry <shane@taprootbrands.com> wrote:
> > >
> > > > I will try and be helpful on this one, and will split the difference to an even $15,000 if it's paid today.
> > > >
> > > > Shane Terry
> > > > CEO, TapRoot Holdings
> > > > 702.858.2465
> > > >
> > > > Sent from my iPhone
> > > >
> > > > On Sep 11, 2018, at 1:42 PM, Shane Terry <shane@taprootbrands.com> wrote:

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

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

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

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

Shane Terry
CEO, TapRoot Holdings
702.858.2465

Sent from my iPhone

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

> Hey, you saw me note the $10k Friday payment with Diana on Wednesday
>
> Didn't you coordinate payment with her when you picked up payment on Wednesday?
>
> BCP
>
> iPhone
>
> On Sep 11, 2018, at 12:58 PM, Shane Terry <shane@taprootbrands.com> wrote:
>
> > Brian,
> > Thanks for coordinating the payment for last Wednesday, but I never received anything on Friday as discussed.
> >
> > The amount due on Friday is now $17,140 if paid today. Also a reminder of the next $10,000 due tomorrow by 5pm.
> >
> > Please lmk if you want me to pick up cash again or you'd like the wire info. Even though we're probably past the wire cutoff time for today, I will consider it paid if I get a transfer confirmation by 5pm.
> >
> > Best,
> > Shane
> >
> > Shane Terry
> > CEO, TapRoot Holdings
> > 702.858.2465
> >
> > Sent from my iPhone
> >
> > Begin forwarded message:
> >
> > > **From:** Brian Padgett <brian@briancpadgett.com>
> > > **Date:** September 5, 2018 at 9:40:45 AM PDT
> > > **To:** Shane Terry <shane@taprootbrands.com>
> > > **Subject: Re: 5 Sept Extension Agreement**
> > >
> > > I agree to the terms per my last email.
> > >
> > > I will advise prior to 11:30 whether you will pick up the $18k or $28K
> > >
> > > Do we have an understanding?
> > >
> > > If so, just say "GOOD".
> > >
> > > **Brian C. Padgett**
> > > Law Offices of Brian C. Padgett
> > > 611 South 6th Street

Las Vegas, Nevada 89101
(702) 304-0123
www.briancpadgett.com
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<AE5C1DE7-3604-4651-8834-33CC0A92B4E6[31].png>

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From: Shane Terry <shane@taprootbrands.com>
Date: Wednesday, September 5, 2018 at 9:39 AM
To: Brian Padgett <brian@briancpadgett.com>
Subject: Re: 5 Sept Extension Agreement

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

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

Best,
Shane

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

<TAPROOT_emailsig.png>

> On Sep 5, 2018, at 9:33 AM, Brian Padgett <brian@briancpadgett.com> wrote:
>
> Please tell Tanaka the latter.
>
> I am not agreeing the cure period of 10 days was ever waived.
>
> However, I agree to your terms as set forth below.
>
> Except, I am being told we just paid payroll and cash is low. I can have $18750 today and I would like the option of paying the $10k Friday. Thereafter, Wednesday.
>
> **Brian C. Padgett**
> Law Offices of Brian C. Padgett
> 611 South 6th Street
> Las Vegas, Nevada 89101
> (702) 304-0123
> www.briancpadgett.com

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

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

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

24 hour cure period will apply to:

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

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

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

Fair enough?

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

<TAPROOT_emailsig.png>

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

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

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

You can pick up the cash at 11:30

All other terms are acceptable.

Please confirm your acceptance.

Brian C. Padgett
Law Offices of Brian C. Padgett
611 South 6th Street
Las Vegas, Nevada 89101
(702) 304-0123
www.briancpadgett.com
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From: Shane Terry <shane@taprootbrands.com>
Date: Wednesday, September 5, 2018 at 9:00 AM
To: Brian Padgett <brian@briancpadgett.com>
Subject: 5 Sept Extension Agreement

Memorializing what we just discussed on the phone:

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

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

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

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

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

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

Regards,
Shane

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

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<S.Terry Outstanding Payments 2.2.19.xlsx>

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

<S.Terry Overdue Payments 2.17.19.xlsx>
<Notice of Default 2 Feb 19.pdf>
<S.Terry Accelerated Payment 13 Feb 19.pdf>
<S.Terry Overdue Payments 2.8.19.xlsx>
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EXHIBIT E-
NUVEDA'S REPLY

Subject: RE: Terry et al. v. NuVeda et al.- Arbitration Case No. A-15-728510-B

Erika Turner <eturner@gtg.legal> Fri, May 4, 2018, 10:58 AM
to Nikki Baker, AAA Lance Tanaka, Anna Diallo, Julia Melnar, Matthew Dushoff, Kristina R. Cole, Scott D. Fleming,

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

Arbitrator Baker,

On behalf of Shane Terry:

1. Motion to Substitute.

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

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

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

2. Motion to Withdraw.

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

Thank you,

Erika

Erika Pike Turner

Partner

GARMAN | TURNER | GORDON

P 725 777 3000 | D 725 244 4573
E eturner@gtg.legal

EXHIBIT F-
NUVEDA'S REPLY

Mitchell Stipp <mstipp@stipplaw.com>

Shane Terry/Phil Ivey

1 message

Mitchell Stipp <mstipp@stipplaw.com> Tue, May 5, 2020 at 1:55 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>
Cc: "John Savage (jsavage@nevadafirm.com)" <jsavage@nevadafirm.com>

Joe:

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

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

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

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

Mitchell Stipp
Law Office of Mitchell Stipp
(O) 702.602.1242 | (M) 702.378.1907 | mstipp@stipplaw.com
Address: 1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Website: www.stipplaw.com

3 attachments

Notice of Entry of Order-Motion to Withdraw-Filed and Accepted-5.5.2020.pdf
353K

Reply-Opposition by Plaintiff In Intervention and Motion to Engage Contingency Counsel-Filed and Accepted-5.4.2020.pdf
1316K

2018-09-04-Re_ Settlement Payment Schedule.pdf
84K

Electronically Filed
5/5/2020 12:02 PM
Steven D. Grierson
CLERK OF THE COURT

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

DISTRICT COURT

CLARK COUNTY, NEVADA

SHANE TERRY, an individual, Plaintiff, *vs.* BCP 7, LLC, a Nevada limited liability company, BRIAN C. PADGETT, an individual, and DOES I and X, and ROE CORPORATIONS I through X inclusive, Defendants.	Case No: A-19-796300-B Department No.: 16 **NOTICE OF ENTRY OF ORDER GRANTING MOTION TO WITHDRAW AS COUNSEL FOR PLAINTIFF**

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

///

///

///

DATED: May 5, 2020

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

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

CERTIFICATE OF SERVICE

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

Plaintiff:

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

Defendants:

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

LAW OFFICE OF MITCHELL STIPP

/s/ Amy Hernandez

Amy Hernandez, an employee

Electronically Filed
5/1/2020 4:55 PM
Steven D. Grierson
CLERK OF THE COURT

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

DISTRICT COURT

CLARK COUNTY, NEVADA

SHANE TERRY, an individual, Plaintiff, *vs.* BCP 7, LLC, a Nevada limited liability company, BRIAN C. PADGETT, an individual, and DOES I and X, and ROE CORPORATIONS I through X inclusive, Defendants.	Case No: A-19-796300-B Department No.: 16 **ORDER ON WITHDRAW AS COUNSEL FOR PLAINTIFF** Date: April 29, 2020 Time: 9:00 a.m.

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

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

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

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

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

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

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

IT IS SO ORDERED.

DATE: May 1, 2020

DISTRICT COURT JUDGE

CG

Dated this 29th day of April, 2020

LAW OFFICE OF MITCHELL STIPP

/s/ Mitchell Stipp

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

EXHIBIT G-
NUVEDA'S REPLY

ATTORNEYS RETAINER AGREEMENT
(CONTINGENCY AND DISCOUNTED HOURLY)

2 April 2020

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

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

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

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

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

> An initial, non-refundable retainer of $0.00.
>
> By signing this Agreement, Terry and Ivey agree to compensate ATTORNEYS time at the reduced hourly rates set forth in the attached Exhibit A. Compensation at the hourly rate is due upon the sending by ATTORNEYS of its monthly billings. Receiver shall not be responsible for any compensation of ATTORNEYS other than the contingent fee payable pursuant to the following two paragraphs from its share of any recovery.
>
> As additional compensation, ATTORNEYS will be entitled to a contingent fee of Fifteen Percent (15%) of any amount recovered by the Receiver against NuVeda, its subsidiaries, licensees, members and/or related entities, as well as Brian Padgett, individually, as a result of any compromise, settlement or by filing and prosecution of a lawsuit.

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

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

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

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

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

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

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

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

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

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

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

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

ATTORNEYS:

MUSHKIN & COPPEDGE

/s/L. Joe Coppedge

L. JOE COPPEDGE.

CLIENTS:

DOTAN Y. MELECH, RECEIVER

SHANE TERRY Shane Terry

PHILLIP D. IVEY

EXHIBIT A

SCHEDULE OF RATES

HOURLY RATES FOR LEGAL PERSONNEL

Michael R. Mushkin	$300.00
L. Joe Coppedge	$250.00

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

Paralegal – Legal Assistant $75.00 - $125.00

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

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

ADDENDUM A

BUDGET FORECAST

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

The initial Forecast will be presented no later than April 1O, 2020 to include the proposed budget for the months of April, May and June of 2020. Subsequent monthly updates will be provided no later than the end of the cmTent month, and include an updated budget for the following 3-months.

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

WAIVER OF ACTUAL AND APPEARANCE OF CONFLICT OF INTEREST

2 April 2020

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

RECITALS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Dated on the date first above written.

DOTAN Y. MELECH, RECEIVER

Shane Terry

SHANE TERRY

Phillip Ivey

PHILLIP D. IVEY

JOINT REPRESENTATION AGREEMENT

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

RECITALS

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

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

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

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

WHEREAS, the Parties have entered into the Attorneys Retainer Agreement (Contingency and Discounted Hourly) dated ~~March __, 2020~~ 2 April 2020 (the "Retainer Agreement").

NOW, THEREFORE, the Parties agree as follows:

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

2. **Sharing of Proceeds.**

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

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

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

3. **Shared Information.**

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

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

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

4. **Preservation of All Privileges.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2 April 2020 Dated this [redacted], 2020 **SHANE TERRY** Shane Terry Shane Terry	2 April 2020 Dated this [redacted], 2020 **DOTAN Y. MELECH, RECEIVER** Dotan Y. Melech, Receiver
2 April 2020 Dated this [redacted], 2020 **PHILLIP IVEY** Phillip Ivey Phillip Ivey	

Error! Unknown document property name.

Electronically Filed
4/7/2021 9:11 AM
Steven D. Grierson
CLERK OF THE COURT

SCHTO

DISTRICT COURT
CLARK COUNTY, NEVADA

NUVEDA, LLC, ET AL,	)	
	)	**Case No.** 17 A 755479 B
Plaintiff,	)	**Consolidated With:**
	)	19 A 791405 C
vs	)	19 A 796300 B
	)	20 A 817363 B
4FRONT ADVISORS, LLC, ET AL,	)	**Dept. No**. XI
	)	
Defendant(s),	)	**Date of Hearing:** 04/05/21
	)	**Time of Hearing:** 9:00a.m.
	)	
AND ALL CONSOLIDATED MATTERS.	)	

BUSINESS COURT SCHEDULING ORDER
and ORDER SETTING CIVIL JURY TRIAL,
CALENDAR CALL and PRE-TRIAL CONFERENCE for Case A-20-817363-B

This **BUSINESS COURT SCHEDULING ORDER AND TRIAL SETTING ORDER applies to Case Number A-20-817363-B Only** and is entered following the Mandatory Rule 16 Conference conducted on 10/26/20. Pursuant to NRCP 16.1(f) this case has been deemed complex and all discovery disputes will be resolved by this Court. The filing of the JCCR has been waived. This Order may be amended or modified by the Court upon good cause shown.

IT IS HEREBY ORDERED that the parties will comply with the following deadlines:

Motions to Amend Pleadings or Add Parties to be filed by	**08/06/21**
Initial Experts Disclosures	**09/17/21**
Rebuttal Experts Disclosures	**10/22/21**
Discovery Cut Off	**12/03/21**
Dispositive Motions and Motions in Limine are to be filed by ***Omnibus Motions in Limine are not allowed***	**01/07/22**

IT IS HEREBY FURTHER ORDERED THAT:

A. The above entitled case is set to be tried to a jury on a **Five week stack** to begin,

March 14, 2022 at 1:30p.m.

B. A calendar call will be held on **March 8, 2022 at 9:30a.m.** Parties must bring to Calendar Call the following:

(1) Typed exhibit lists;

(2) List of depositions;

(3) List of equipment needed for trial, including audiovisual equipment;[1] and

(4) Courtesy copies of any legal briefs on trial issues.

The Final Pretrial Conference will be set at the time of the Calendar Call.

C. A Pre-Trial Conference with the designated attorney and/or parties in proper person will be held on **February 17, 2022 at 9:15a.m.**

D. Parties are to appear on **December 6, 2021 at 9:00a.m.**, for a Status Check on the matter.

E. The Pre-Trial Memorandum must be filed no later than **February 11, 2022**, with a courtesy copy delivered to Department XI. All parties, (Attorneys and parties in proper person) **MUST** comply with **All REQUIREMENTS** of E.D.C.R. 2.67, 2.68 and 2.69. Counsel should include the Memorandum an identification of orders on all motions in limine or motions for partial summary judgment previously made, a summary of any anticipated legal issues remaining, a brief summary of the opinions to be offered by any witness to be called to offer opinion testimony as well as any objections to the opinion testimony.

F. All motions in limine, **Omnibus Motions in Limine are not allowed**, must be in writing and filed no later than **January 7, 2022**. **Orders shortening time will not be signed except in extreme emergencies**.

G. No documents may be submitted to the Court under seal based solely upon the existence of a protective order.

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[1] If counsel anticipate the need for audio visual equipment during the trial, a request must be submitted to the District Courts AV department following the calendar call. You can reach the AV Dept at 671-3300 or via E-Mail at CourtHelpDesk@clarkcountycourts.us

Any sealing or redaction of information must be done by motion.

All motions to seal and/or redact and the potentially protected information must be filed at the clerk's office front counter during regular business hours 9 am to 4 pm.

In accordance with, Administrative Order 19-03, the motion to seal must contain the language "Hearing Requested" on the front page of the motion under the Department number.

Pursuant to SRCR Rule 3(5)(b), redaction is preferred and sealing will be permitted only under the most unusual of circumstances.

If a motion to seal and/or redact is filed with the potentially protected information, the proposed redacted version of the document with a slip-sheet for any exhibit entitled "Exhibit ** Confidential Filed Under Seal" must be attached as an Exhibit.

The potentially protected information in unredacted and unsealed form must be filed at the same time and a hearing on the motion to seal set. While the motion to seal is pending, the potentially protected information will not be accessible to the public.

If the motion to seal is noncompliant, the motion to seal may be stricken and the potentially protected information unsealed.

H. All original depositions anticipated to be used in any manner during the trial must be delivered to the clerk prior to the final Pre-Trial Conference. If deposition testimony is anticipated to be used in lieu of live testimony, a designation (by page/line citation) of the portions of the testimony to be offered must be filed and served by facsimile or hand, two (2) judicial days prior to the final Pre-Trial Conference. Any objections or counterdesignations (by page/line citation) of testimony must be filed and served by facsimile or hand, one (1) judicial day prior to the final Pre-Trial Conference commencement. Counsel shall advise the clerk prior to publication.

I. In accordance with EDCR 2.67, counsel shall meet, review, and discuss exhibits. All exhibits must comply with EDCR 2.27. Two (2) sets must be three hole punched placed in three ring binders along with the exhibit list. The sets must be delivered to the clerk prior to the final Pre-Trial Conference. Any demonstrative exhibits including exemplars anticipated to be used must be disclosed prior to the calendar call. Pursuant to EDCR 2.68, at the final Pre-Trial Conference, counsel shall be prepared to stipulate or make specific objections to individual proposed exhibits. Unless otherwise

agreed to by the parties, demonstrative exhibits are marked for identification but not admitted into evidence.

J. In accordance with EDCR 2.67, counsel shall meet, review, and discuss items to be included in the Jury Notebook. Pursuant to EDCR 2.68, at the final Pre-Trial Conference, counsel shall be prepared to stipulate or make specific objections to items to be included in the Jury Notebook.

K. In accordance with EDCR 2.67, counsel shall meet and discuss pre-instructions to the jury, jury instructions, special interrogatories, if requested, and verdict forms. Each side shall provide the Court, at the final Pre-Trial Conference, an agreed set of jury instructions and proposed form of verdict along with any additional proposed jury instructions with an electronic copy in Word format.

L. In accordance with EDCR 7.70, counsel shall file and serve by facsimile or hand, two (2) judicial days prior to the final Pre-Trial Conference voir dire proposed to be conducted pursuant to conducted pursuant to EDCR 2.68.

Failure of the designated trial attorney or any party appearing in proper person to appear for any court appearances or to comply with this Order shall result in any of the following: (1) dismissal of the action (2) default judgment; (3) monetary sanctions; (4) vacation of trial date; and/or any other appropriate remedy or sanction.

Counsel is required to advise the Court immediately when the case settles or is otherwise resolved prior to trial. A stipulation which terminates a case by dismissal shall also indicate whether a Scheduling Order has been filed and, if a trial date has been set, the date of that trial. A copy should be given to Chambers.

DATED this 7th day of April, 2021.

Elizabeth Gonzalez, District Court Judge

Certificate of Service

I hereby certify that on the date filed, a copy of the foregoing Business Court Scheduling Order and Order Setting Civil Jury Trial, Calendar Call and Pre-Trial Conference for Case A-20-817363-B was electronically served, pursuant to N.E.F.C.R. Rule 9, to all registered parties in the Eighth Judicial District Court Electronic Filing Program.

/s/ Dan Kutinac
Dan Kutinac, JEA

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6/11/2021 12:58 PM

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06/11/2021 12:57 PM
CLERK OF THE COURT

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

DISTRICT COURT
CLARK COUNTY, NEVADA

NUVEDA, LLC, a Nevada Limited Liability Company; and CWNEVADA LLC, a Nevada Limited Liability Company, Plaintiffs, v. 4FRONT ADVISORS LLC, foreign limited liability company, DOES I through X and ROE ENTITIES, II through XX, inclusive, Defendants.	Case No.: A-17-755479-B Consolidated With: A-19-791405-C, A-19-796300-B, A-20-817363-B, and A-21-827473-W Dept. No.: XI Hearing Date: January 29, 2021 Hearing Time: Chambers[1]
AND RELATED MATTERS	

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

The Renewed Motion to Enter Order on Shane Terry's Claims and Related Relief (the "Motion") came before the Honorable Elizabeth Gonzalez, and the Court, having reviewed the Motion and related briefing, including the Supplemental Declaration of L. Joe Coppedge, and being fully informed, denies the Motion **without prejudice**.

The Court finds that the determination by the American Arbitration Association ("AAA") not to act with respect to Shane Terry's Motion to Set Aside Dismissal, which was attached as Exhibit 4 to Mr. Coppedge's Supplement Declaration (the "Terry Motion"), because it no longer

[1] The matter was taken under advisement by the Court at the hearing on January 25, 2021 at 9:00 a.m. L. Joe Coppedge, Esq., who represents Shane Terry, was ordered to file a supplemental declaration including a copy of the Terry Motion (as defined in this Order), and the matter would be decided by the Court in chambers on January 29, 2021.

had jurisdiction over the matter places this Court in the position of deciding the Terry Motion.

Based on the foregoing and the allegations that have been made, the Court desires to set an evidentiary hearing on the issue of rescission as raised in the Terry Motion.

IT IS THEREFORE ORDERED, ADJUDGED AND DECREED that Counsel for the parties are directed to consult and determine what discovery is necessary prior to the commencement of such a hearing and the anticipated length for such hearing.

IT IS FURTHER ORDERED ADJUDGED AND DECREED that the parties are to submit a joint status report regarding the evidentiary hearing by February 12, 2021.

IT IS SO ORDERED.

Date: _____

Dated this 11th day of June, 2021

_____
District Court Judge

269 987 5BB7 7D3B
Elizabeth Gonzalez
District Court Judge

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

/s/ Mitchell Stipp

_____
MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Attorneys for NuVeda, LLC

MUSHKIN & COPPEDGE
approved
~~*******REFUSED*******~~
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

CSERV

DISTRICT COURT
CLARK COUNTY, NEVADA

Nuveda LLC, Plaintiff(s) vs. 4Front Advisors LLC, Defendant(s)	CASE NO: A-17-755479-B DEPT. NO. Department 11

AUTOMATED CERTIFICATE OF SERVICE

This automated certificate of service was generated by the Eighth Judicial District Court. The foregoing Order was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below:

Service Date: 6/11/2021

William Urga	wru@juwlaw.com
David Malley	djm@juwlaw.com
Jeanne Calix	jcalix@pnalaw.net
David Freeman	dfreeman@hollandhart.com
Valerie Larsen	vllarsen@hollandhart.com
Dara or Colleen Emens or Soto	lee-lawfirm@live.com
Keala Keyes	kkeyes@lee-lawfirm.com
Kelly Easton	kellye@sylvesterpolednak.com
J. Stephen Peek	speek@hollandhart.com
Stephanie Morrill	scmorrill@hollandhart.com
Karen Foley	kfoley@mccnvlaw.com

L. Joe Coppedge	jcoppedge@mccnvlaw.com
Leland Backus	gbackus@backuslaw.com
Patti Sherretts	psherretts@backuslaw.com
Kirk Lenhard	klenhard@bhfs.com
CaraMia Gerard	cgerard@mcdonaldcarano.com
Robert Werbicky	rwerbicky@ag.nv.gov
Michele Caro	mcaro@ag.nv.gov
Danielle Wright	dwright2@ag.nv.gov
Andrea Rosehill	rosehilla@gtlaw.com
Rory Kay	rkay@mcdonaldcarano.com
Jeff Silvestri	jsilvestri@mcdonaldcarano.com
LVGT docketing	lvlitdock@gtlaw.com
Sarah Gondek	sgondek@cohenjohnson.com
Linda Schone	ls@juwlaw.com
Bradley Austin	baustin@swlaw.com
Lyndsey Luxford	lluxford@swlaw.com
Docket Las	Docket_Las@swlaw.com
Claire Wildman	buttelllawoffice@aim.com
LaQuinta Smith	laquintasmith@aol.com
BCB Clerk	rec@backuslaw.com
Ryan Petersen	rpetersen@wileypetersenlaw.com
Jason Wiley	jwiley@wileypetersenlaw.com
Heather Kelley	hkelley@lkglawfirm.com

Kirby Gruchow, Jr.	kgruchow@lkglawfirm.com
Travis Chance	tchance@bhfs.com
Olivia Swibies	oswibies@nevadafirm.com
Alejandro Pestonit	apestonit@nevadafirm.com
Richard Holley, Esq.	rholley@nevadafirm.com
Michelle Briggs	mbriggs@ag.nv.gov
Jennifer DelCarmen	jdelcarmen@pnalaw.net
Jeffrey Sylvester	jeff@sylvesterpolednak.com
E. Kidd	dkidd@wileypetersenlaw.com
John Savage	jsavage@nevadafirm.com
Charles ("CJ") Barnabi Jr.	cj@barnabilaw.com
Jon Pearson	jtpearson@hollandhart.com
Steven Cohen	scohen@cohenjohnson.com
H. Stan Johnson	sjohnson@cohenjohnson.com
Ryan Johnson	rjohnson@cohenjohnson.com
Kimberly Yoder	kyoder@mccnvlaw.com
Mitchell Stipp	mstipp@stipplaw.com
L. Humphrey	ed@hlawnv.com
David Lee	dlee@lee-lawfirm.com
Charlene Renwick	crenwick@lee-lawfirm.com
Mark Ferrario	ferrariom@gtlaw.com
Christopher Miltenberger	miltenbergerc@gtlaw.com
Amy Sugden	amy@sugdenlaw.com

Michelle Willoughby	mrwilloughby@hollandhart.com
Lars Evensen	lkevensen@hollandhart.com
Dominique Hoskins	dhoskins@lee-lawfirm.com
Chastity Dugenia	cdugenia@wileypetersenlaw.com
Catherine Ramsey	cathy@briancpadgett.com
Brian Padgett	brian@briancpadgett.com
Charlie Bowman	cabowman@hollandhart.com
Marie Twist	marie@barnabilaw.com
Craig Slater	efile@luhlaw.com
Brian Irvine	birvine@dickinsonwright.com
Brooks Westergard	bwestergard@dickinsonwright.com
DW Reno Docketing Clerk DW Reno Docketing Clerk	RN_litdocket@dickinson-wright.com
Charles Damus	c.damus@damuslaw.com
Charles Damus	c.damus@damuslaw.com
Frank Beninato Jr.	FrankBen@msn.com
Kristina Cole	krcole@hollandhart.com
Shane Terry	shane@taprootbrands.com
Ashley Blacksmith	ablacksmith@swlaw.com
Diane Welch	dwelch@mcdonaldcarano.com

If indicated below, a copy of the above mentioned filings were also served by mail via United States Postal Service, postage prepaid, to the parties listed below at their last known addresses on 6/14/2021

Anthony Goldstein	2421 Tech Center Court Ste. 100 Las Vegas, NV, 89128
Nathanael Rulis	Kemp, Jones & Coulthard, LLP c/o: Nathanael R. Rulis 3800 Howard Hughes Pkwy, 17th Floor Las Vegas, NV, 89169
Nicole Whyte	7670 W Lake Mead Blvd Ste 225 Las Vegas, NV, 89128
Theodore Parker	2460 Professional CT STE 200 Las Vegas, NV, 89128

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CLERK OF THE COURT

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

DISTRICT COURT
CLARK COUNTY, NEVADA

NUVEDA, LLC, a Nevada Limited Liability Company; and CWNEVADA LLC, a Nevada Limited Liability Company, Plaintiffs, v. 4FRONT ADVISORS LLC, foreign limited liability company, DOES I through X and ROE ENTITIES, II through XX, inclusive, Defendants.	Case No.: A-17-755479-B Consolidated With: A-19-791405-C, A-19-796300-B, A-20-817363-B, and A-21-827473-W Dept. No.: XI Hearing Date: February 22, 2021 Hearing Time: 9:00 a.m.
AND RELATED MATTERS	

ORDER DENYING MOTION TO STAY

The Motion to Stay on Order Shortening Time filed by NuVeda, LLC with respect to claims by Shane Terry asserted in the complaint on file in Sub-Case A-20-817363-B came before the Honorable Elizabeth Gonzalez at the hearing set forth above (the "Motion"). Based on the briefing by the parties and oral argument by counsel, the Court has reconsidered its prior decision to set an evidentiary hearing on the issue of rescission (because there are factual issues to be resolved at trial).

IT IS THEREFORE ORDERED ADJUDGED AND DECREED that the Motion is denied without prejudice.

IT IS SO ORDERED.

Dated this 14th day of June, 2021

Date: _____

District Court Judge

819 2FF 64C4 C4AC
Elizabeth Gonzalez
District Court Judge

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

/s/ Mitchell Stipp

MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive, Suite 100
Las Vegas, Nevada 89144
Attorneys for NuVeda, LLC

MUSHKIN & COPPEDGE

*******REFUSED********

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

CSERV

DISTRICT COURT
CLARK COUNTY, NEVADA

Nuveda LLC, Plaintiff(s) vs. 4Front Advisors LLC, Defendant(s)	CASE NO: A-17-755479-B DEPT. NO. Department 11

AUTOMATED CERTIFICATE OF SERVICE

This automated certificate of service was generated by the Eighth Judicial District Court. The foregoing Order was served via the court's electronic eFile system to all recipients registered for e-Service on the above entitled case as listed below:

Service Date: 6/14/2021

William Urga	wru@juwlaw.com
David Malley	djm@juwlaw.com
Jeanne Calix	jcalix@pnalaw.net
David Freeman	dfreeman@hollandhart.com
Valerie Larsen	vllarsen@hollandhart.com
Dara or Colleen Emens or Soto	lee-lawfirm@live.com
Keala Keyes	kkeyes@lee-lawfirm.com
Kelly Easton	kellye@sylvesterpolednak.com
J. Stephen Peek	speek@hollandhart.com
Stephanie Morrill	scmorrill@hollandhart.com
Karen Foley	kfoley@mccnvlaw.com

L. Joe Coppedge	jcoppedge@mccnvlaw.com
Leland Backus	gbackus@backuslaw.com
Patti Sherretts	psherretts@backuslaw.com
Kirk Lenhard	klenhard@bhfs.com
CaraMia Gerard	cgerard@mcdonaldcarano.com
Robert Werbicky	rwerbicky@ag.nv.gov
Michele Caro	mcaro@ag.nv.gov
Danielle Wright	dwright2@ag.nv.gov
Andrea Rosehill	rosehilla@gtlaw.com
Rory Kay	rkay@mcdonaldcarano.com
Jeff Silvestri	jsilvestri@mcdonaldcarano.com
LVGT docketing	lvlitdock@gtlaw.com
Sarah Gondek	sgondek@cohenjohnson.com
Linda Schone	ls@juwlaw.com
Bradley Austin	baustin@swlaw.com
Lyndsey Luxford	lluxford@swlaw.com
Docket Las	Docket_Las@swlaw.com
Claire Wildman	buttelllawoffice@aim.com
LaQuinta Smith	laquintasmith@aol.com
BCB Clerk	rec@backuslaw.com
Ryan Petersen	rpetersen@wileypetersenlaw.com
Jason Wiley	jwiley@wileypetersenlaw.com
Heather Kelley	hkelley@lkglawfirm.com

Kirby Gruchow, Jr.	kgruchow@lkglawfirm.com
Travis Chance	tchance@bhfs.com
Olivia Swibies	oswibies@nevadafirm.com
Alejandro Pestonit	apestonit@nevadafirm.com
Richard Holley, Esq.	rholley@nevadafirm.com
Michelle Briggs	mbriggs@ag.nv.gov
Jennifer DelCarmen	jdelcarmen@pnalaw.net
Jeffrey Sylvester	jeff@sylvesterpolednak.com
E. Kidd	dkidd@wileypetersenlaw.com
John Savage	jsavage@nevadafirm.com
Charles ("CJ") Barnabi Jr.	cj@barnabilaw.com
Jon Pearson	jtpearson@hollandhart.com
Steven Cohen	scohen@cohenjohnson.com
H. Stan Johnson	sjohnson@cohenjohnson.com
Ryan Johnson	rjohnson@cohenjohnson.com
Kimberly Yoder	kyoder@mccnvlaw.com
Mitchell Stipp	mstipp@stipplaw.com
L. Humphrey	ed@hlawnv.com
David Lee	dlee@lee-lawfirm.com
Charlene Renwick	crenwick@lee-lawfirm.com
Mark Ferrario	ferrariom@gtlaw.com
Christopher Miltenberger	miltenbergerc@gtlaw.com
Amy Sugden	amy@sugdenlaw.com

Michelle Willoughby	mrwilloughby@hollandhart.com
Lars Evensen	lkevensen@hollandhart.com
Dominique Hoskins	dhoskins@lee-lawfirm.com
Chastity Dugenia	cdugenia@wileypetersenlaw.com
Catherine Ramsey	cathy@briancpadgett.com
Brian Padgett	brian@briancpadgett.com
Charlie Bowman	cabowman@hollandhart.com
Marie Twist	marie@barnabilaw.com
Craig Slater	efile@luhlaw.com
Brian Irvine	birvine@dickinsonwright.com
Brooks Westergard	bwestergard@dickinsonwright.com
DW Reno Docketing Clerk DW Reno Docketing Clerk	RN_litdocket@dickinson-wright.com
Charles Damus	c.damus@damuslaw.com
Charles Damus	c.damus@damuslaw.com
Frank Beninato Jr.	FrankBen@msn.com
Kristina Cole	krcole@hollandhart.com
Shane Terry	shane@taprootbrands.com
Ashley Blacksmith	ablacksmith@swlaw.com
Diane Welch	dwelch@mcdonaldcarano.com

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Steven D. Grierson
CLERK OF THE COURT

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

Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

NUVEDA, LLC, a Nevada Limited Liability Company; and CWNEVADA LLC, a Nevada Limited Liability Company, Plaintiffs, v. 4FRONT ADVISORS LLC, foreign limited liability company, DOES I through X and ROE ENTITIES, II through XX, inclusive, Defendants.	Case No.: A-17-755479-B Consolidated With: A-19-791405-C, A-19-796300-B, and A-20-817363-B Dept. No.: 11 **HEARING REQUESTED**
AND RELATED MATTERS	

MOTION FOR LEAVE TO FILE SECOND AMENDED COMPLAINT

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

MEMORANDUM OF POINTS AND AUTHORITIES

I. Statement of Case

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

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

3. The Current Receivership Order provides in part:

> Dotan Y. Melech ("Receiver") is hereby appointed Receiver over CWNevada LLC and all of its assets including, without limitation, all assets and rights related to any subsidiary and affiliated entities (collectively "CWNevada") in which CWNevada has an ownership interest, including but not limited to CWNV LLC, with the powers by this Order as follows:
>
> The Receiver shall be the agent of the Court and shall be accountable directly to this Court. This Court hereby asserts exclusive jurisdiction and takes exclusive possession of all assets and property owned by, controlled by, or in the name of CWNevada…

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

5. The Receiver filed a motion to engage the undersigned firm as contingency counsel in the Receivership Action, and after an initial objection by NuVeda, the Receiver and NuVeda entered into a stipulation approving the Receiver's request to engage the undersigned firm as counsel for CWNevada, Shane Terry ("Terry") and Phillip D. Ivey ("Ivey," and

collectively with CWNevada and Terry, "Plaintiffs"). The order approving the parties' stipulation and counsels' engagement was entered May 8, 2020.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26. The Court Minutes issued on February 1, 2021 indicate the following,

> Following arguments by Mr. Coppedge and Mr. Stipp, COURT ORDERED, CAUSE HAS BEEN SHOWN that NuVeda has violated the Court's orders to the extent that NuVeda went beyond reviving the entities. The Court will SET a hearing for contempt related to actions that occurred after the revival specifically the merger into the new entities. *See* Court Minutes.

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

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

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

the contempt hearing.

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

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

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

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

33. Mr. Stipp stated,

> But I think it's important to clarify the record in this case. We didn't ask for an extension of the evidentiary hearing, Your Honor.
>
> THE COURT: Mr. Stipp, you actually asked me to extend it because of Mr. Bady's medical condition. That was the first time I've heard about it, or maybe it was the second time I heard about it, but you made the request.
>
> March 17, 2021 Transcript, 12:16-22.

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

> THE COURT: Mr. Stipp, your motion is denied.
>
> While I might have granted your request for another Judge (telephonic interference) may have been previously by requesting that I continue the

> hearing which we discussed in court on February 22, 2021, and my granting your request, that has been waived.
>
> March 17, 2021 Transcript, 11:10-14.

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

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

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

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

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

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

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

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

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

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

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

regarding Terry's claims for relief.

The Delaware Litigation

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

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

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

II. Argument

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

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

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

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

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

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

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

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

III. Conclusion

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

Dated this 6th day of August 2021

MUSHKIN & COPPEDGE

/s/L. Joe Coppedge
MICHAEL R. MUSHKIN, ESQ.
Nevada State Bar No. 2421
L. JOE COPPEDGE, ESQ.
Nevada State Bar No. 4954
4495 S. Pecos Road
Las Vegas, Nevada 89121
Attorneys for Plaintiff

CERTIFICATE OF SERVICE

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

/s/Karen L. Foley
An Employee of
MUSHKIN & COPPEDGE

EXHIBIT “1”

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

DISTRICT COURT
CLARK COUNTY, NEVADA

DOTAN Y. MELECH, as the Court Appointed Receiver of CWNevada, LLC, a Nevada Limited Company and on behalf of CWNV, LLC, a Nevada Limited Liability Company and CWNV1, LLC, a Nevada Limited Liability Company; SHANE TERRY, an individual; and PHILLIP D. IVEY, an individual; 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 MEDICINAL SOLUTIONS, LLC, a Nevada limited liability company; BCP 7, LLC, an entity of unknown origin; PEJMAN BADY, an individual; POUYA MOHAJER, an individual; JOSEPH KENNEDY, an individual; BRIAN C. PADGETT, an individual; UL NUVEDA HOLDINGS LLC, a Delaware limited liability company; NUVEDA LLC, a Delaware limited liability company; CWNV LLC, a Nevada limited liability company; CWNV1 LLC, a Nevada limited liability	Case No.: A-17-755479-B Consolidated With: A-19-791405-C, A-19-796300-B, and A-20-817363-B Dept. No.: 11 **~~FIRST~~ SECOND AMENDED COMPLAINT** **Case No. A-20-8137363-B**

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

Defendants.

~~FIRST~~ SECOND AMENDED COMPLAINT

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

PARTIES, JURISDICTION, AND VENUE

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

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

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

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

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

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

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

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

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

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

~~9.~~11. Defendant, NuVeda LLC ("NuVeda Delaware") is and has been since its formation, a Delaware limited liability company. Upon information and belief, NuVeda Delaware is the successor in interest to NuVeda and is responsible for its debts and liabilities

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

~~10.~~13. Defendant, CWNV1 LLC ("New CWNV1") is a Nevada Limited Liability Company. Upon information and belief, New CWNV1 claims to be the successor in interest to CWNV1, LLC.

~~11.~~14. Plaintiff, Dotan Y Melech is the court appointed receiver for CWNevada, LLC, a Nevada Limited Liability Company (the "Receiver"). The Order Appointing Receiver included "all of CWNevada, LLC's assets, including, without limitation, all assets and rights to any

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

~~12.~~15. CWNV, LLC ("CWNV") is a Nevada Limited Liability Company. The Receiver has authority and control over CWNV pursuant to the receivership orders.

~~13.~~16. CWNV1, LLC ("CWNV1") is a Nevada Limited Liability Company. The Receiver has authority and control over CWNV1 pursuant to the receivership orders.

~~14.~~17. Plaintiff, Shane Terry ("Terry") is and at all relevant times has been a resident of Clark County, Nevada. Terry has been a Manager, Voting Member, and at times, NuVeda's Chief Executive Officer. Plaintiff Terry is the owner of 22.88 percent of NuVeda, Clark NMSD, Clark Natural and Nye Natural (collectively, the "Terry Interest").

~~15.~~18. Plaintiff, Phillip D. Ivey ("Ivey") is and at all relevant times has been a resident of Clark County, Nevada. Plaintiff Ivey owns a three percent (3%) ownership interest in Nye Natural and Clark Natural (collectively, the "Ivey Interest").

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

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

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

~~18.~~21. Venue is proper pursuant to NRS 13.040.

FACTUAL ALLEGATIONS RELATED TO ALL CLAIMS

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

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

~~21.~~24. Since July 2014, NuVeda has been governed by the NuVeda Operating Agreement.

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

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

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

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

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

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

~~28.~~31. The points won by NuVeda in the tax section alone were awarded with Ivey individually contributing nearly 30% of the total score.

~~29.~~32. Ivey was listed and approved as an owner by the State of Nevada on all six (6) of NuVeda's licenses.

~~30.~~33. In addition, Ivey was listed as having a three percent (3%) ownership interest in the 2014 Schedule K-1 provided to him by NuVeda.

~~31.~~34. On or about June 1, 2015, Ivey's three percent (3%) interest in NuVeda was transferred to two of its subsidiaries, Nye Natural and Clark Natural.

~~32.~~35. The reason for the transfer is the City of Las Vegas did not allow any changes to the ownership structure that differ from the owners listed in the application filed with the City of Las Vegas.

~~33.~~36. To accommodate the City of Las Vegas' requirements, NuVeda transferred Ivey's ownership interest in NuVeda, the parent company, to its two (2) subsidiaries that are located outside the City of Las Vegas -- Nye Natural and Clark Natural.

~~34.~~37. Ivey approved and signed the transfers of interest.

~~35.~~38. As a result of the transfer of interest, Ivey owns a three percent (3%) ownership interest in Nye Natural and Clark Natural (the "Ivey Interest").

~~36.~~39. Ivey has not sold, conveyed or otherwise transferred the Ivey Interest.

~~37.~~40. During the month of December 2015, NuVeda's annual license renewal paperwork was due to the State of Nevada.

~~38.~~41. During this time, Terry was NuVeda's designated and registered point of contact with the State of Nevada for all regulatory correspondence.

~~39.~~42. After Terry submitted the renewal application representing NuVeda's then current ownership structure, Bady ~~falsely~~ submitted false documentation to the State of Nevada that removed Ivey's license interest and redistributed it to himself and Mohajer.

~~40.~~43. NuVeda, Bady and Mohajer have claimed Ivey is no longer a member although Ivey did not execute any of the required paperwork to transfer the Ivey Interest.

~~41.~~44. During this time, NuVeda also removed Terry as NuVeda's State of Nevada designated point of contact and refused to provide Terry with access to any records.

~~42.~~45. Senate Bill 32 was passed in late 2018, which allowed the State to publicly disclose ownership information. Until then, there was no public access to view ownership records.

~~43.~~46. Further, the State of Nevada would not communicate with anyone other than Bady as Terry had been removed as NuVeda's designated point of contact.

~~44.~~47. As a result, Ivey did not learn of the transfer of the Ivey Interest until after January 2019.

~~45.~~48. Bady, Mohajer and Kennedy, individually and at times through NuVeda or other entities, have engaged in ~~additional~~ a pattern of fraudulent acts of self-dealing and other acts of misconduct that constitute~~d~~ a breach of their legal duties.

~~46.~~49. For instance, Terry and other members of NuVeda learned that Bady misrepresented the source of his funds Bady originally contributed to NuVeda in exchange for equity.

~~47.~~50. Nevada law and the state regulatory agencies required in depth financial disclosures.

~~48.~~51. While Bady averred that his funding came from the sale of a business, upon information and belief, Bady, in concert with Mohajer, in fact funded his contributions from money he acquired from his friend, Majid Golpa ("Golpa").

~~49.~~52. Upon information and belief, Bady and Mohajer promised that in exchange for the funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was prohibited by Nevada law.

~~50.~~53. Mohsen Bahri ("Bahri") and Bady also negotiated the terms of a $500,000 promissory note. Bady then made an undisclosed deal with Bahri to provide Bady with a $500,000 investment in which Bahri would receive a 4% interest in NuVeda.

~~51.~~54. This was contrary to NuVeda's understanding of the financing.

~~52.~~55. Following discovery of the true nature of Bady and Mohajer's wrongful side deals with third parties, a dispute arose between Terry and Goldstein on the one hand and Bady and Mohajer on the other hand regarding Defendants' clandestine and wrongful side deals, pursuant to which Bady and Mohajer attempted to allocate ownership interests to their friends, and the true source of Bady's capital contribution, Golpa and Bahri.

~~53.~~56. Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4% interest in NuVeda, yet Bady demanded that the members, including Terry and Goldstein, agree to ratify his apparent promises to provide such interest to Golpa and Bahri.

~~54.~~57. Upon information and belief, the transfer of the interests, as proposed by Bady, would jeopardize NuVeda's licenses.

~~55.~~58. On or about November 1, 2015, a monthly payment was due to Bahri on the $500,000 promissory note.

~~56.~~59. Bady, long-time personal friends with Bahri, instructed Terry to not pay the monthly payment and stated he "would take care of it."

~~57.~~60. 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.

~~58.~~61. Bady's non-payment of the Bahri loan and subsequent negotiations were done without Terry's knowledge and jeopardized NuVeda's operations.

~~59.~~62. Bahri subsequently presented a lawsuit against Terry and Goldstein, individually, falsely alleging that they were liable for his investment through Bady.

~~60.~~63. Bady and Bahri then acted in concert to allege that Goldstein and Terry were liable for the $500,000 promissory note, as neither NuVeda nor Bady, who single-handedly communicated with Bahri and who negotiated all of the terms of the clandestine deal with his friend Bahri, were named as defendants.

~~61.~~64. Bady and Bahri acted in concert to paralyze Terry and Goldstein from obtaining the necessary funding by threatening to file frivolous and factually unfounded lawsuits against Terry and Goldstein for Bady's strategic gain.

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

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

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

~~65.~~68. Goldstein and Terry made demands for the original K-1s and other financial documents for NuVeda, but Bady and Kennedy denied the records request in violation of Terry's right to review the business records of NuVeda pursuant to Section 7.2 of the NuVeda's Operating Agreement.

~~66.~~69. 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.

~~67.~~70. 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.

~~68.~~71. 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.

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

~~70.~~73. 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.

The District Court Action

~~71.~~74. 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.

~~72.~~75. 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.

~~73.~~76. 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 completion of the contemplated arbitration, the parties are to take no further action to expulse each other on the factual bases presented to the Court during the evidentiary hearing."

~~74.~~77. Goldstein and Terry commenced a private arbitration proceeding with the American Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al. v. NuVeda LLC, et al.,* AAA Case No. 01-15-005-8574 (the "Arbitration").

~~75.~~78. Notwithstanding the express language of the January 13, 2016 Order, in a March 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda.

~~76.~~79. Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in violation of the January 13, 2016 Order.

~~77.~~80. The purported expulsion was further documented in a meeting on or about September 19, 2017, where the NuVeda Meeting Minutes indicate Terry's interest in NuVeda was distributed to Bady and Mohajer in yet another act of blatant self-dealing.

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

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

to Bady and Mohajer until after January 2019.

~~78.~~

Membership Interest Purchase Agreement

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

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

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

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

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

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

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

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

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

CWNV, LLC

~~81.~~85. On or about January 21, 2016, CWNevada and NuVeda caused CWNV to be formed.

~~82.~~86. CWNV was formed as a joint venture between CWNevada and NuVeda to raise money to build and operate the Downtown Dispensary located at 1324 S. 3rd Street, Las Vegas, Nevada and the North Las Vegas Dispensary located at 2113 N. Las Vegas Blvd., North Las Vegas, Nevada.

~~83.~~87. On or about March 22, 2016, CWNevada and NuVeda entered into an Operating Agreement of CWNV, LLC (the "CWNV Operating Agreement").

~~84.~~88. The initial members of CWNV were CWNevada and NuVeda.

~~85.~~89. The initial managers of CWNV were Padgett, Bady and Jason Thompson.

~~86.~~90. The CWNV Operating Agreement listed CWNevada's membership interest as 65% and NuVeda's membership interest as 35%.

~~87.~~91. The CWNV Operating Agreement identified CWNevada's capital contribution as "Full Construction Funding, Goods, Services, and Specified Debt Service."

~~88.~~92. CWNevada invested at least two million dollars into CWNV to provide construction funding to build the Downtown Dispensary and the North Las Vegas Dispensary.

~~89.~~93. Upon information and belief, the Downtown Dispensary opened in or about December 2016 and the North Las Vegas Dispensary opened in January 2017 as a result of

CWNevada's construction funding.

~~90.~~94. The CWNV Operating Agreement identified NuVeda's capital contribution as "Medical Marijuana Licenses as referenced in the [MIPA]."

~~91.~~95. NuVeda, Clark NMSD, Nye Natural and their members, including Bady, Mohajer and Kennedy have separately and individually benefited from the construction of the Downtown Dispensary and the North Las Vegas Dispensary.

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

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

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

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

~~95.~~96. ~~However, i~~In attempting to effectuate the transfer of Clark NMSD and Nye Natural, NuVeda failed to follow Nevada law and misrepresented the information submitted to the State of Nevada.

~~96.~~97. Through their counsel Amanda Connor (who simultaneously represented

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

~~97.~~98. Specifically, Clark NMSD and Nye Natural, in the correspondence to the State of Nevada, Department of Taxation represented, among other things, that "[t]he Membership Interest Purchase Agreement dated December 6, 2015 between CWNevada, LLC, CWNV, LLC, NuVeda, Clark NMSD, LLC and Nye Natural Medicinal Solutions, LLC … was signed by more than 60% of the membership interest of NuVeda, LLC…Please note in the October 13, 2017 Nevada Supreme Court ruling…the Court found that the transfer of assets was proper."

~~98.~~99. However, the Nevada Supreme Court, acting in case number 69648, did not address the propriety of the "transfer of assets."

~~99.~~100. The Nevada Supreme Court merely determined that the "appellants [Plaintiff Terry and Goldstein] failed to show a reasonable probability of irreparable harm" and thus, the Court concluded "that the district court did not abuse its discretion in denying appellants' motion [for a preliminary injunction]".

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

~~100.~~102. It does not appear that this transfer of ownership request was ever processed.

Purchase and Sale Agreement for Terry's Ownership Interest in NuVeda and

NuVeda-Managed Licenses

~~101.~~103. During the pendency of the District Court Action and Arbitration, on or about April 30, 2018, Terry entered into a "Purchase and Sale Agreement for Terry's Ownership Interest in NuVeda and NuVeda-Managed Licenses" (the "Terry Purchase Agreement") with BCP 7 as the Buyer.

~~102.~~104. Padgett personally guaranteed all payments and other performance obligations due under the Terry Purchase Agreement.

~~103.~~105. The Terry Purchase Agreement provides, among other things, that Terry agreed to sell the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration and on specific terms.

~~104.~~106. The total purchase price for BCP 7 to acquire the Terry Interest was $1.75 million (the "Purchase Price"), which was "substantially reduced" from fair market value.

~~105.~~107. The Purchase Price was payable as follows: (i) an initial payment of $500,000.00 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the "Initial Payment"), and (ii) monthly payments of the $1.25 million balance due on or before June 15, 2028 with payments due monthly until paid in full (the "Monthly Payments").

~~106.~~108. The Monthly Payments were to 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%.

~~107.~~109. The Monthly Payments were to commence May 1, 2018, and the first payment was to have been made no later than May 2, 2018.

~~108.~~110. The Terry Purchase Agreement further provided that there shall be acceleration of the outstanding balance and any unpaid accrued interest thereon upon (1) the sale or transfer of the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP 7 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 to Padgett and no cure within 10 business days thereof.

~~109.~~111. Upon execution of the Terry Purchase Agreement and upon receipt of the first Monthly Payment, Terry agreed, among other things, to assign any and all claims and right in the Arbitration and District Court Action to BCP 7.

~~110.~~112. BCP 7 made a partial payment toward the Initial Payment in the sum of $250,000.00 ~~on or about August 1, 2018~~in or about July or August, 2018.

~~111.~~113. In addition to the partial Initial Payment, BCP 7 made partial interest and extension payments.

~~112.~~114. However, BCP 7 ~~has yet~~failed to pay Initial Payment or Monthly Payments in full.

~~113.~~115. As a result of BCP 7's failure to pay the Initial Payment or any of the Monthly Payments in full, Terry provided notice of and right to cure this failure to BCP 7 and Padgett.

~~114.~~116. BCP 7 and Padgett failed to cure the outstanding balance owed following notice of such failure and a right to cure within 10 business days.

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

~~116.~~118. Notwithstanding the fact that the Terry Interest was never properly transferred to BCP 7, in an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration, Padgett purported to 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."

~~117.~~119. Not only did CWNevada never make or assert any claims related to the Arbitration, the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady and Mohajer to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, and then immediately attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying the agreed consideration.

~~**Amendment to Membership Interest Purchase Agreement**~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

~~129. The July 5, 2018 Addendum provides, among other things, that the MIPA contemplated the transfer of 100% of Nye Natural to CWNV1. Subsequently, the parties agreed that the Nye Natural Production license, Reference # 9160469391616650769 9 would remain with Nye Natural.~~

Acts of Self-Dealing and other Misconduct

~~130.~~120. The ~~The~~ partnership between CWNevada and NuVeda remained intact until an arbitration award was entered in favor of 4Front Advisors, LLC ("4Front") on or about November 27, 2018 against CWNevada in the sum of $4,987,092.09 and against NuVeda in the sum of $3,741,803.92.

~~131.~~121. The 4Front arbitration award was confirmed as a final judgment on or about March 14, 2019.

~~132.~~122. During the arbitration with 4Front, CWNevada and NuVeda entered into a

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

~~133.~~123. The Stipulation further provided that neither NuVeda nor CWNevada had "breached the MIPA."

~~134.~~124. Following the entry of the final judgment in favor of 4Front, Bady, Mohajer and Kennedy, individually and at times through NuVeda or other entities, engaged in fraudulent acts of self-dealing and other acts of misconduct that constituted a breach of their legal duties.

~~135.~~125. On April 2, 2019, Bady, Kennedy and Mohajer commenced a lawsuit against NuVeda and entered a confession of judgment for $1,114,257.12 to their individual benefit against NuVeda without opposition.

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

~~136.~~127. Upon information and belief, CWNV1 has also been dissolved.

~~137.~~128. At the time of the purported dissolution, Bady was not and had not been a manager of CWNV or CWNV1 since February 7, 2018.

~~138.~~129. Further, the CWNV Operating Agreement provides in part that "[t]he Company shall be dissolved upon the occurrence of the following events … (ii) By the unanimous written agreement of all Members …"

~~139.~~130. Upon information and belief, CWNevada did not enter any written agreement for the dissolution of CWNV or CWNV1.

~~140.~~131. Since the purported dissolution, NuVeda and Bady have represented that NuVeda is serving in the role as trustee over CWNV.

~~141.~~132. In that self-appointed role, NuVeda and Bady have breached the terms of the CWNV Operating Agreement by, among other things,

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

b. Failing to obtain and provide an accounting made by CWNV's

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

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

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

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

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

~~143.~~133. Upon information and belief, Kennedy commingled CWNV funds with those of his own companies, Blakely Environmental, Panda Trading Inc., Glad 2B Home LLC, Joval LLC, NV Industrial LLC, 2113 Investors LLC, and FM1788 LLC, and has failed, despite request, to properly account for the CWNV funds.

~~144.~~134. In addition, on or about March 17, 2017, CWNevada entered into a 301 Oxbow Avenue, Unit 14 Pahrump, Nevada 89048 Lease (the "Oxbow Lease") with the Eugene & Nelda Fay Toy Trust as landlord for Oxbow Unit 14.

~~145.~~135. On June 28, 2017, Nye County issued its administrative approval of a "Recreational Marijuana Establishment License" to CWNevada for production at Oxbow Unit 14.

~~146.~~136. On June 13, 2019, the Temporary Receiver Order was entered, which provided, among other things in paragraph 20 that, "[n]o landlord or lessor may terminate any lease or commence or continue any eviction related to actions connected with the Receivership Estate without prior order of this Court."

~~147.~~137. Later that same day, Nye Natural represented itself to be CWNevada's landlord, and in violation of the Temporary Receiver Order, caused an eviction order to be issued against CWNevada.

~~148.~~138. Subsequently, on or about June 18, 2019, NuVeda's office manager, Sandy Kindler, acting at the direction of Bady, further violated the Temporary Receiver Order by having a locksmith change the locks to Oxbow Unit 14.

~~149.~~139. Later that same day, the Receiver was provided only limited and

supervised access to Oxbow Unit 14.

~~150.~~140. The Receiver's agents were permitted to take photographs of the unit but were not allowed to remove anything. It appeared as if computers and a server had already been removed.

~~151.~~141. Since allowing the inspection, NuVeda has continued to lock the Receiver from Oxbow Unit 14 in violation of the Temporary Receivership Order.

~~152.~~142. In further violation of the Temporary Receivership Order, NuVeda and Bady have continued to misrepresent that the Oxbow Lease was with Nye Natural and that CWNevada had been evicted from the property.

~~153.~~143. Plaintiffs have been advised by multiple individuals involved in Clark Natural and Clark NMSD that they claim an ownership interest in those licenses and that NuVeda and Bady are now minority partners.

~~154.~~144. Plaintiffs have also been advised that NuVeda has agreed to sell marijuana licenses to undisclosed third parties, including the licenses that were to be transferred to CWNV (substituted with CWNV1) including D186, D187, and C166.

~~155.~~145. Members of Urbn Leaf from San Diego have purportedly invested millions of dollars into NuVeda in exchange for operational control of the dispensaries, although a significant amount of that funding was purported to settle NuVeda's judgment owed to 4Front.

~~156.~~146. On August 10, 2020, Sapna Gulaya and Sachin Gulaya filed a Complaint against Bady and NuVeda in the District Court for Clark County, Nevada captioned as *Gulaya v. Bady and NuVeda, LLC*, Case No. A-20-819313-C (the "Gulaya Complaint").

~~157.~~147. The Gulaya Complaint generally alleges that the Gulayas brokered a deal between NuVeda and Urbn Leaf whereby "Urbn Leaf was to acquire a portion of the membership interests of NuVeda."

~~158.~~148. The Gulaya Complaint further alleges that Urbn Leaf manages and controlled certain licenses and ~~assets~~assets, or portions thereof owned by Clark NMSD, Clark Natural and Nye Natural, "all of which are wholly owned subsidiaries of NuVeda. Urbn Leaf was to provide $4,000,000 to cover 4Front Litigation and provided a credit facility in the maximum

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

~~159.~~149. The licenses owned by Clark NMSD and Nye Natural are the licenses that were to have been transferred to CWNV (substituted with CWNV1) pursuant to the MIPA~~, and subsequent related agreements~~.

~~160.~~150. On August 14, 2020, UL Holdings NV LLC, a Nevada limited liability filed a Verified Complaint against UL NuVeda Holdings LLC, a Delaware limited liability company, NuVeda LLC, a Delaware limited liability company, Clark NMSD, Nye Natural, Bady, Mohajer and Kennedy in the Court of Chancery in the State of Delaware as Case No. 2020-0675 (the UL Holdings NV Complaint").

~~161.~~151. The UL Holdings NV Complaint alleges that "Plaintiff ULNV entered into a complex business transaction with Defendants in early July 2019 and paid $5,000,000 with the explicit agreement that, in the event certain governmental approvals required to consummate the transaction were not forthcoming, the entire transaction and all associated contracts would automatically terminate and be unwound, and ULNV's $5,000,000 purchase price would be returned."

~~162.~~152. The UL Holdings NV Complaint further alleges, "[i]n connection with this transaction, ULNV rescued non-party NuVeda LLC, a Nevada limited liability company ("NuVeda Nevada"), the predecessor-in-interest of Defendant NuVeda Delaware, from a large judgment by entering into a Membership Interest Purchase Agreement ("MIPA"). Under the MIPA, ULNV agreed to pay a $3,800,000 judgment entered against non-party NuVeda Nevada and Defendants Clark and Nye in unrelated arbitration proceedings in early 2019 and pay an additional $1,200,000 to cover amounts owing on promissory notes and legal fees, for a total of $5,000,000 in out-of-pocket expense. It did so in exchange for membership interests in a newly-formed Delaware limited liability company, UL Nevada Holdings, the parent of newly-formed NuVeda Delaware entity, into which all of NuVeda's assets were purportedly transferred."

~~163.~~153. Upon information and belief, the interest in the cultivation and production licenses owned by Clark Natural have been all or in part sold to other investors associated with

Solaris Farms and their associates.

~~164.~~154. During the original purchase of NuVeda's North Las Vegas dispensary located at 2113 N Las Vegas Blvd, NuVeda entered into a purchase agreement with the City of North Las Vegas to acquire the property.

~~165.~~155. Goldstein, then a member and NuVeda's general counsel, was working with the City of Las Vegas to finalize the purchase when Bady provided Mohajer signing authority to usurp the opportunity from NuVeda and purchase the property under an entity owned by Bady and Kennedy named 2113 Investors.

~~166.~~156. This transaction was not disclosed or approved by NuVeda members.

~~167.~~157. Subsequently 2113 Investors acquired NuVeda's 3rd Street property in the City of Las Vegas, and Bady unilaterally began to negotiate lease terms directly with Kennedy, his partner in 2113 Investors and at the time an unvested member in NuVeda.

~~168.~~158. Existing NuVeda members as well as another attorney who was hired as the Director of Operations raised major issues about the lease terms that enriched 2113 Investors to the detriment of NuVeda.

~~169.~~159. Bady attempted to force NuVeda members to vote on a security pledge that was specifically prohibited by the State, and if enacted would have given Bady and Kennedy control over NuVeda's licenses.

~~170.~~160. When Bady's actions of self-dealing were raised by NuVeda members, he claimed to divest himself of any interest in 2113 Investors, removed himself as an owner on the Nevada Secretary of State website and continued to negotiate the leases with Kennedy claiming he was no longer an interested party.

~~171.~~161. However, during the Arbitration, it was revealed that Bady had misrepresented his ownership interest, and without disclosing it to NuVeda members, had secretly executed a repurchase agreement that allowed him to repurchase 50% of 2113 Investors for $1 or less.

~~172.~~162. On March 27, 2019, NuVeda entered a Confession of judgement in the amount of $1,462,3000 in favor of 2113 Investors in Eighth Judicial District Court, Case Number

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

~~173.~~163. Based upon information and belief, the March 7, 2016 settlement with 2113 Investors arose out of 2113 Investors' requirement to get insurance on the building for NuVeda's 3rd Street dispensary per the lease agreement (that Bady negotiated with Kennedy), but 2113 Investors failed to have it in place when the building collapsed~~ so 2113 Investors threatened NuVeda with a claim~~.

~~174.~~164. The building was rebuilt by CWNevada~~, so~~. NuVeda (or 2113 Investors) never paid for the construction yet still benefited

~~175.~~165. The 2113 Investors filed a claim against NuVeda for the loss of rent and damage even though it was rebuilt using CW Nevada funds, which likely increased property value.

FIRST CLAIM FOR RELIEF

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

~~176.~~166. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 165~~74~~ of this Complaint and incorporates the same herein by reference as though fully set forth.

~~177.~~167. Under NRS 3040(1), "[a]ny person interested under a deed, written contract other writings constituting a contract … may have determined any question of construction or validity arising under the instrument … and obtain a declaration of rights, status or other legal relations thereunder."

~~178.~~168. Actual controversies have arisen and now exist between the Receiver and Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, ~~and~~ Nye Natural, New CWNV and New CWNV1 regarding the parties respective legal rights and obligations under the Membership Interest Purchase Agreement, ~~the First Purchase Agreement, the Amendment to Membership Interest Purchase Agreement, the Second Purchase Agreement and the July 5, 2018~~

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

~~179.~~169. Actual controversies have arisen and now exist between Plaintiff Terry and Defendants BCP 7 and Padgett regarding the validity of the Terry Purchase Agreement, the respective legal rights and obligations under the Terry Purchase Agreement, and with all Defendants regarding the ownership of the Terry Interest.

~~180.~~170. Actual controversies have arisen and now exist between Plaintiff Ivy and Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural and Nye Natural regarding the validity of the Ivey Letter Agreement, the respective legal rights and obligations under the Ivey Letter Agreement, and with all Defendants regarding the ownership of the Ivey Interest.

~~181.~~171. Plaintiffs are entitled to a declaration of the rights and obligations of the parties and specifically seek a judgment declaring 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, (i~~v~~ii) CWNV or CWNV1 owns 100% of the membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey Interest, (iv~~iii~~) CWNevada owns 65~~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,~~, (v)~~ix)~~ the Terry Purchase Agreement is null and void resulting from a fraud in the inducement and for a complete failure of consideration, (vi~~x~~) the Terry Interest was never transferred to BCP 7 or any other entity, (vii~~xi~~) Plaintiff Terry is the sole and only owner of the Terry Interest, (viii~~xii~~) the Ivey Letter Agreement is valid and enforceable, (ix~~xiii~~) the Ivey Interest was never transferred, and (x~~iv~~) Plaintiff Ivey is the sole and only owner of the Ivey

Interest.

~~182.~~172. 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.

SECOND CLAIM FOR RELIEF

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

~~183.~~173. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through ~~181~~ 172 of this Complaint and incorporate the same herein by reference as though fully set forth.

~~184.~~174. NuVeda as "Transferor", ~~together with Clark NMSD and Nye Natural, and CWNevada as "Transferee" and CWNV, and additional parties, including Percelt and the 2113 Investors, entered into a series of agreements (collectively, the Transfer Agreements"), including the Membership Interest Purchase Agreement, the First Purchase Agreement, the Amendment to MIPA, the Second Purchase Agreement and the July 5, 2018 Addendum, whereby NuVeda~~ agreed to sell 100% of the membership interest it owned in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1) for certain specified consideration and on specific terms.

~~185.~~175. ~~The Transfer Agreements~~The MIPA is a ~~are~~ valid and binding contract~~s~~.

~~186.~~176. NuVeda, Clark NMSD and Nye Natural breached the ~~Transfer Agreements~~MIPA by, among other ~~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 (ii~~i~~) selling or attempting to sell all or part of licenses transferred to CWNV (substituted with CWNV1) .

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

~~187.~~178. Defendants have further breached the MIPA by transferring or attempting to transfer the assets of CWNV and CWNV1 to New CWNV and/or CWNV1.

~~188.~~179. As a direct and proximate result of the breach of the ~~Transfer Agreements~~MIPA and the wrongful conduct of NuVeda, Clark NMSD and Nye Natural, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, the Receiver Plaintiff has suffered damages in an amount more than $15,000.00.

~~189.~~180. Plaintiffs have been required to retain counsel to prosecute this matter and are entitled to recover their reasonable attorney's fees and costs of this action.

THIRD CLAIM FOR RELIEF

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

~~190.~~181. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 180~~8~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

~~191.~~182. Every contract in Nevada, including the ~~Transfer Agreements~~MIPA, imposes upon the contracting parties the duty of good faith and fair dealing.

~~192.~~183. Defendants NuVeda, Clark NMSD, Nye Natural, and Bady, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, owed CWNevada, CWNV and CWNV1 a duty of good faith and fair dealing.

~~193.~~184. Defendants NuVeda, Clark NMSD, ~~and~~ Nye Natural and Bady, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, breached the duty of good faith and fair dealing when they performed in a manner that was unfaithful to the purpose of the ~~Transfer Agreements~~MIPA by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1)~~, (ii) failing to transfer 100% of the ownership interest in CWNV (substituted with CWNV1) to CWNevada,~~ and (ii~~i~~) selling or attempting to sell all or part of licenses transferred to CWNV (substituted with CWNV1) .

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

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

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

~~196.~~188. 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.

FOURTH CLAIM FOR RELIEF

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

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

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

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

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

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

Padgett, Plaintiff Terry executed the Terry Purchase Agreement.

~~202.~~194. When those representations were made, Padgett knew or should have known them to be false as he did not have an ability to pay the agreed consideration, having failed to even pay the entire Initial Payment, and instead, was forced to seek multiple extensions of the Initial and Monthly Payments.

~~203.~~195. Plaintiff Terry advised BCP 7 and Padgett of his rescission of the Terry Purchase Agreement, and the grounds therefor.

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

~~205.~~196. Plaintiff Terry has no adequate remedy at law to regain and/or confirm his ownership of the Terry Interest.

~~206.~~197. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action

FIFTH CLAIM FOR RELIEF

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

~~207.~~198. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 197~~205~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

~~208.~~199. Plaintiff Terry and BCP 7 entered into the Terry Purchase Agreement whereby BCP 7 agreed to purchase the Terry Interest from Plaintiff Terry for certain specified consideration and on specific terms.

~~209.~~200. The Terry Purchase Agreement was guaranteed by Defendant Padgett.

~~210.~~201. BCP 7 and Padgett breached their obligations under the Terry Purchase Agreement, by failing, among other things, to pay the agreed consideration for the Terry Interest.

~~211.~~202. BCP 7's and Padgett's breach of the Terry Purchase Agreement was not waived, suspended or otherwise excused.

~~212.~~203. As a direct and proximate result of the breach of the Terry Purchase

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

~~213.~~204. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

SIXTH CLAIM FOR RELIEF

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

~~214.~~205. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 204~~12~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

~~215.~~206. Every contract in Nevada imposes upon the contracting parties the duty of good faith and fair dealing.

~~216.~~207. Defendants BCP 7 and Padgett owed Plaintiff Terry a duty of good faith and fair dealing.

~~217.~~208. Defendants BCP 7 and Padgett breached the duty of good faith and fair dealing when they performed in a manner that was unfaithful to the purpose of the Terry Purchase Agreement and to the justified expectations of Plaintiff Terry by failing, among other things, to pay the agreed consideration for the Terry Interest.

~~218.~~209. As a direct and proximate result of the wrongful conduct of Defendants BCP 7 and Padgett, Plaintiff Terry has been damaged in an amount more than $15,000.00.

~~219.~~210. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

SEVENTH CLAIM FOR RELIEF

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

~~220.~~211. Plaintiffs hereby repeat and reallege each and every allegation contained in paragraphs 1 through 210~~8~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

~~221.~~212. The Ivey Letter Agreement is a valid and enforceable contract.

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

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

~~224.~~215. Upon information and belief, Plaintiff Ivey believes and alleges that NuVeda and/or its subsidiaries, Nye Natural and Clark Natural have transferred or attempted to transfer the Ivey Interest without his knowledge and consent.

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

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

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

EIGHTH CLAIM FOR RELIEF

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

~~227.~~219. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 218~~25~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

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

~~229.~~221. Defendants NuVeda, Nye Natural and Clark Natural owed Plaintiff Ivey a duty of good faith and fair dealing, specifically including but not limited to recognizing his three percent (3%) ownership interest in Nye Natural and Clark Natural and to not transfer nor attempt to transfer the Ivey Interest without Plaintiff Ivey's knowledge and consent.

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

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

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

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

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

NINTH CLAIM FOR RELIEF

("Unjust Enrichment – All Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady ~~NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady~~, Mohajer and Kennedy")

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

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

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

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

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

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

~~237.~~231. The benefit of the foregoing actions properly belongs to Plaintiffs specified above.

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

~~239.~~233. 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.

TENTH CLAIM FOR RELIEF

("Accounting – Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady , Mohajer and Kennedy ~~NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady, Mohajer and Kennedy Defendants~~")

~~240.~~234. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 231~~8~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

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

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

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

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

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

~~245.~~239. In addition, Kennedy owed a duty to CWNevada, CWNV and CWNV1 to account for the CWNV and/or CWNV1 funds he commingled with those of his own companies.

~~246.~~240. Plaintiffs have been required to retain counsel to prosecute this matter and are entitled to recover their reasonable attorney's fees and costs of this action.

ELEVENTH CLAIM FOR RELIEF

("Violation of 225.084 – Plaintiffs against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Bady, Mohajer and Kennedy ~~Defendants~~")

~~247.~~241. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 240~~5~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

~~248.~~242. NRS 225.084 provides in part:

> 1. A person shall not willfully file, promote the filing of, or cause to be filed, or attempt or conspire to file, promote the filing of, or cause to be filed, any record in the Office of the Secretary of State if the person has actual knowledge that the record:
>
> (a) Is forged or fraudulently altered;
>
> (b) Contains a false statement of material fact; or
>
> (c) Is being filed in bad faith or for the purpose of harassing or defrauding any person.
>
> 2. Any person who violates this section is liable in a civil action brought pursuant to this section for:
>
> (a) Actual damages caused by each separate violation of this section or $10,000 for each separate violation of this section, whichever is greater;
>
> (b) All costs of bringing and maintaining the action, including investigative expenses and fees for expert witnesses;
>
> (c) Reasonable attorney's fees; and
>
> (d) Any punitive damages that the facts may warrant.
>
> 3. A civil action may be brought pursuant to this section by:
>
> (a) Any person who is damaged by a violation of this section, including, without limitation, any person who is damaged as the result of an action taken in reliance on a record filed in violation of this section; or …

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

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

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

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

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

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

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

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

TWELTH CLAIM FOR RELIEF

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

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

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

~~257.~~252. CWNevada is a manager managed limited liability company.

~~258.~~253. Since its formation, Padgett served as a manager of CWNevada until the Receiver was appointed on or about June 13, 2019.

~~259.~~254. During his tenure as manager, Padgett engaged in intentional misconduct designed to and which did cause damage to CWNevada.

~~260.~~255. Padgett's misconduct, includes but is not limited to the following:

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

b. Intentionally destroying and/or concealing evidence;

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

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

e. Storing or delivering unapproved marijuana product;

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

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

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

i. Failing to submit sale reports to the Department;

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

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

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

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

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

~~261.~~256. By engaging in the misconduct outlined above, Padgett caused the Department to file an administrative proceeding against Padgett and CWNevada to consider the allegations arising from Padgett's misconduct and to determine the disciplinary action to be imposed upon both.

~~262.~~257. Padgett's conduct subjected CWNevada to disciplinary action by the Department, which risked the revocation of ten (10) of CWNevada's fourteen (14) licenses and $2.2 million in civil penalties.

~~263.~~258. The Receiver has negotiated a settlement, subject to approval by the Receivership Court and the Cannabis Compliance Board, reducing the revocation to six (6) of CWNevada's licenses and $1.25 million in civil penalties, but the damage caused by Padgett to CWNevada remains.

~~264.~~259. In addition, Padgett failed to pay CWNevada employees approximately $300,000.00 in wages, which caused the Labor Commissioner to fine CWNevada an additional $700,000.00.

~~265.~~260. Padgett's misconduct subjected CWNevada to judgments in favor of 4Front and Cima, which included attorney's fees, costs, and in the case of Cima, an injunction preventing CWNevada from manufacturing or selling marijuana gummies similar to Cima's marijuana gummies.

~~266.~~261. Padgett failed to convert Series A and Series B investors into equity, which resulted in millions of dollars of claims, including penalties of 1.5 to 3 times the original investment amounts.

~~267.~~262. The claims filed in the Receivership case exceeded $200,000,000.00, including attorney's fees and penalties, would not have been incurred but for Padgett's misconduct.

~~268.~~263. Padgett's conduct was intentionally done to injure CWNevada with a willful and conscious disregard for Plaintiff's rights, constituting oppression, fraud and/or malice.

~~269.~~264. In addition to compensatory damages in an amount in excess of millions

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

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

THIRTEENTH CLAIM FOR RELIEF

("Injunctive Relief – Plaintiffs against All Defendants")

~~271.~~266. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 265~~9~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

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

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

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

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

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

~~277.~~272. Plaintiffs have been required to retain counsel to prosecute this matter and

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

FOURTEENTH CLAIM FOR RELIEF

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

~~278.~~273. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 269~~76~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

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

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

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

~~282.~~277. As set forth above, Defendants have engaged, in concert, in extensive acts of self-dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise dispose of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1.

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

~~284.~~279. Plaintiffs have been required to retain counsel to prosecute this matter and are entitled to recover their reasonable attorney's fees and costs of this action.

FIFTEENTH CLAIM FOR RELIEF

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

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

~~285.~~280. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 279~~83~~ of this Complaint and incorporate the same herein by reference as though fully set forth.

~~286.~~281. The ~~Transfer Agreements are~~ MIPA is a valid and binding contract~~s~~.

~~287.~~282. NuVeda, Clark NMSD and Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, ~~-~~breached the ~~Transfer Agreements~~MIPA by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1) and ~~,~~(ii) ~~failing to transfer 100% of the ownership interest in CWNV (substituted with CWNV1) to CWNevada, and (iii)~~ selling or attempting to sell all or part of licenses transferred to CWNV (substituted with CWNV1) .

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

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

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

~~291.~~286. Plaintiffs have been required to retain counsel to prosecute this matter and is entitled to recover its reasonable attorney's fees and costs of this action.

SIXTEENTH CLAIM FOR RELIEF

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

~~292.~~287. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 286~~90~~ of this Complaint and incorporate the same herein by reference as though fully set forth

~~293.~~288. As a result of the joint venture set forth in the ~~Transfer Agreements~~MIPA, a confidential relationship existed between CWNevada, CWNV and CWNV1 with NuVeda, Clark NMSD and Nye Natural.

~~294.~~289. Upon information and belief, NuVeda, Clark NMSD and/or Nye Natural, or their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, hold legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the ~~Transfer Agreements~~MIPA, including but not limited to D186, D187, and C166.

~~295.~~290. NuVeda, Clark NMSD and/or Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, have benefitted jointly and/or separately from the retention of legal title to the licenses that were to have been transferred to CWNV (substituted with CWNV1) pursuant to the ~~Transfer Agreements~~MIPA, including but not limited to D186, D187, and C166

~~296.~~291. It would be inequitable for NuVeda, Clark NMSD and/or Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, to retain legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the ~~Transfer Agreements~~MIPA, including but not limited to D186, D187, and C166.

~~297.~~292. As a result of NuVeda, Clark NMSD and/or Nye Natural, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1's wrongful retention of the legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1)~~ pursuant to the Transfer Agreements~~, including but not limited to D186, D187, and C166, the imposition of a constructive trust in favor of CWNevada, CWNV and CWNV1 is essential to effectuate justice.

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

SEVENTEENTH CLAIM FOR RELIEF

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

~~299.~~294. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 293~~7~~ of this Complaint and incorporate the same herein by reference as though fully set forth

~~300.~~295. NuVeda and Bady have represented that NuVeda, by and through Bady, is serving in the role as trustee over CWNV and CWNV1.

~~301.~~296. As a result, NuVeda and Bady owed CWNevada, CWNV and CWNV1 fiduciary duties.

~~302.~~297. In their purported role as trustee over CWNV and CWNV1, NuVeda and Bady breached their fiduciary duties owed to CWNevada, CWNV and CWNV1 by, among other things,

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

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

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

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

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

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

~~303.~~298. As a direct and proximate result of NuVeda's and Bady's breach of their fiduciary duties, CWNevada, CWNV and CWNV1 have suffered damages in an amount in excess of $15,000.00

~~304.~~299. NuVeda's and Bady's conduct was intentionally done to injure CWNevada, CWNV and CWNV1 with a willful and conscious disregard for their rights, constituting oppression, fraud and/or malice.

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

~~305.~~301. As its successors, UL NuVeda and NuVeda Delaware are liable for the actions of NuVeda.

~~306.~~302. The Receiver, on behalf of CWNevada, CWNV and CWNV1 has been required to retain counsel to prosecute this matter and is entitled to recover their reasonable attorney's fees and costs of this action.

EIGHTEENTH CLAIM FOR RELIEF

("Conversion – Plaintiff Ivey against Defendants~~-~~, NuVeda, UL NuVeda, NuVeda Delaware, Nye Natural, Clark Natural, New CWNV, New CWNV1~~NuVeda, Clark Natural, Nye Natural~~, Bady and Mohajer")

~~307.~~303. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 305 of this Complaint and incorporate the same herein by reference as though fully set forth.

~~308.~~304. Defendants NuVeda, Clark Natural, Nye Natural, Bady and Mohajer have converted the Ivey Interest for their own benefit by wrongfully exercising control over the Ivey Interest.

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

~~310.~~306. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Ivey ~~have~~ has suffered damages in an amount in excess of $15,000.00.

~~311.~~307. Plaintiff Ivey has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

~~///~~

NINETEENTH CLAIM FOR RELIEF

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

~~312.~~308. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 307~~10~~ of this Complaint and incorporates the same herein by reference as though fully set forth.

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

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

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

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

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

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

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

TWENTIEH CLAIM FOR RELIEF

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

and Mohajer")

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

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

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

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

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

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

TWENTY-FIRST CLAIM FOR RELIEF

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

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

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

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

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

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

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

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

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

TWENTY-SECOND CLAIM FOR RELIEF

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

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

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

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

332. In an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration, prior to Padgett paying any sums under the Terry Purchase Agreement, Padgett purported to 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."

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

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

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

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

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

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

~~TWENTIETH CLAIM FOR RELIEF~~

~~("Unjust Enrichment – Plaintiff Ivey against NuVeda, Clark Natural, Nye Natural, Bady and Mohajer")~~

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

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

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

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

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

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

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) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada law or their respective operating agreements, (iii) CWNV or CWNV1 owns 100% of the membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey Interest, (iv) CWNevada owns 65% of the issued and outstanding membership interest in CWNV and/or CWNV1, (v) the Terry Purchase Agreement is null and void resulting from a fraud in the inducement and for a complete failure of consideration, (vi) the Terry Interest was never transferred to BCP 7 or any other entity, (vii) Plaintiff Terry is the sole and only owner of the Terry Interest, (viii) the Ivey Letter Agreement is valid and enforceable, (ix) the Ivey Interest was never transferred, and (x) Plaintiff Ivey is the sole and only owner of the Ivey Interest~~(ii) the First Purchase Agreement is valid and enforceable, (iii) the Amendment to Membership Interest Purchase Agreement is valid and enforceable, (iv) the Second Purchase Agreement is valid and enforceable, (v) the July 5, 2018 Addendum is valid and enforceable, (vi) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada law or their respective operating agreements, (vii) CWNV or CWNV1 owns 100% of the membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey Interest, (viii) CWNevada owns 100% of the issued and outstanding membership interest in CWNV and/or CWNV1, except for the Nye Natural Production License that was to remain with Nye Natural, (ix) the Terry Purchase Agreement is null and void resulting from a fraud in the inducement and for a complete failure of consideration, (x) the Terry Interest was never transferred to BCP 7 or any other entity, (xi) Plaintiff Terry is the sole and only owner of the Terry Interest, (xii) the Ivey Letter Agreement is valid and enforceable, (xiii) the Ivey Interest was never transferred, and (xiv) Plaintiff Ivey is the sole and only owner of the Ivey Interest~~;

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Eighteenth Claim for Relief;

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

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

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

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

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

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

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

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

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

~~///~~

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

DATED this ____ day of ~~September, 2020~~_____, 2021.

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

CERTIFICATE OF SERVICE

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

_____

An Employee of
MUSHKIN & COPPEDGE

EXHIBIT “2”

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

DISTRICT COURT
CLARK COUNTY, NEVADA

DOTAN Y. MELECH, as the Court Appointed Receiver of CWNevada, LLC, a Nevada Limited Company and on behalf of CWNV, LLC, a Nevada Limited Liability Company and CWNV1, LLC, a Nevada Limited Liability Company; SHANE TERRY, an individual; and PHILLIP D. IVEY, an individual; 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 MEDICINAL SOLUTIONS, LLC, a Nevada limited liability company; BCP 7, LLC, an entity of unknown origin; PEJMAN BADY, an individual; POUYA MOHAJER, an individual; JOSEPH KENNEDY, an individual; BRIAN C. PADGETT, an individual; UL NUVEDA HOLDINGS LLC, a Delaware limited liability company; NUVEDA LLC, a Delaware limited liability company; CWNV LLC, a Nevada limited liability company; CWNV1 LLC, a Nevada limited liability company; DOES 1 – 20 and ROE CORPORATIONS 1-20, Defendants.	Case No.: A-17-755479-B Consolidated With: A-19-791405-C, A-19-796300-B, and A-20-817363-B Dept. No.: 11 **SECOND AMENDED COMPLAINT** **Case No. A-20-8137363-B**

SECOND AMENDED COMPLAINT

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

PARTIES, JURISDICTION, AND VENUE

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Constitution of Nevada or the Constitution of the United States.

21. Venue is proper pursuant to NRS 13.040.

FACTUAL ALLEGATIONS RELATED TO ALL CLAIMS

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

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

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

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

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

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

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

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

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

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

individually contributing nearly 30% of the total score.

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

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

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

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

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

37. Ivey approved and signed the transfers of interest.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

60. 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.

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

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

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

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

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

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

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

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

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

69. 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.

70. 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.

71. 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.

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

73. 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.

The District Court Action

74. 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.

75. 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.

76. 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 completion of the contemplated arbitration, the parties are to take no further action to expulse each other on the factual bases presented to the Court during the evidentiary hearing."

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

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

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

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

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

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

Membership Interest Purchase Agreement

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

effective as of December 6, 2015.

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

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

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

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

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

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

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

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

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

CWNV, LLC

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

100. The Nevada Supreme Court merely determined that the "appellants [Plaintiff Terry and Goldstein] failed to show a reasonable probability of irreparable harm" and thus, the Court concluded "that the district court did not abuse its discretion in denying appellants' motion [for a preliminary injunction]".

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

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

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

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

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

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

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

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

108. The Monthly Payments were to 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%.

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

110. The Terry Purchase Agreement further provided that there shall be acceleration of the outstanding balance and any unpaid accrued interest thereon upon (1) the sale or transfer of the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP 7 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 to Padgett and no cure within 10 business days thereof.

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

112. BCP 7 made a partial payment toward the Initial Payment in the sum of $250,000.00 in or about July or August, 2018.

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

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

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

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

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

118. Notwithstanding the fact that the Terry Interest was never properly transferred to BCP 7, in an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration, Padgett purported to 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."

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

Acts of Self-Dealing and other Misconduct

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

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

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

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

123. The Stipulation further provided that neither NuVeda nor CWNevada had "breached the MIPA."

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

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

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

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

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

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

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

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

is serving in the role as trustee over CWNV.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

FIRST CLAIM FOR RELIEF

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

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

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

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

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

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

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

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

172. 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.

SECOND CLAIM FOR RELIEF

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

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

forth.

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

175. The MIPA is a valid and binding contract.

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

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

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

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

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

THIRD CLAIM FOR RELIEF

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

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

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

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

184. Defendants NuVeda, Clark NMSD, Nye Natural and Bady, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, breached the duty of good faith and fair dealing when they performed in a manner that was unfaithful to the purpose of the MIPA by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1) and (ii) selling or attempting to sell all or part of licenses transferred to CWNV (substituted with CWNV1) .

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

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

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

188. 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.

FOURTH CLAIM FOR RELIEF

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

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

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

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

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

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

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

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

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

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

FIFTH CLAIM FOR RELIEF

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

198. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 197 of this Complaint and incorporate the same herein by reference as though fully set forth.

199. Plaintiff Terry and BCP 7 entered into the Terry Purchase Agreement whereby BCP 7 agreed to purchase the Terry Interest from Plaintiff Terry for certain specified

consideration and on specific terms.

200. The Terry Purchase Agreement was guaranteed by Defendant Padgett.

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

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

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

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

SIXTH CLAIM FOR RELIEF

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

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

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

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

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

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

210. Plaintiff Terry has been required to retain counsel to prosecute this matter and is

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

SEVENTH CLAIM FOR RELIEF

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

211. Plaintiffs hereby repeat and reallege each and every allegation contained in paragraphs 1 through 210 of this Complaint and incorporate the same herein by reference as though fully set forth.

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

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

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

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

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

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

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

EIGHTH CLAIM FOR RELIEF

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

219. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 218 of this Complaint and incorporate the same herein by reference as though fully set forth.

220. Every contract in Nevada imposes upon the contracting parties the duty of good

faith and fair dealing.

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

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

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

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

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

NINTH CLAIM FOR RELIEF

("Unjust Enrichment – All Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady , Mohajer and Kennedy")

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

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

228. NuVeda, Clark NMSD and their members, including Bady, Mohajer and Kennedy, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, have benefitted separately and individually from the construction and operation of the Downtown

Dispensary and North Las Vegas Dispensary through the use of CWNevada funds.

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

230. Upon information and belief, NuVeda, and its successors, UL NuVeda and NuVeda Delaware, along with Bady and Mohajer have benefitted separately and individually from the wrongful transfer of the Terry Interest to Bady and Mohajer.

231. The benefit of the foregoing actions properly belongs to Plaintiffs specified above.

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

233. 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.

TENTH CLAIM FOR RELIEF

("Accounting – Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady , Mohajer and Kennedy ")

234. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 231 of this Complaint and incorporate the same herein by reference as though fully set forth.

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

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

237. Moreover, the CWNV Operating Agreement requires an accounting upon the alleged dissolution of CWNV.

238. Similarly, NuVeda, Clark Natural, Clark NMSD, Nye Natural and their members, including Bady, Mohajer and Kennedy, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, owed a duty to Plaintiffs to account for any profit or loss resulting from the wrongful sale and/or transfer of all or part of the licenses in Clark Natural, Clark NMSD and Nye Natural.

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

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

ELEVENTH CLAIM FOR RELIEF

("Violation of 225.084 – Plaintiffs against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Bady, Mohajer and Kennedy")

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

242. NRS 225.084 provides in part:

> 1. A person shall not willfully file, promote the filing of, or cause to be filed, or attempt or conspire to file, promote the filing of, or cause to be filed, any record in the Office of the Secretary of State if the person has actual knowledge that the record:
>
> (a) Is forged or fraudulently altered;
>
> (b) Contains a false statement of material fact; or
>
> (c) Is being filed in bad faith or for the purpose of harassing or defrauding any person.
>
> 2. Any person who violates this section is liable in a civil action brought pursuant to this section for:
>
> (a) Actual damages caused by each separate violation of this section or $10,000 for each separate violation of this section, whichever is greater;
>
> (b) All costs of bringing and maintaining the action, including investigative expenses and fees for expert witnesses;
>
> (c) Reasonable attorney's fees; and
>
> (d) Any punitive damages that the facts may warrant.

> 3. A civil action may be brought pursuant to this section by:
> (a) Any person who is damaged by a violation of this section, including, without limitation, any person who is damaged as the result of an action taken in reliance on a record filed in violation of this section; or …

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

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

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

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

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

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

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

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

TWELTH CLAIM FOR RELIEF

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

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

252. CWNevada is a manager managed limited liability company.

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

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

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

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

b. Intentionally destroying and/or concealing evidence;

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

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

e. Storing or delivering unapproved marijuana product;

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

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

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

i. Failing to submit sale reports to the Department;

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

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

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

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

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

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

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

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

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

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

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

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

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

264. In addition to compensatory damages in an amount in excess of millions of dollars, Plaintiff is entitled to recover punitive damages for the sake of example and by way of punishing Padgett to deter similar conduct in the future.

265. The Receiver, on behalf of CWNevada has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

THIRTEENTH CLAIM FOR RELIEF

("Injunctive Relief – Plaintiffs against All Defendants")

266. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 265 of this Complaint and incorporate the same herein by reference as though fully set forth.

267. As set forth above, Defendants have engaged, in concert, in extensive acts of self-dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise dispose of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1.

268. The Receiver has authority over CWNV and CWNV1 pursuant to the receivership orders.

269. Plaintiffs have a reasonable likelihood of success on the merits of their claims for relief and will suffer irreparable harm absent the entry of injunctive relief.

270. Accordingly, Plaintiffs are entitled to injunctive relief preventing Defendants from selling, transferring, pledging or otherwise disposing of any interest and/or assets in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1, including without limitation the cannabis establishment licenses for the Downtown Dispensary, the North Las Vegas Dispensary, and the cultivation and production licenses for Clark Natural and Nye Natural pending further court order.

271. In addition, Plaintiffs are entitled to a mandatory injunction restoring operational

control of the Downtown Dispensary and the North Las Vegas Dispensary to the Receiver on behalf of CWNevada, CWNV and CWNV1.

272. Plaintiffs have been required to retain counsel to prosecute this matter and are entitled to recover their reasonable attorney's fees and costs of this action.

FOURTEENTH CLAIM FOR RELIEF

("Appointment of Receiver – Plaintiffs against Defendant NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, and New CWNV1")

273. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1 through 269 of this Complaint and incorporate the same herein by reference as though fully set forth.

274. The appointment of a receiver to maintain assets relating property in conjunction with a contractual dispute is consistent with the proper use of a receiver in Nevada.

275. The appointment of a receiver is proper where it is shown that property is in danger of being lost, removed or materially injured.

276. In addition, the appointment of a receiver in situations involving fraud, gross mismanagement or where the assets of an entity are in danger of waste.

277. As set forth above, Defendants have engaged, in concert, in extensive acts of self-dealing and have threatened to and/or have agreed to sell, transfer, pledge or otherwise dispose of certain interests in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1.

278. Plaintiffs are entitled to the appointment of a receiver over NuVeda, UL NuVeda, NuVeda Delaware, and all of its business interests, including any interest it may have or assert in Clark NMSD, Nye Natural, Clark Natural, CWNV, CWNV1, New CWNV and New CWNV1.

279. Plaintiffs have been required to retain counsel to prosecute this matter and are entitled to recover their reasonable attorney's fees and costs of this action.

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FIFTEENTH CLAIM FOR RELIEF

("Specific Performance – The Receiver on behalf of CWNevada, CWNV and CWNV1 against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV, and New CWNV1")

280. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 279 of this Complaint and incorporate the same herein by reference as though fully set forth.

281. The MIPA is a valid and binding contract.

282. NuVeda, Clark NMSD and Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, breached the MIPA by, among other things, (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and Nye Natural to CWNV (substituted with CWNV1) and (ii) selling or attempting to sell all or part of licenses transferred to CWNV (substituted with CWNV1) .

283. NuVeda, Clark NMSD and Nye Natural's breach of the MIPA was not waived, suspended or otherwise excused.

284. The Receiver, on behalf of CWNevada, CWNV and CWNV1 is able to perform under the MIPA,

285. The Receiver, on behalf of CWNevada, CWNV and CWNV1 is entitled to specific performance under the MIPA.

286. Plaintiffs have been required to retain counsel to prosecute this matter and is entitled to recover its reasonable attorney's fees and costs of this action.

SIXTEENTH CLAIM FOR RELIEF

("Constructive Trust - The Receiver on behalf of CWNevada, CWNV and CWNV1 against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV, and New CWNV1")

287. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 286 of this Complaint and incorporate the same herein by reference as though fully set forth

288. As a result of the joint venture set forth in the MIPA, a confidential relationship existed between CWNevada, CWNV and CWNV1 with NuVeda, Clark NMSD and Nye Natural.

289. Upon information and belief, NuVeda, Clark NMSD and/or Nye Natural, or their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, hold legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the MIPA, including but not limited to D186, D187, and C166.

290. NuVeda, Clark NMSD and/or Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, have benefitted jointly and/or separately from the retention of legal title to the licenses that were to have been transferred to CWNV (substituted with CWNV1) pursuant to the MIPA, including but not limited to D186, D187, and C166

291. It would be inequitable for NuVeda, Clark NMSD and/or Nye Natural, and their successors UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, to retain legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the MIPA, including but not limited to D186, D187, and C166.

292. As a result of NuVeda, Clark NMSD and/or Nye Natural, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1's wrongful retention of the legal title to the licenses that were to be transferred to CWNV (substituted with CWNV1), including but not limited to D186, D187, and C166, the imposition of a constructive trust in favor of CWNevada, CWNV and CWNV1 is essential to effectuate justice.

293. The Receiver, on behalf of CWNevada, CWNV and CWNV1 has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

SEVENTEENTH CLAIM FOR RELIEF

("Breach of Fiduciary Duty - The Receiver on behalf of CWNevada, CWNV and CWNV1 against NuVeda, UL NuVeda, NuVeda Delaware and Bady")

294. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 293 of this Complaint and incorporate the same herein by reference as though fully set

forth

295. NuVeda and Bady have represented that NuVeda, by and through Bady, is serving in the role as trustee over CWNV and CWNV1.

296. As a result, NuVeda and Bady owed CWNevada, CWNV and CWNV1 fiduciary duties.

297. In their purported role as trustee over CWNV and CWNV1, NuVeda and Bady breached their fiduciary duties owed to CWNevada, CWNV and CWNV1 by, among other things,

a. Acting in the role of the Trustee over CWNV and CWNV1 without authority;

b. Failing to collect and preserve the assets of CWNV and CWNV1, including but not limited to the licenses that were to be transferred to CWNV (substituted with CWNV1) including D186, D187, and C166;

c. Failing to obtain and provide an accounting of CWNV and CWNV1 accounts, assets, liabilities and operations;

d. Failing to allocate any profit or loss resulting from any sale of CWNV or CWNV1 assets to the Members;

e. Failing to discharge the liabilities of CWNV and CWNV1, if any; and

f. Entering into a Confession of Judgment against CWNV and CWNV1 in favor of NuVeda, Clark NMSD and Nye Natural in the sum of $45,000,000.

298. As a direct and proximate result of NuVeda's and Bady's breach of their fiduciary duties, CWNevada, CWNV and CWNV1 have suffered damages in an amount in excess of $15,000.00

299. NuVeda's and Bady's conduct was intentionally done to injure CWNevada, CWNV and CWNV1 with a willful and conscious disregard for their rights, constituting oppression, fraud and/or malice.

300. In addition to compensatory damages, the Receiver, on behalf of CWNevada, CWNV and CWNV1 is entitled to recover punitive damages for the sake of example and by way of punishing NuVeda and Bady to deter similar conduct in the future.

301. As its successors, UL NuVeda and NuVeda Delaware are liable for the actions of NuVeda.

302. The Receiver, on behalf of CWNevada, CWNV and CWNV1 has been required to retain counsel to prosecute this matter and is entitled to recover their reasonable attorney's fees and costs of this action.

EIGHTEENTH CLAIM FOR RELIEF

("Conversion – Plaintiff Ivey against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady and Mohajer")

303. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 305 of this Complaint and incorporate the same herein by reference as though fully set forth.

304. Defendants NuVeda, Clark Natural, Nye Natural, Bady and Mohajer have converted the Ivey Interest for their own benefit by wrongfully exercising control over the Ivey Interest.

305. Defendants' act of dominion over the Ivey Interest, including that of their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, is inconsistent with Ivey's title and right to the Ivey Interest.

306. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Ivey has suffered damages in an amount in excess of $15,000.00.

307. Plaintiff Ivey has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

NINETEENTH CLAIM FOR RELIEF

("Unjust Enrichment – Plaintiff Ivey against Defendants, NuVeda, UL NuVeda, NuVeda Delaware, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady and Mohajer")

308. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 307 of this Complaint and incorporates the same herein by reference as though fully set forth.

309. Unjust enrichment occurs whenever a party has a retained a benefit which in equity

and good conscience belongs to another.

310. Upon information and belief, NuVeda, Clark Natural and Nye Natural, and their members, including Bady and Mohajer have benefitted jointly and separately from the wrongful transfer of the Ivey Interest.

311. Upon information and belief, NuVeda, Clark Natural and Nye Natural, and their members, including Bady and Mohajer, and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1 have benefitted jointly and separately from the wrongful transfer and/or sale of all or part of the licenses in Clark Natural and Nye Natural.

312. A portion of the benefit from the foregoing actions properly belongs to Plaintiff Ivey.

313. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Ivey has suffered damages in an amount in excess of $15,000.00.

314. In addition, as a direct and proximate result of the foregoing wrongful conduct, Plaintiff Ivey is entitled to the imposition of a constructive trust over Clark Natural and Nye Natural to effectuate justice.

315. Plaintiff Ivey has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

TWENTIEH CLAIM FOR RELIEF

("Conversion – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady and Mohajer")

316. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 315 of this Complaint and incorporate the same herein by reference as though fully set forth.

317. Defendants NuVeda, Clark NMSD, Clark Natural, Nye Natural, and their members, including Bady and Mohajer and their successors, including UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1 have converted the Terry Interest for their own benefit by wrongfully exercising control over the Terry Interest.

318. Defendants' act of dominion over the Terry Interest is inconsistent with Terry's title and right to the Terry Interest.

319. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Terry has suffered damages in an amount in excess of $15,000.00.

320. As successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1 are liable for the actions of their predecessors.

321. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

TWENTY-FIRST CLAIM FOR RELIEF

("Unjust Enrichment – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady and Mohajer")

322. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 321 of this Complaint and incorporates the same herein by reference as though fully set forth.

323. Unjust enrichment occurs whenever a party has a retained a benefit which in equity and good conscience belongs to another.

324. Upon information and belief, NuVeda, Clark NMSD, Clark Natural, Nye Natural, and their members, including Bady and Mohajer and their successors, including UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1 have benefitted jointly and separately from the wrongful transfer of the Terry Interest to Bady and Mohajer.

325. The benefit of the Terry Interest properly belongs to Terry.

326. As a direct and proximate result of the foregoing wrongful conduct, Plaintiff Terry has suffered damages in an amount in excess of $15,000.00.

327. In addition, as a direct and proximate result of the foregoing wrongful conduct, Plaintiff Terry is entitled to the imposition of a constructive trust over the Terry Interest to effectuate justice.

328. Plaintiff Terry has been required to retain counsel to prosecute this matter and is

entitled to recover his reasonable attorney's fees and costs of this action.

TWENTY-SECOND CLAIM FOR RELIEF

("Civil Conspiracy – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, Clark Natural, Bady, Mohajer and Padgett")

329. Plaintiffs repeat and reallege each and every allegation contained in paragraphs 1 through 328 of this Complaint and incorporates the same herein by reference as though fully set forth.

330. NuVeda, and its subsidiaries, Clark NMSD, Clark Natural and Nye Natural, acting in concert with Bady and Mohajer, transferred the Terry Interest to Bady and Mohajer without Terry's knowledge or consent.

331. Without knowledge that NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady and Mohajer had improperly transferred the Terry Interest to Bady and Mohajer, Terry entered into the Terry Purchase Agreement whereby Terry agreed to sell the Terry Interest to BCP 7, guaranteed by Padgett, for specified consideration and on specific terms.

332. In an email dated June 5, 2018 from Padgett to the arbitrator in the Arbitration, prior to Padgett paying any sums under the Terry Purchase Agreement, Padgett purported to 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."

333. The Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady and Mohajer to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, which had already been transferred to Bady and Mohajer without Terry's knowledge or consent, and then immediately attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying the agreed consideration.

334. The conduct of NuVeda, Clark NMSD, Clark Natural, Nye Natural, Bady, Mohajer and Padgett was intentionally done to injure Terry with a willful and conscious disregard for his rights, constituting oppression, fraud and/or malice.

335. In addition to compensatory damages, Terry is entitled to recover punitive

damages for the sake of example and by way of punishing NuVeda, Bady, Mohajer and Padgett to deter similar conduct in the future.

336. As successors, UL NuVeda, and NuVeda Delaware are liable for the actions of NuVeda.

337. Plaintiff Terry has been required to retain counsel to prosecute this matter and is entitled to recover his reasonable attorney's fees and costs of this action.

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) neither CWNV nor CWNV1 was properly dissolved in accordance with Nevada law or their respective operating agreements, (iii) CWNV or CWNV1 owns 100% of the membership interest previously owned by NuVeda in Clark NMSD and Nye Natural, subject to the Ivey Interest, (iv) CWNevada owns 65% of the issued and outstanding membership interest in CWNV and/or CWNV1, (v) the Terry Purchase Agreement is null and void resulting from a fraud in the inducement and for a complete failure of consideration, (vi) the Terry Interest was never transferred to BCP 7 or any other entity, (vii) Plaintiff Terry is the sole and only owner of the Terry Interest, (viii) the Ivey Letter Agreement is valid and enforceable, (ix) the Ivey Interest was never transferred, and (x) Plaintiff Ivey is the sole and only owner of the Ivey Interest;

2) For damages in an amount more than $15,000.00 in favor of the Receiver on behalf of CWNevada, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV and New CWNV1 on the Second Claim for Relief;

3) For damages in an amount more than $15,000.00 in favor of the Receiver on behalf of CWNevada, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Nye Natural, New CWNV, New CWNV1 and Bady on the Third Claim for Relief;

4) For Rescission of the Terry Purchase Agreement in favor of Plaintiff Terry and against Defendants BCP 7 and Padgett on the Fourth Claim for Relief;

5) In the alternative, for damages in an amount more than $15,000.00 in favor of Plaintiff Terry against Defendants BCP 7 and Padgett on the Fifth Claim for Relief;

6) In the alternative, for damages in an amount more than $15,000.00 in favor of Plaintiff Terry against Defendants BCP 7 and Padgett on the Sixth Claim for Relief;

7) For damages in an amount more than $15,000.00 in favor of Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural and Nye Natural on the Seventh Claim for Relief;

8) For damages in an amount more than $15,000.00 in favor of Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural and Nye Natural on the Eighth Claim for Relief;

9) For damages in an amount more than $15,000.00 in favor of Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady, Mohajer and Kennedy on the Ninth Claim for Relief

10) For an Accounting in favor of Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady, Mohajer and Kennedy on the Tenth Claim for Relief;

11) For compensatory damages in an amount more than $15,000.00 and punitive damages in favor of Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Bady, Mohajer and Kennedy on the Eleventh Claim for Relief;

12) For compensatory damages in an amount more than $15,000.00 and punitive damages in favor of the Receiver on behalf of CWNevada against Defendant Padgett on the Twelfth Claim for Relief

13) For a preliminary injunction preventing Defendants from selling, transferring, pledging or otherwise disposing of any interest and/or assets in NuVeda, Clark NMSD, Clark Natural, Nye Natural, CWNV and/or CWNV1, including without limitation the cannabis establishment licenses for the Downtown Dispensary, the North Las Vegas Dispensary, and the

cultivation and production licenses for Clark Natural and Nye Natural pending further court order and a mandatory injunction restoring operational control of the Downtown Dispensary and the North Las Vegas Dispensary to the Receiver on behalf of CWNevada, CWNV and CWNV1;

14) For the appointment of a receiver over NuVeda, UL NuVeda, NuVeda Delaware, and all of their business interests, including any interest it may have or assert in Clark NMSD, Nye Natural, Clark Natural, CWNV, CWNV1, New CWNV and New CWNV1.

15) For specific performance in favor of the Receiver on behalf of CWNevada, CWNV and CWNV1 under the MIPA;

16) For the imposition of a constructive trust in favor the Receiver on behalf of CWNevada, CWNV and CWNV1 over the licenses that were to be transferred to CWNV (substituted with CWNV1) pursuant to the MIPA, including but not limited to D186, D187, and C166;

17) For compensatory damages in an amount more than $15,000.00 and punitive damages in favor of the Receiver on behalf of CWNevada, CWNV and CWNV1 against Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware and Bady on the Seventeenth Claim for Relief;

18) For compensatory damages in an amount more than $15,000.00 in favor of Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Eighteenth Claim for Relief;

19) For compensatory damages in an amount more than $15,000.00 in favor of Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Nineteenth Claim for Relief;

20) For compensatory damages in an amount more than $15,000.00 in favor of Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twentieth Claim for Relief;

21) For compensatory damages in an amount more than $15,000.00 in favor of Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark

Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twenty-First Claim for Relief;

22) For compensatory damages in an amount more than $15,000.00 and punitive damages in favor of Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twenty-Second Claim for Relief;

23) For reasonable attorney's fees as provided by Nevada law;

24) For such other and further relief as this Court deems just and proper;

25) For interest allowed by law; and

26) For costs of suit.

DATED this ____ day of _____, 2021.

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

CERTIFICATE OF SERVICE

I hereby certify that the foregoing **Second Amended Complaint** was submitted electronically for filing and/or service with the Eighth Judicial District Court on this ____ day of _____, 2021. Electronic service of the foregoing document shall be upon all parties listed on the Odyssey eFileNV service contact list:

_____

An Employee of
MUSHKIN & COPPEDGE