

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

Electronically Filed
Feb 17 2022 10:51 a.m.
Elizabeth A. Brown
Clerk of Supreme Court

NUVEDA, LLC,

Petitioner,

vs

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

Respondent,

SHANE TERRY,

Real Party in Interest.

Supreme Court Case No. 82767

Case: A-20-817363-B

Lead Case: A-17-755479-B

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

**APPENDIX IN SUPPORT OF PETITION FOR REHEARING
[PART I]**

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See Dkt. 21-34432.

Exhibit 1: SECOND AMENDED COMPLAINT [APPENDIX 001-047]

Exhibit 2: MOTION TO DISMISS/SUMMARY JUDGMENT [APPENDIX 048-065]

Exhibit 3: EXHIBITS IN SUPPORT OF MOTION TO DISMISS/SUMMARY
JUDGMENT [APPENDIX 066-235]

Exhibit 4: OPPOSITION TO MOTION [APPENDIX 236-301]

Exhibit 5: REPLY [APPENDIX 302-311]

Exhibit 6: MINUTES [APPENDIX 312-314]

Exhibit 7: MINUTE ORDER [APPENDIX 315-316]

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 17th day of February, 2022, I filed the foregoing **APPENDIX IN SUPPORT OF PETITION FOR REHEARING**, using the court's electronic filing system.

Notice of the filing of the Petition was made upon acceptance by the Nevada Supreme Court using the District Court's electronic filing system to the following e-service participants in District Court Case No. A-17-755479-B and by mail to the addresses as indicated:

Judge Mark Denton:

Dept13lc@clarkcountycourts.us

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

Shane Terry as Real Party-in-Interest:

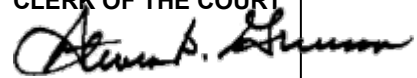
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EXHIBIT 1-PETITION FOR REHEARING

APPENDIX 001



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**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-20-817363-B**

1 **SECOND AMENDED COMPLAINT**

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

6 **PARTIES, JURISDICTION, AND VENUE**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

2 21. Venue is proper pursuant to NRS 13.040.

3 **FACTUAL ALLEGATIONS RELATED TO ALL CLAIMS**

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

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

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

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

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

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

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

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

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

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

1 individually contributing nearly 30% of the total score.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 **The District Court Action**

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

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

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

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

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

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

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

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

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

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

25 **Membership Interest Purchase Agreement**

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

1 effective as of December 6, 2015.

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

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

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

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

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

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

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

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

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

CWNV, LLC

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

86. CWNV was formed as a joint venture between CWNevada and NuVeda to raise money to build and operate the Downtown Dispensary located at 1324 S. 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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 is serving in the role as trustee over CWNV.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14 **FIRST CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

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

23 **SECOND CLAIM FOR RELIEF**

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

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

1 forth.

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

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

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

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

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

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

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

20 **THIRD CLAIM FOR RELIEF**

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

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

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

1 183. Defendants NuVeda, Clark NMSD, Nye Natural, and Bady, and their successors,
2 UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, owed CWNeveda, CWNV and
3 CWNV1 a duty of good faith and fair dealing.

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

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

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

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

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

23 **FOURTH CLAIM FOR RELIEF**

24 **(“Rescission of Purchase Agreement for Fraud in the Inducement and/or Failure of** 25 **Consideration – Plaintiff Terry against Defendants BCP 7 and Padgett”)**

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

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

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

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

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

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

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

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

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

FIFTH CLAIM FOR RELIEF

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

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

199. Plaintiff Terry and BCP 7 entered into the Terry Purchase Agreement whereby BCP 7 agreed to purchase the Terry Interest from Plaintiff Terry for certain specified

1 consideration and on specific terms.

2 200. The Terry Purchase Agreement was guaranteed by Defendant Padgett.

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

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

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

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

12 **SIXTH CLAIM FOR RELIEF**

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

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

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

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

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

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

28 210. Plaintiff Terry has been required to retain counsel to prosecute this matter and is

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

2 **SEVENTH CLAIM FOR RELIEF**

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

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

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

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

11 214. As a result, and due to a subsequent transfer, Plaintiff Ivey owns a three percent
12 (3%) ownership interest in Nye Natural and Clark Natural.

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

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

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

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

22 **EIGHTH CLAIM FOR RELIEF**

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

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

28 220. Every contract in Nevada imposes upon the contracting parties the duty of good

1 faith and fair dealing.

2 221. Defendants NuVeda, Nye Natural and Clark Natural owed Plaintiff Ivey a duty of
3 good faith and fair dealing, specifically including but not limited to recognizing his three percent
4 (3%) ownership interest in Nye Natural and Clark Natural and to not transfer nor attempt to
5 transfer the Ivey Interest without Plaintiff Ivey's knowledge and consent.

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

10 223. As a direct and proximate result of the wrongful conduct of Defendants NuVeda,
11 Nye Natural and Clark Natural, Plaintiff Ivey has been damaged in an amount more than
12 \$15,000.00.

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

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

17 **NINTH CLAIM FOR RELIEF**

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

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

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

26 228. NuVeda, Clark NMSD and their members, including Bady, Mohajer and Kennedy,
27 and their successors, UL NuVeda, NuVeda Delaware, New CWNV and New CWNV1, have
28 benefitted separately and individually from the construction and operation of the Downtown

1 Dispensary and North Las Vegas Dispensary through the use of CWNevada funds.

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

7 230. Upon information and belief, NuVeda, and its successors, UL NuVeda and
8 NuVeda Delaware, along with Bady and Mohajer have benefitted separately and individually
9 from the wrongful transfer of the Terry Interest to Bady and Mohajer.

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

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

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

15 **TENTH CLAIM FOR RELIEF**

16 **(“Accounting – Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware,**
17 **Clark NMSD, Nye Natural, Clark Natural, New CWNV, New CWNV1, Bady , Mohajer**
18 **and Kennedy ”)**

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

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

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

1 237. Moreover, the CWNV Operating Agreement requires an accounting upon the
2 alleged dissolution of CWNV.

3 238. Similarly, NuVeda, Clark Natural, Clark NMSD, Nye Natural and their members,
4 including Bady, Mohajer and Kennedy, and their successors, UL NuVeda, NuVeda Delaware,
5 New CWNV and New CWNV1, owed a duty to Plaintiffs to account for any profit or loss
6 resulting from the wrongful sale and/or transfer of all or part of the licenses in Clark Natural,
7 Clark NMSD and Nye Natural.

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

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

12 **ELEVENTH CLAIM FOR RELIEF**

13 **(“Violation of 225.084 – Plaintiffs against Defendants, NuVeda, UL NuVeda, NuVeda** 14 **Delaware, Bady, Mohajer and Kennedy”)**

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

18 242. NRS 225.084 provides in part:

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

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

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

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

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3. A civil action may be brought pursuant to this section by:
(a) Any person who is damaged by a violation of this section, including, without limitation, any person who is damaged as the result of an action taken in reliance on a record filed in violation of this section; or ...

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

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

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

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

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

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

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

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

1 **TWELTH CLAIM FOR RELIEF**

2 **(“Breach of Fiduciary Duty – the Receiver on behalf of CWNevada against Defendant**
3 **Padgett”)**

4 251. Plaintiffs hereby repeat and reallege each allegation contained in paragraphs 1
5 through 250 of this Complaint and incorporate the same herein by reference as though fully set
6 forth.

7 252. CWNevada is a manager managed limited liability company.

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

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

12 255. Padgett’s misconduct, includes but is not limited to the following:

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

16 b. Intentionally destroying and/or concealing evidence;

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

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

21 e. Storing or delivering unapproved marijuana product;

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

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

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

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

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

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

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

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

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

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

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

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

17 259. In addition, Padgett failed to pay CWNevada employees approximately
18 \$300,000.00 in wages, which caused the Labor Commissioner to fine CWNevada an additional
19 \$700,000.00.

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

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

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

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

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

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

THIRTEENTH CLAIM FOR RELIEF

(“Injunctive Relief – Plaintiffs against All Defendants”)

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

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

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

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

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

271. In addition, Plaintiffs are entitled to a mandatory injunction restoring operational

1 control of the Downtown Dispensary and the North Las Vegas Dispensary to the Receiver on
2 behalf of CWNevada, CWNV and CWNV1.

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

5 **FOURTEENTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

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1 **FIFTEENTH CLAIM FOR RELIEF**

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

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

8 281. The MIPA is a valid and binding contract.

9 282. NuVeda, Clark NMSD and Nye Natural, and their successors UL NuVeda,
10 NuVeda Delaware, New CWNV and New CWNV1, breached the MIPA by, among other things,
11 (i) failing to transfer 100% of the membership interest owned by NuVeda in Clark NMSD and
12 Nye Natural to CWNV (substituted with CWNV1) and (ii) selling or attempting to sell all or part
13 of licenses transferred to CWNV (substituted with CWNV1) .

14 283. NuVeda, Clark NMSD and Nye Natural’s breach of the MIPA was not waived,
15 suspended or otherwise excused.

16 284. The Receiver, on behalf of CWNevada, CWNV and CWNV1 is able to perform
17 under the MIPA,

18 285. The Receiver, on behalf of CWNevada, CWNV and CWNV1 is entitled to specific
19 performance under the MIPA.

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

22 **SIXTEENTH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

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

24 **SEVENTEENTH CLAIM FOR RELIEF**

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

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

1 forth

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

4 296. As a result, NuVeda and Bady owed CWNevada, CWNV and CWNV1 fiduciary
5 duties.

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

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

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

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

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

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

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

20 298. As a direct and proximate result of NuVeda's and Bady's breach of their fiduciary
21 duties, CWNevada, CWNV and CWNV1 have suffered damages in an amount in excess of
22 \$15,000.00

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

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

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

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

EIGHTEENTH CLAIM FOR RELIEF

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

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

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

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

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

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

NINETEENTH CLAIM FOR RELIEF

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

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

309. Unjust enrichment occurs whenever a party has retained a benefit which in equity

1 and good conscience belongs to another.

2 310. Upon information and belief, NuVeda, Clark Natural and Nye Natural, and their
3 members, including Bady and Mohajer have benefitted jointly and separately from the wrongful
4 transfer of the Ivey Interest.

5 311. Upon information and belief, NuVeda, Clark Natural and Nye Natural, and their
6 members, including Bady and Mohajer, and their successors, UL NuVeda, NuVeda Delaware,
7 New CWNV and New CWNV1 have benefitted jointly and separately from the wrongful transfer
8 and/or sale of all or part of the licenses in Clark Natural and Nye Natural.

9 312. A portion of the benefit from the foregoing actions properly belongs to Plaintiff
10 Ivey.

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

13 314. In addition, as a direct and proximate result of the foregoing wrongful conduct,
14 Plaintiff Ivey is entitled to the imposition of a constructive trust over Clark Natural and Nye
15 Natural to effectuate justice.

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

18 **TWENTIEH CLAIM FOR RELIEF**

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

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

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

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

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

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

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

9 **TWENTY-FIRST CLAIM FOR RELIEF**

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

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

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

18 324. Upon information and belief, NuVeda, Clark NMSD, Clark Natural, Nye Natural,
19 and their members, including Bady and Mohajer and their successors, including UL NuVeda,
20 NuVeda Delaware, New CWNV and New CWNV1 have benefitted jointly and separately from
21 the wrongful transfer of the Terry Interest to Bady and Mohajer.

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

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

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

28 328. Plaintiff Terry has been required to retain counsel to prosecute this matter and is

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

2 **TWENTY-SECOND CLAIM FOR RELIEF**

3 **(“Civil Conspiracy – Plaintiff Terry against Defendants NuVeda, UL NuVeda, NuVeda**
4 **Delaware, Clark NMSD, Nye Natural, Clark Natural, Bady, Mohajer and Padgett”)**

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

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

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

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

20 333. The Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Clark
21 NMSD, Clark Natural, Nye Natural, Bady and Mohajer to defraud Terry by having BCP 7
22 purportedly purchase the Terry Interest, which had already been transferred to Bady and Mohajer
23 without Terry's knowledge or consent, and then immediately attempt to dismiss the claims in the
24 Arbitration without BCP 7 and Padgett paying the agreed consideration.

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

28 335. In addition to compensatory damages, Terry is entitled to recover punitive

1 damages for the sake of example and by way of punishing NuVeda, Bady, Mohajer and Padgett
2 to deter similar conduct in the future.

3 336. As successors, UL NuVeda, and NuVeda Delaware are liable for the actions of
4 NuVeda.

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

7 **PRAYER**

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

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

21 2) For damages in an amount more than \$15,000.00 in favor of the Receiver on behalf
22 of CWNevada, CWNV and CWNV1 against Defendants NuVeda, UL NuVeda, NuVeda
23 Delaware, Clark NMSD, Nye Natural, New CWNV and New CWNV1 on the Second Claim for
24 Relief;

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

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

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

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

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

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

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

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

19 11) For compensatory damages in an amount more than \$15,000.00 and punitive
20 damages in favor of Plaintiffs against Defendants NuVeda, UL NuVeda, NuVeda Delaware,
21 Bady, Mohajer and Kennedy on the Eleventh Claim for Relief;

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

25 13) For a preliminary injunction preventing Defendants from selling, transferring,
26 pledging or otherwise disposing of any interest and/or assets in NuVeda, Clark NMSD, Clark
27 Natural, Nye Natural, CWNV and/or CWNV1, including without limitation the cannabis
28 establishment licenses for the Downtown Dispensary, the North Las Vegas Dispensary, and the

1 cultivation and production licenses for Clark Natural and Nye Natural pending further court order
2 and a mandatory injunction restoring operational control of the Downtown Dispensary and the
3 North Las Vegas Dispensary to the Receiver on behalf of CWNevada, CWNV and CWNV1;

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

7 15) For specific performance in favor of the Receiver on behalf of CWNevada, CWNV
8 and CWNV1 under the MIPA;

9 16) For the imposition of a constructive trust in favor the Receiver on behalf of
10 CWNevada, CWNV and CWNV1 over the licenses that were to be transferred to CWNV
11 (substituted with CWNV1) pursuant to the MIPA, including but not limited to D186, D187, and
12 C166;

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

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

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

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

27 21) For compensatory damages in an amount more than \$15,000.00 in favor of
28 Plaintiff Ivey against Defendants NuVeda, UL NuVeda, NuVeda Delaware, Clark NMSD, Clark

1 Natural, Nye Natural, New CWNV, New CWNV1, Bady and Mohajer on the Twenty-First Claim
2 for Relief;

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

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

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

9 25) For interest allowed by law; and

10 26) For costs of suit.

11 DATED this 18th day of October, 2021.

12 MUSHKIN & COPPEDGE

13
14 /s/L. Joe Coppedge

15 MICHAEL R. MUSHKIN, ESQ.

16 Nevada State Bar No. 2421

17 L. JOE COPPEDGE, ESQ.

18 Nevada State Bar No. 4954

19 6070 S. Eastern Avenue, Suite 270

20 Las Vegas, Nevada 89128

21 *Attorneys for Plaintiffs*

22 **CERTIFICATE OF SERVICE**

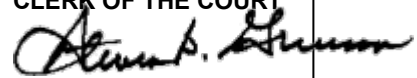
23 I hereby certify that the foregoing **Second Amended Complaint** was submitted
24 electronically for filing and/or service with the Eighth Judicial District Court on this 18th day of
25 October, 2021. Electronic service of the foregoing document shall be upon all parties listed on
26 the Odyssey eFileNV service contact list:

27 /s/Karen L. Foley

28 An Employee of

MUSHKIN & COPPEDGE

EXHIBIT 2-PETITION FOR REHEARING



MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531

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Attorneys for NuVeda, LLC, Clark NMSD, LLC,

Nye Natural Medicinal Solutions, LLC, Clark Natural Medicinal Solutions, LLC, Dr. Pejman Bady,

Dr. Pouya Mohajer, and Joseph Kennedy¹

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.: 13

**MOTION TO DISMISS AND/OR FOR
SUMMARY JUDGMENT ON CLAIMS BY
SHANE TERRY EXCEPT AGAINST BCP 7
HOLDINGS, LLC AND BRIAN PADGETT**

HEARING REQUESTED²

NuVeda, LLC, a Nevada limited liability company ("NuVeda"), Clark NMSD, LLC, a Nevada limited liability company ("Clark NMSD"), Nye Natural Medicinal Solutions, LLC, a Nevada limited liability company ("Nye Natural"), Clark Natural Medicinal Solutions, LLC, a Nevada limited liability company ("Clark Natural"), Dr. Pejman Bady ("Bady"), Dr. Pouya Mohajer ("Mohajer"), and Joseph Kennedy ("Kennedy"),³ by and through counsel of record, Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced motion to dismiss and/or for summary judgment. The claims subject to this motion are all claims

¹ William Maupin has been engaged by NuVeda, LLC to assist with matters concerning Shane Terry. Currently, Mr. Maupin serves as co-counsel in NuVeda's petition for a writ before the Nevada Supreme Court in Case No. 82767.

² At the hearing on the motion to reconsider the court's approval for Shane Terry to file his second amended complaint, the court invited a motion to dismiss/summary judgment.

³ NuVeda, Clark NMSD, Nye Natural, Clark Natural, Bady, Mohajer, and Kennedy shall be referred to herein collectively as "Defendants."

1 and requests for relief by Shane Terry ("Mr. Terry") against all defendants except BCP 7 Holdings, LLC ("BCP
2 7") and Brian Padgett ("Mr. Padgett").

3 This filing is based on the papers and pleadings before the court, the memorandum of points and
4 authorities that follows, and the exhibits attached hereto or filed separately and incorporated herein by this
5 reference, which are true, accurate and complete.

6
7 DATED this 3rd day of November, 2021.
8

9 **LAW OFFICE OF MITCHELL STIPP**
10

11 /s/ Mitchell Stipp, Esq.

12 MITCHELL STIPP, ESQ.

13 Nevada Bar No. 7531

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19 *Attorneys for NuVeda, LLC, Clark NMSD, LLC,*

20 *Nye Natural Medicinal Solutions, LLC, Clark Natural Medicinal Solutions, LLC, Dr. Pejman Bady,*

21 *Dr. Pouya Mohajer, and Joseph Kennedy*
22

23 **DECLARATION OF DR. PEJMAN BADY, DR. POUYA MOHAJER, AND JOSEPH KENNEDY**
24

25 The undersigned, Dr. Pejman Bady, Dr. Pouya Mohajer, and Joseph Kennedy, individually and as
26 authorized agents of NuVeda, Clark NMSD, Clark Natural, and Nye Natural, certify to the court as follows:

27 1. The factual statements set forth in the motion below are true, accurate and complete to the best
28 of my knowledge and belief.

29 2. Mr. Terry sold all of his interests/claims in, to, and/or against Defendants (and any of their
30 respective cannabis licenses) to BCP 7 on or about April 30, 2018. At the time of the sale, Mr. Terry's interest
31 in NuVeda was extinguished based on his expulsion from NuVeda on or about March, 2016, pursuant to the
32 terms and conditions of the Operating Agreement for NuVeda, which was in effect at the time.

33 3. Mr. Terry's claims were dismissed with prejudice by the American Arbitration Association in
34

AAA Case No. 01-15-0005-8574 on or about October 9, 2018.

4. On June 30, 2020, Mr. Terry sued the Defendants asserting claims based on the same or similar claims and allegations made by Mr. Terry in the arbitration (or which could have been asserted by Mr. Terry in the arbitration).

5. We are informed and belief that Mr. Terry collected \$757,757.00 from BCP 7, Mr. Padgett and their affiliates between April 18, 2019 and June 7, 2019.

6. We submit the above-titled declaration in support of the motion to dismiss and/or for summary judgment which has been filed concurrently herewith.

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

Dated this 3rd day of November, 2021.

/s/ Pejman Bady

Dr. Pejman Bady

/s/ Pouya Mohajer

Dr. Pouya Mohajer

/s/ Joseph Kennedy

Joseph Kennedy

1
2 **MEMORANDUM OF POINTS AND AUTHORITIES**
3

4 **I. STATEMENT OF UNDISPUTED FACTS**
5

6 Shane Terry filed a lawsuit against NuVeda **in 2015** (Case No. A-15-728510-B). Mr. Terry sought to
7 stop the potential joint venture between CW Nevada, LLC (“CW Nevada”) and NuVeda, Clark NMSD, and Nye
8 Natural. However, the district court denied Mr. Terry’s request for a preliminary injunction, and Mr. Terry
9 appealed. The Nevada Supreme Court upheld the district court’s decision on Mr. Terry’s appeal of that decision.
10 See **Exhibit A-1**, Dkt. No. 17-35048, Case No. 69648 (noting the absurdity of Mr. Terry’s request as a minority
11 member of NuVeda).
12

13 At the request of the parties, Case No. A-15-728510-B was referred to the American Arbitration
14 Association (“AAA”) for **binding arbitration** (AAA Case No. 01-15-0005-8574). See **Exhibit A-2** and **Exhibit**
15 **A-3**. During the arbitration before AAA, Mr. Terry sold his interest in and claims against NuVeda and its
16 affiliates/subsidiaries to BCP 7, which NuVeda understands is the manager of CW Nevada and affiliated with
17 Brian Padgett. Attached as **Exhibit B-1** is a true and accurate copy of the purchase and sale agreement dated
18 April 30, 2018 (“Terry Purchase Agreement”). To effectuate the transactions contemplated by the Terry
19 Purchase Agreement, Mr. Terry executed an Assignment of Interests attached hereto as **Exhibit B-2**.
20

21 The allegations by Mr. Terry in the seconded amended complaint filed in Case No. A-20-817363-B
22 mirror the allegations by Mr. Terry in the arbitration (AAA Case No. 01-15-0005-8574). After Mr. Terry
23 entered into the Terry Purchase Agreement (which is a binding agreement with BCP 7 and Mr. Padgett), Mr.
24 Terry through his counsel-of-record (Erika Pike Turner, Esq.) filed a motion in the arbitration to substitute BCP
25 7 **in place of** Mr. Terry as the real party in interest **with all rights** to Mr. Terry’s interest and claims. Mr. Terry’s
26 motion before AAA specifically argued the following:
27
28

///

APPENDIX 052

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.

See **Exhibit C-1**. The AAA permitted BCP 7 to substitute into the arbitration for Mr. Terry. Before doing so, NuVeda through counsel, Mathew Dushoff, raised a number of issues with the transaction, which were addressed by Mr. Terry's attorney (Ms. Turner) by the introductory paragraph and responses to NuVeda's questions in red below:

There is no substantive opposition to the Motion to Substitute, but rather arguments that the claims are no longer viable by virtue of Mr. Terry's assignment to Buyer. That is a separate inquiry that does not affect Mr. Terry, as the interests of Mr. Terry were sold to Buyer "as-is." The Buyer has not indicated whether there is an intention to move forward with prosecution of all of the claims or abandon certain claims. Notwithstanding, to the extent I can answer Mr. Dushoff's questions, I answer in bolded red, as follows:

- a. **The identity of the transferee:** will Mr. Padgett, BCP 7, LLC or some other "designee" be the recipient of the transfer(s). **There was a scrivener's error, as BCP Holding 7, LLC is registered with the Secretary of State and "Holding" was omitted (unintentionally) from the agreement. Mr. Padgett is the manager of the Law Offices of Brian C. Padgett, LLC, which is the manager of BCP Legal, LLC, which is the manager of BCP Holding 7, LLC. Attached is Mr. Padgett's ratification of the agreement and assignment in the correct name of BCP Holding 7, LLC.**
- b. **The status of BCP 7, LLC:** The Agreement states that BCP 7, LLC "is an active Nevada domestic Limited Liability Company . . ." Review of the Nevada Secretary of State website provides that BCP 7, LLC is not recognized as an entity by the state. **BCP Holding 7, LLC is an active Nevada domestic limited liability company.**
- c. **Beneficial owners of any transferee entity:** If Mr. Terry is purporting to transfer an interest to an entity, he should be required to disclose the identity of all individual and entities holding, directly or indirectly, an interest in the transferee. That information is necessary for all parties (including the Arbitrator) to evaluate potential conflicts of interest. **This information is unknown to Mr. Terry. There is no obligation that a party LLC who**

1 is a plaintiff to a lawsuit disclose ownership; that is generally a matter
2 for discovery, if relevant.

- 3 d. **The subject of the transfers:** will Mr. Terry be transferring a purported
4 ownership "Interest" in NuVeda, Clark NMSD, LLC, Clark Natural Medicinal
5 Solutions, LLC, and Nye Natural Medical Solutions, LLC as indicated in the
6 Agreement, or will he be assigning "claims" in this arbitration, or some
7 combination of the two? **Mr. Terry has sold all of his interest in the**
8 **litigation v. NuVeda, Bady and Mohajer, as well as his ownership**
9 **interest in NuVeda and the LLCs managed by NuVeda (i.e., Clark**
10 **NMSD, et al.). As NuVeda has purported to terminate Mr. Terry's**
11 **ownership interests and that is a matter in dispute, the interests were**
12 **sold "as-is" without warranty. Incidentally, there is no restriction on**
13 **transfer of Mr. Terry's interests in NuVeda following purported**
14 **termination under Section 6.3 of the Operating Agreement. Section**
15 **6.3 specifically excepts from its restrictions what is "otherwise**
16 **provided in this Article," and Sect. 6.2 of the same Article VI**
17 **specifically provides how assignees "shall" be entitled to receive fair**
18 **market value of the terminated interests.**
- 19 e. **What interest(s), if any, will Mr. Terry retain:** it is unclear whether Mr.
20 Terry will continue participating in this arbitration as a party following the
21 transfer(s). **We have requested substitution of Mr. Terry with the**
22 **Buyer as the real party in interest, as Mr. Terry has no remaining**
23 **interest in any litigation claims or proceeds by virtue of his agreement**
24 **with, and assignment to, the Buyer.**
- 25 f. **When will the transfer(s) take place:** The Agreement refers to a transfer
26 at a future date, while the Assignment purports to take effect on May 2,
27 2018 (but was actually executed 8 days later). Mr. Terry should state when
28 the transfer(s) of the relevant interests took place or are expected to take
place. **The condition precedent to the obligation to assign the claims**
to the Buyer was satisfied on May 2; the assignment therefore has an
effective date of May 2. The date of execution is not relevant.
- g. **Are these transfer subject to regulatory approval:** The subject matter of
the transfers contemplated by the Agreement and Assignment may include
beneficial interests in entities holding privileged licenses. Mr. Terry and his
purported assignee should state whether in their opinion the transaction(s)
are subject to review and/or approval by regulators. If transfers must
receive regulatory approval before taking effect, it may not be appropriate
to substitute parties at this time. **This is an improper request for a legal**
opinion on regulations. This request is particularly improper when
NuVeda, Bady and Mohajer have taken the consistent position in this
litigation that Mr. Terry's interest in NuVeda has been terminated
since March 2016 and this is just a case about value. They should be
judicially estopped from taking an opposite position nowwhen it suits
them. Notwithstanding that Nuveda, Bady and Mohajer should be
judicially estopped from making their new, inconsistent arguments,
NuVeda has no license and there is no known regulation, statute, or
other legal authority that would require government approval of
assignment of claims in a private arbitration relating to 2016
termination of interest in NuVeda. As previously shown, NuVeda it is
the manager of licensee LLCs, not managing member.

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As Mr. Dushoff has said over and over in opposition to the motion for temporary restraining order, the license-holder LLCs are not party to the arbitration. As there is no restraining order on the transfer of ownership in the license-holder LLCs consistent with Mr. Dushoff's arguments against entry of a preliminary injunction, Mr. Terry has agreed as part of his purchase and sale agreement with the Buyer to transfer his ownership interest in the license-holder LLCs to the Buyer or its designee, and that transfer will obviously be subject to government approval.

See Exhibit C-2 (emphasis in original). After substituting into the case in place of Mr. Terry, on June 5, 2018, BCP 7 voluntarily and unconditionally dismissed all of Mr. Terry's claims with prejudice. See Exhibit D-1. In accordance with the request by BCP 7 to dismiss the claims with prejudice, AAA ordered these claims finally to be dismissed on October 9, 2018 (approximately four (4) months later). Attached as Exhibit D-2 is the dismissal by Nikki Baker, arbitrator, dated October 9, 2018. The dismissal was further confirmed by Lance Tanaka, Vice President of AAA, on the same date. See Exhibit D-3.

Ultimately, BCP 7 defaulted on its obligations to Mr. Terry, and Mr. Terry sued BCP 7 and Mr. Padgett. See Exhibit E (Case No. A-19-796300-B). The district court consolidated this action into the receivership action, Case: A-17-755479-B. On November 30, 2020, Mr. Terry filed an ex parte motion before AAA (AAA Case No. 01-15-0005-8574) to rescind the Terry Purchase Agreement and to set aside the orders by AAA to dismiss Mr. Terry's claims. See Exhibit F-1. In his motion, Mr. Terry asked AAA to rescind the agreement with BCP 7 and Mr. Padgett for fraud in the inducement and failure of consideration. Id. Upon rescission, Mr. Terry then requested AAA to set aside the dismissal of his claims by AAA under NRCP 60(b)(4) (void judgments). Id. AAA determined that the case before AAA was closed on March 20, 2019, and AAA no longer had jurisdiction to consider his requests for relief. See Exhibit F-2.

Mr. Terry filed a seconded amended complaint on October 18, 2021. Mr. Terry requests declaratory relief in his first claim. See Second Amended Complaint, filed on October 18, 2021, page 21-22. Specifically,

1 Mr. Terry asks the court to determine that the Terry Purchase Agreement is “null and void” resulting from fraud
2 in the inducement and lack of consideration. Id. (paragraph 171, sub-paragraphs (v)-(vii)).⁴ Mr. Terry asserts
3 duplicate claims for unjust enrichment based on his interest/claims sold to BCP 7. Id. at 28-29 (paragraph 230)
4 and 41-42 (paragraph 324). Mr. Terry asserts a claim for an accounting for any profit or loss resulting from the
5 sale/transfer of all or part of cannabis licenses held by Defendants. Id. at 29-30 (paragraph 238). Mr. Terry
6 asserts a claim for violation of NRS 225.084 based on information purportedly provided to the Nevada Secretary
7 of State regarding the ownership of NuVeda, Clark NMSD, Clark Natural, and Nye Natural and their respective
8 cannabis licenses. Id. at 30-31 (paragraph 243). Mr. Terry requests injunctive relief. Id. at 34-35. Mr. Terry
9 requests the appointment of a receiver. Id. at 35-36. Both the request for injunctive relief and receivership
10 were previously denied by the court. See Notice of Entry filed on September 25, 2020. Mr. Terry asserts a
11 claim for conversion of his interest sold to BCP 7. Id. at 40-41 (paragraph 317). Finally, Mr. Terry asserts a
12 claim for civil conspiracy based on the transfer of Mr. Terry’s interest/claims purportedly before he sold the
13 same to BCP 7. Id. at 42-43.

14 15 II. ARGUMENT

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17
18 The claims by Mr. Terry should be dismissed or summary judgment granted. The claims asserted by
19 Mr. Terry in Case No. A-20-817363-B were owned by BCP 7 (before they were dismissed). The transaction
20 has not been rescinded. Therefore, Mr. Terry does not have standing to prosecute them or assert additional
21 claims based on the claims and interests sold to BCP 7. Even if the transaction with BCP 7 could be rescinded
22 after a trial on merits, all such claims are res judicata (barred by claim preclusion). The binding arbitration is
23 closed, and AAA no longer has jurisdiction. See Exhibit F-2; see also NRCP 60(b); Weddell v. Sharp, 350 P.3d
24 80, 86 (Nev. 2015) (modifying Five Star Capital Corp. v. Ruby, 194 P.3d 709, 713 (Nev. 2008)).⁵ "The purpose
25

26
27 ⁴ Mr. Terry also separately seeks to rescind the agreements with BCP 7 and Mr. Padgett based on fraud in the inducement
and/or failure of consideration. Id. (page 24-25).

28 ⁵ According to Weddell, claim preclusion applies when: (1) there has been a valid, final judgment in a previous action; (2)
the subsequent action is based on the same claims or any part of them that were or could have been brought in the first
action; and (3) the parties or their privies are the same in the instant lawsuit as they were in the previous lawsuit, or the

1 of the claim preclusion doctrine . . . is to obtain finality by preventing a party from filing another suit that is
2 based on the same set of facts that were present in the initial suit." Five Star Capital Corp., 194 P.3d 709, 712
3 (holding modified by Weddell, 350 P.3d 80 (2015)). Further, this court does not have jurisdiction to provide
4 relief to Mr. Terry where AAA lacks the same. As the district court is aware, for an order to be void under
5 NRCP 60(b)(4), there must be a defect in the court's authority to enter judgment through either lack of personal
6 jurisdiction or jurisdiction over subject matter in the suit. See Gassett v. Snappy Car Rental, 111 Nev. 1416,
7 1419, 906 P.2d 258, 261 (1995), superseded by rule on other grounds as stated in Fritz Hansen A/S v. Eighth
8 Judicial Dist. Court, 116 Nev. 650, 6 P.3d 982 (2000)). **Mr. Terry has never alleged that AAA lacked personal**
9 **or subject matter jurisdiction.** Jurisdiction over Mr. Terry and his interest/claims was properly before AAA
10 **at his request** for arbitration under the operating agreement for NuVeda. See **Exhibit A-2** and **Exhibit A-3.**
11 While NuVeda acknowledges that the six-month deadline in NRCP 60(b) does not apply specifically to NRCP
12 60(b)(4), AAA's orders are not void. Based on the allegation of fraud by Mr. Terry, NRCP 60(b)(3) is the actual
13 basis upon which Mr. Terry can rely to set aside an order. However, the relief provided by NRCP 60(b)(3) must
14 be exercised within two (2) years after AAA entered its orders on October 9, 2018. See NRCP 60(c)(1); see
15 also **Exhibit D-2 and Exhibit D-3.**

16
17 If the orders of dismissal by AAA can be set aside, Mr. Terry's claims are still subject to binding
18 arbitration before AAA in Case A-15-728510-B (not in Case A-20-817363-B). If rescission occurs and AAA
19 orders are also set aside, however, the case is still subject to dismissal with prejudice under NRCP 41(e)(2)(B)
20 (5-Year Rule). See NRCP 41(e)(6); Morgan v. Las Vegas Sands, Inc., 118 Nev. 315 (Nev. 2002) (arbitration
21 does not toll the 5-year rule—dismissal is mandatory).

22
23
24 To survive a motion to dismiss under NRCP 12(b)(5), the second amended complaint must contain some
25 "set of facts, which, if true, would entitle [Mr. Terry] to relief [against Defendants.]" Buzz Stew, LLC v. City of
26

27
28 defendant can demonstrate that he or she should have been included as a defendant in the earlier suit and the plaintiff fails
to provide a "good reason" for not having done so.

APPENDIX 057

1 N. Las Vegas, 124 Nev. 224, 228, 181 P.3d 670, 672 (2008). The standard of review for a dismissal under
2 NRCP 12(b)(5) is rigorous as this court "'must construe the pleading liberally and draw every fair intendment
3 in favor of the [non-moving party].'" Squires v. Sierra Nev. Educational Found., 107 Nev. 902, 905, 823 P.2d
4 256, 257 (1991) (quoting Merluzzi v. Larson, 96 Nev. 409, 411, 610 P.2d 739, 741 (1980)). All factual
5 allegations of the second amended complaint must be accepted as true. Capital Mortgage Holding v. Hahn, 101
6 Nev. 314, 315, 705 P.2d 126 (1985). The second amended complaint shall not be dismissed for failure to state
7 a claim "unless it appears beyond a doubt that [Mr. Terry] could prove no set of facts which, if accepted by the
8 trier of fact, would entitle [him] to relief [against Defendants.]" Edgar v. Wagner, 101 Nev. 226, 228, 699 P.2d
9 110, 112 (1985) (citing Conley v. Gibson, 355 U.S. 41, 45-46 (1957)).

10
11 If the court is not able to dismiss any or all causes of action by Mr. Terry (except those against BCP 7
12 and Mr. Padgett) under the standards applicable to NRCP 12(b)(5), Defendants respectfully requests the court
13 to grant summary judgment. In Wood v. Safeway, 121 Nev. 724, 731-32 (Nev. 2005), the Nevada Supreme
14 Court provided the following guidance to district courts:

15 Summary judgment is appropriate under NRCP 56 when the pleadings,
16 depositions, answers to interrogatories, admissions, and affidavits, if any, that are
17 properly before the court demonstrate that no genuine issue of material fact exists,
18 and the moving party is entitled to judgment as a matter of law. The substantive
19 law controls which factual disputes are material and will preclude summary
20 judgment; other factual disputes are irrelevant. A factual dispute is genuine when
21 the evidence is such that a rational trier of fact could return a verdict for the
22 nonmoving party. While the pleadings and other proof must be construed in a light
23 most favorable to the nonmoving party, that party bears the burden to "do more
24 than simply show that there is some metaphysical doubt" as to the operative facts
25 in order to avoid summary judgment being entered in the moving party's favor.
26 The nonmoving party "must, by affidavit or otherwise, set forth specific facts
27 demonstrating the existence of a genuine issue for trial or have summary judgment
28 entered against him." The nonmoving party "is not entitled to build a case on the
gossamer threads of whimsy, speculation, and conjecture."

(citations omitted).

A. Declaratory Relief

Under NRS 30.080, a district court may refuse to enter a declaratory judgment if it "would not terminate
the uncertainty or controversy giving rise to the proceeding." This court has also held that declaratory relief is
only available when (1) a justiciable controversy exists between persons with adverse interests, (2) the party

seeking declaratory relief has a legally protectable interest in the controversy, and (3) the issue is ripe for judicial determination. Knittle v. Progressive Casualty Ins. Co., 112 Nev. 8, 10, 908 P.2d 724, 725 (1996). In Knittle, the Nevada Supreme Court determined that if a plaintiff's rights against a defendant in a declaratory relief action are contingent on successful litigation of a pending suit, a plaintiff cannot assert a "legally protectable interest creating a justiciable controversy ripe for declaratory relief." 112 Nev. at 11, 908 P.2d at 726. Here, Mr. Terry can pursue claims against Defendants only if (a) he is successful on his Fourth Claim of Relief against BCP 7 and Mr. Padgett, and (b) the orders by AAA can be set aside. Accordingly, Mr. Terry cannot seek declaratory relief against Defendants on the issue of rescission of the Terry Purchase Agreement, which claim should be dismissed (or summary judgment granted).

B. Unjust Enrichment

Mr. Terry asserts duplicate causes of action for unjust enrichment based on his interests/claims sold to BCP 7. See Second Amended Complaint, filed on October 18, 2021, pg. 28-29 (Ninth Claim for Relief) and pg. 41-42 (Twenty-First Claim for Relief). Mr. Terry contends that he was wrongfully expelled as a member of NuVeda, and his interest was transferred to Bady and Mohajer (other members of NuVeda) before he entered into the transaction with BCP 7 and Mr. Padgett to sell the same interests/claims. **This assertion is not new.** According to Mr. Terry's amended arbitration demand, Mr. Terry specifically alleged as follows:

Bady and Mohajer were members of NuVeda along with Claimant until Claimant's interests in NuVeda were wrongfully terminated. Respondents are an immoral majority who engaged in self-dealing at NuVeda, and then negotiated and entered into a conditional sale of NuVeda's assets to third party CW Nevada, LLC, without any notice to Claimant, who was then the designated representative of NuVeda with the State of Nevada, Nye County, North Las Vegas and Las Vegas, as well as CEO and Manager with voting rights at NuVeda. Claimant's position and interest in NuVeda was wrongfully terminated in March 2016, despite that Claimant has ONLY acted in the Company's best interests. NuVeda benefits from such termination, and Claimant is entitled to the fair market value of his interest as of the date of such wrongful termination.

See **Exhibit A-3**, page 2. The fact that Mr. Terry now claims he did not learn of the transfer of his interests until after January 2019 (paragraph 82 of the Second Amended Complaint) is inconsistent with the facts as alleged by Mr. Terry and does not prevent the claim from being dismissed. Mr. Terry's new claim as to his knowledge is immaterial because Mr. Terry sold *whatever interest* he had (including in and APPENDIX C-38

licenses to BCP 7). See Exhibits B-1 and B-2. Furthermore, Mr. Terry cannot modify his own statements in an effort to create a genuine issue and to avoid summary judgment. Aldabe v. Adams, 81 Nev. 280, 282, 402 P.2d 34, 35 (1965) (refusing to credit sworn statement made in opposition to summary judgment that was in direct conflict with an earlier statement of the same party), overruled on other grounds by Siragusa v. Brown, 114 Nev. 1384, 1393, 971 P.2d 801, 807 (1998); see also Cleveland v. Policy Mgmt. Sys. Corp., 526 U.S. 795, 806–07, 119 S.Ct. 1597, 143 L.Ed.2d 966 (1999).

Under Nevada law, an action must be commenced by the real party in interest—“one who possesses the right to enforce the claim and has a significant interest in the litigation.” Szilagyi v. Testa, 99 Nev. 834, 838, 673 P.2d 495, 498 (1983); see NRCP 17(a). Here, there is no dispute that Mr. Terry does not own claims based on any interests/claims sold to BCP and subsequently dismissed. Therefore, the duplicate claims for unjust enrichment should be dismissed (or summary judgment granted).

C. Accounting

Mr. Terry requests an accounting of the sale of cannabis licenses of Defendants. See Second Amended Complaint, filed on October 18, 2021, at 29-30 (paragraph 238). “Before a claim for accounting can be pursued, Nevada law requires that the parties to such a claim must first and foremost be partners.” See State v. Elsbury, 175 P.2d 430, 433 (Nev. 1946); see also Simon v. Bank of Am., N.A., 2010 U.S. Dist. LEXIS 63480, *30 (D. Nev. 2010) (“An action for accounting "may only be brought where there is a fiduciary or a trust relationship between the parties.""). While Mr. Terry was a member of NuVeda (i.e., partner),⁶ his membership was terminated, and any rights in and to such interests was sold to BCP 7. Therefore, Mr. Terry cannot bring a claim for an accounting, which should be dismissed (or summary judgment granted).

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⁶ Mr. Terry does not claim he owned any membership interest other than his membership interest in NuVeda.

1
2 **D. Violation of NRS 225.084**

3 NRS 225.084 provides as follows:

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

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

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

- 14 (a) Actual damages caused by each separate violation of this section or
15 \$10,000 for each separate violation of this section, whichever is greater;
16 (b) All costs of bringing and maintaining the action, including
17 investigative expenses and fees for expert witnesses;
18 (c) Reasonable attorney's fees; and
19 (d) Any punitive damages that the facts may warrant.

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

21 (a) Any person who is damaged by a violation of this section, including,
22 without limitation, any person who is damaged as the result of an action taken in
23 reliance on a record filed in violation of this section; or

24 (b) The Attorney General, in the name of the State of Nevada, if the matter
25 is referred to the Attorney General by the Secretary of State and if the Attorney
26 General, after due inquiry, determines that a civil action should be brought
27 pursuant to this section. Any money recovered by the Attorney General pursuant
28 to this paragraph, after deducting all costs and expenses incurred by the Attorney
General and the Secretary of State to investigate and act upon the violation, must
be deposited in the State General Fund.

4. For the purposes of this section, each filing of a single record that
constitutes a violation of this section shall be deemed to be a separate violation.

5. The rights, remedies and penalties provided pursuant to this section
are cumulative and do not abrogate and are in addition to any other rights, remedies
and penalties that may exist at law or in equity, including, without limitation, any
criminal penalty that may be imposed pursuant to NRS 205.397 or 239.330.

6. The Secretary of State may adopt regulations prescribing procedures
for correcting any record filed in violation of this section.

7. As used in this section, "record" means information that is:

- (a) Inscribed on a tangible medium or that is stored in an electronic or
other medium and is retrievable in perceivable form; and

(b) Filed or offered for filing by a person pursuant to any provision of title 7 of NRS or Article 9 of the Uniform Commercial Code.

Mr. Terry's arbitration claims are based on his expulsion as a member of NuVeda. See Exhibit A-2 and Exhibit A-3. Once expelled, any filings with the Nevada Secretary of State to reflect this fact could serve as a basis for a claim under NRS 225.084. Filings made to the Nevada Department of Taxation or any other government agency which previously regulated the cannabis industry are not covered by NRS 225.084 by the express terms of the statute. See NRS 225.084(1). While Mr. Terry did not expressly assert a claim under NRS 225.084 in the arbitration, he could have done so. Any and all such claims of Mr. Terry were sold to BCP 7 and dismissed. "[A]ll claims based on the same facts and alleged wrongful conduct that were or could have been brought in the first proceeding are subject to claim preclusion." G.C. Wallace, Inc. v. Eighth Judicial Dist. Court, 127 Nev. 701, 707, 262 P.3d 1139, 1137 (2011) (internal quotation marks omitted). Accordingly, the Mr. Terry's claim under NRS 225.084 should be dismissed (or summary judgment granted).

E. Conversion.

Mr. Terry asserts a claim for conversion of his interests sold to BCP 7. See Second Amended Complaint, filed on October 18, 2021, at 40-41 (paragraph 317). "Conversion is a distinct act of dominion wrongfully exerted over another's personal property in denial of, or inconsistent with his title or rights therein or in derogation, exclusion, or defiance of such title or rights." Evans v. Dean Witter Reynolds, Inc., 5 P.3d 1043, 1048 (Nev. 2000) (quotation omitted). Mr. Terry does not own the interests which are the subject of his conversion claim. Therefore, the claim of conversion must be dismissed (or summary judgment granted).

F. Civil Conspiracy.

Mr. Terry asserts a claim for civil conspiracy to defraud him. See Second Amended Complaint, filed on October 18, 2021, at 42-43. Mr. Terry alleges that his interest was transferred to Bady and Mohajer in March, 2016 before he sold it to BCP 7 in April, 2018. See id. at 42 (paragraphs 330-331). Mr. Terry alleges the decision by BCP 7 to dismiss all of Mr. Terry's claims in the arbitration is "evidence of the conspiracy" to defraud Mr. Terry:

APPENDIX 062

1 [The request by BCP 7 to dismiss Mr. Terry's claims acquired by BCP 7 in arbitration]
2 clearly evidences a conspiracy between Padgett, NuVeda, Clark NMSD, Clark Natural,
3 Nye Natural, Bady and Mohajer to defraud Terry by having BCP 7 purportedly purchase
4 the Terry Interest, which had already been transferred to Bady and Mohajer without Terry's
5 knowledge or consent, and then immediately attempt to dismiss the claims in the
6 Arbitration without BCP 7 and Padgett paying the agreed consideration

7 Id. at 42 (paragraph 333).

8 Under Nevada law, an actionable civil conspiracy to defraud claim exists when there is (1) a conspiracy
9 agreement; (2) an overt act of fraud in furtherance of the conspiracy; and (3) resulting damages to the plaintiff."
10 Goodwin v. Executive Tr. Servs., LLC, 680 F.Supp.2d 1244, 1254 (D.Nev. 2010) (citing Jordan v. State ex rel.
11 Dep't of Motor Vehicles and Pub. Safety, 110 P.3d 30, 51 (Nev. 2005)). To allege a conspiracy to defraud, a
12 complaint must meet the particularity requirements of NRCP 9 and inform each defendant of its actions that
13 constituted joining the conspiracy." Graziose v. Am. Home Prods. Corp., 202 F.R.D. 638, 642 (D. Nev. 2001)
14 (analyzed under FCRP 9). Allegations of conspiracy should be accompanied by the who, what, when, where,
15 and how of the misconduct. Ness v. Ciba-Geigy Corp. USA, 317 F.3d 1097, 1106 (9th Cir. 2003) (analyzed
16 under FRCP 9).

17 As a preliminary matter, Mr. Terry has not met the pleading requirements under NRCP 9 for conspiracy
18 to defraud. Setting that issue aside, Mr. Terry's conspiracy claim can be decided on the merits by summary
19 judgment. Mr. Terry was expelled as a member of NuVeda according to Mr. Terry in March 2016 ("Claimant's
20 position and interest in NuVeda was wrongfully terminated in March 2016[.]"). See Exhibit A-3 (page 2, lines
21 4-13). Mr. Terry sold whatever interests/claims he had to BCP 7 two (2) years later on or about April 30, 2018.
22 See Exhibits B-1 and B-2. Mr. Terry claims the basis of the fraud was the acquisition of Mr. Terry's interests
23 (which was previously transferred to Bady and Mohajer) and the subsequent dismissal of Mr. Terry's claims by
24 BCP 7 without payment of all consideration. See Second Amended Complaint, filed on October 18, 2021,
25 (paragraphs 331-333). **Mr. Terry's claims could not have been dismissed in the arbitration by BCP 7 if he**
26 **did not request that BCP 7 be substituted into the arbitration in his place with full right, power, and authority**
27 **to deal with such claims as the real party in interest.** See Exhibit C-1. Further, Mr. Terry was aware at the
28 time of substitution that some or all of his claims could be dismissed by BCP 7. See Exhibit C-2. 063 The

1 dismissal by BCP 7 is purportedly the only evidence of this alleged conspiracy. Mr. Terry collected
2 \$757,757.00 from BCP 7, Mr. Padgett and their affiliates between April 18, 2019 and June 7, 2019—the date
3 Mr. Terry initially sued BCP 7 and Mr. Padgett. See Exhibit 2 to Complaint attached as part of Exhibit E
4 (emails documenting payment arrangements between Mr. Terry and Mr. Padgett over this period).

5
6 Mr. Terry has the burden of proof on his claims. In Nevada, the failure to fulfill a promise to perform
7 in the future may give rise to a fraud claim if the promisor "had no intention to perform at the time the promise
8 was made." Bulbman, Inc. v. Nev. Bell, 825 P.2d 588, 592 (Nev. 1992). Payment of \$757,757.00 to Mr. Terry
9 (or any sum assumes Mr. Terry disputes the actual amount) evidences a clear intent by BCP 7 and Mr. Padgett
10 to perform.⁷ "The commencement of performance by one party evidences the parties' intent to be bound by the
11 terms of the contract." Draft Bars LLC v. Anheuser-Busch LLC (In re Draft Bars LLC), Case No.: 16-16656-
12 mkn, at *12 (Bankr. D. Nev. Sep. 29, 2020) (citing to Restatement of Contracts § 34(2) (1981) ("Part
13 performance under an agreement may... establish that a contract enforceable as a bargain has been formed.");
14 Vol. 1, Timothy Murray, Corbin on Contracts Vol. 1, § 4.1 at p. 1554 (Matthew Bender rev. ed. 2019) ("That
15 one of [the parties], with the knowledge and approval of the other, has begun performance is nearly always
16 evidence that they regard the contract as consummated and intend to be bound thereby.")). Given the partial
17 performance by BCP 7 and Mr. Padgett, Mr. Terry cannot sustain a claim for fraud in the inducement, and
18 summary judgment should be granted on Mr. Terry's claim of conspiracy to defraud.

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25 ⁷ In the Second Amended Complaint, filed on October 18, 2021, Mr. Terry alleges in paragraphs 112 and 113 as follows
(page 15) (emphasis added):

26 112. BCP 7 made a partial payment toward the Initial Payment in the sum of \$250,000.00 in or about July or
27 August, 2018.

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

APPENDIX 064

1
2 **III. CONCLUSION**

3 For the reasons set forth above, Defendants respectfully request that the court dismiss and/or grant summary
4 judgment on all claims and requests for relief by Mr. Terry against all defendants except BCP 7 and Brian Mr.
5 Padgett.

6
7 DATED this 3rd day of November, 2021.

8 **LAW OFFICE OF MITCHELL STIPP**

9
10 /s/ Mitchell Stipp, Esq.

11 MITCHELL STIPP, ESQ.

Nevada Bar No. 7531

12 LAW OFFICE OF MITCHELL STIPP

1180 N. Town Center Drive, Suite 100

13 Las Vegas, Nevada 89144

Telephone: 702.602.1242

14 mstipp@stipplaw.com

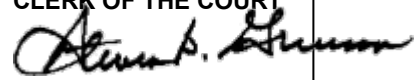
Attorneys for NuVeda, LLC, Clark NMSD, LLC,

15 *Nye Natural Medicinal Solutions, LLC, Clark Natural Medicinal Solutions, LLC, Dr. Pejman Bady,*

16 *Dr. Pouya Mohajer, and Joseph Kennedy*

EXHIBIT 3-PETITION FOR REHEARING

APPENDIX 066



MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531

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Telephone: 702.602.1242

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Attorneys for NuVeda, LLC, Clark NMSD, LLC,

Nye Natural Medicinal Solutions, LLC, Clark Natural Medicinal Solutions, LLC, Dr. Pejman Bady,

Dr. Pouya Mohajer, and Joseph Kennedy

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.: 13

**EXHIBITS IN SUPPORT OF MOTION TO
DISMISS AND/OR FOR SUMMARY
JUDGMENT ON CLAIMS BY SHANE TERRY
EXCEPT AGAINST BCP 7 HOLDINGS, LLC
AND BRIAN PADGETT**

NuVeda, LLC, a Nevada limited liability company, Clark NMSD, LLC, a Nevada limited liability company, Nye Natural Medicinal Solutions, LLC, a Nevada limited liability company, Clark Natural Medicinal Solutions, LLC, a Nevada limited liability company, Dr. Pejman Bady, Dr. Pouya Mohajer, and Joseph Kennedy by and through counsel of record, Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced motion to dismiss and/or for summary judgment.

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APPENDIX 067

Defendant's Exhibits Page 1

DATED this 3rd day of November, 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@stiplaw.com

Attorneys for NuVeda, LLC, Clark NMSD, LLC,

Nye Natural Medicinal Solutions, LLC, Clark Natural Medicinal Solutions, LLC, Dr. Pejman Bady,

Dr. Pouya Mohajer, and Joseph Kennedy

EXHIBIT A-1: PAGES 3-8

EXHIBIT A-2: PAGES 9-17

EXHIBIT A-3: PAGES 18-49

EXHIBIT B-1: PAGES 50-55

EXHIBIT B-2: PAGE 56

EXHIBIT C-1: PAGES 57-58

EXHIBIT C-2: PAGES 59-65

EXHIBIT D-1: PAGES 66-67

EXHIBIT D-2: PAGES 68-69

EXHIBIT D-3: PAGES 70-71

EXHIBIT E: PAGES 72-96

EXHIBIT F-1: PAGES 97-166

EXHIBIT F-2: PAGES 167-169

EXHIBIT A-1


CLERK OF THE COURT

1 **FFCL**

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

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

10 Plaintiffs,

11 v.

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

15 Defendants.

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

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

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

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

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

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

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

5 FINDINGS OF FACT

6
7 1. On July 9, 2014, the parties entered into an Operating Agreement for NuVeda,
8 LLC ("NuVeda")⁴ to operate dispensaries, cultivation and processing facilities for medical
9 marijuana ("MME") pursuant to licenses obtained from certain political subdivisions.

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

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

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

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

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

22 ⁵ The Operating Agreement at Section 6.2 provides:

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

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

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

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

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

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

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

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

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

26 ⁶ Section 4.3 provides in pertinent part:

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

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

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

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

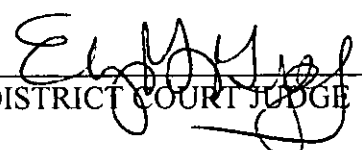
8 **ORDER**

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

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

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

16 Dated this 13th day of January, 2016.

17
18 
19 DISTRICT COURT JUDGE
20

21 **Certificate of Service**

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

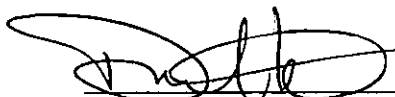
25 
26 Dan Kutinac
27
28

EXHIBIT A-2

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

Good afternoon-

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

Respectfully,

Rebecca Post

Legal Assistant

P 725 777 3000 | F 725 777 3112

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

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



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

You are hereby notified that a copy of our arbitration agreement and this demand are being filed with the American Arbitration Association with a request that it commence administration of the arbitration. The AAA will provide notice of your opportunity to file an answering statement.					
Name of Respondent: Pejman Bady & Pouya Mohajer			Name of Representative (if known): Vincent Aiello, Esq.		
Address: 9280 W. Sunset Road # 412			Name of Firm (if applicable): Kolesar & Leatham		
			Representative's Address: 400 S. Rampart Blvd., #400		
City: Pahrump	State: Nevada	Zip Code: 89148	City: Las Vegas	State: Nevada	Zip Code: 89145
Phone No.:	Fax No.:		Phone No.: 702-362-7800	Fax No.: 702-362-9472	
Email Address:			Email Address: vaiello@klnevada.com		
The named claimant, a party to an arbitration agreement which provides for arbitration under the Commercial Arbitration Rules of the American Arbitration Association, hereby demands arbitration.					
Brief Description of the Dispute: Claimants seek immediate redress for the wrongful conduct of Respondents relating to the business of Nuveda, LLC a medical marijuana licensee. (see attached)					
Dollar Amount of Claim: \$ 1 Million- 10 Million			Other Relief Sought: <input checked="" type="checkbox"/> Attorneys Fees <input checked="" type="checkbox"/> Interest <input checked="" type="checkbox"/> Arbitration Costs <input checked="" type="checkbox"/> Punitive/ Exemplary <input type="checkbox"/> Other		
Amount enclosed: \$ 3,500.00			In accordance with Fee Schedule: <input checked="" type="checkbox"/> Flexible Fee Schedule <input type="checkbox"/> Standard Fee Schedule		
Please describe the qualifications you seek for arbitrator(s) to be appointed to hear this dispute: Local retired Judge and/or gaming/licensing experience					
Hearing locale: Las Vegas			(check one) <input type="checkbox"/> Requested by Claimant <input checked="" type="checkbox"/> Locale provision included in the contract		
Estimated time needed for hearings overall: hours or 5 days			Type of Business: Claimant: Members of Nuveda, LLC, a medical marijuana licensee Respondent: Former members of Nuveda, LLC, a medical marijuana licensee		
Are any parties to this arbitration, or their controlling shareholder or parent company, from different countries than each other? No					
Signature (may be signed by a representative):			Date: 12/3/2015		
Name of Claimant: Nuveda, LLC, Shane Terry & Jennifer Goldstein			Name of Representative: Erika Pike Turner, Esq.		
Address (to be used in connection with this case): c/o Erika Pike Turner, Esq. 650 White Drive			Name of Firm (if applicable): Garman Turner Gordon		
			Representative's Address: 650 White Drive, Suite 100		
City: Las Vegas	State: Nevada	Zip Code: 89119	City: Las Vegas	State: Nevada	Zip Code: 89119
Phone No.: 725-777-3000	Fax No.:		Phone No.: 725-777-3000	Fax No.:	
Email Address:			Email Address: eturner@gtg.legal		
To begin proceedings, please send a copy of this Demand and the Arbitration Agreement, along with the filing fee as provided for in the Rules, to: American Arbitration Association, Case Filing Services, 1101 Laurel Oak Road, Suite 100 Voorhees, NJ 08043. At the same time, send the original Demand to the Respondent.					

APPENDIX 077

Brief Description of Dispute:

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

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

Factual allegations:

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

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

3. NuVeda obtained valuable medical marijuana establishment registration

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

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

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

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

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

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

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

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

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

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

disclosure, fingerprinting, etc.).

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

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

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

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

of NuVeda pursuant to Section 7.2 of the Operating Agreement.

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

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

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

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

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

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

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

Damages:

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

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

EXHIBIT A-3

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Attorneys for Claimant Shane Terry

DISTRICT COURT

CLARK COUNTY, NEVADA

SHANE M. TERRY, a Nevada resident;

Claimant,

vs.

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

Respondents.

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

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

AMENDED DEMAND FOR ARBITRATION

Brief Description of Dispute:

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

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

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

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

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

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

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

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

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

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

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

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

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

16
17 Dated this 3rd day of June, 2016.

18 GARMAN TURNER GORDON LLP

19 /s/ Erika Pike Turner

20 ERIKA PIKE TURNER

21 Nevada Bar No. 6454

22 Email: eturner@gtg.legal

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Attorneys for Plaintiff Shane Terry

Exhibit 1

NuVeda, LLC

Operating Agreement

July 9, 2014

Operating Agreement For NuVeda, LLC

A Nevada Limited Liability Company

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

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

ARTICLE I ORGANIZATION

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

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

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

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

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

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

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

ARTICLE II

MEMBERSHIP INTERESTS, VOTING AND MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III CAPITAL ACCOUNTS

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

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

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

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

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

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

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

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

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

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

ARTICLE IV MANNER OF ACTING

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

The Voting Members may appoint officers of the Company who, to the extent provided by the Voting Members, may have and may exercise all the powers and authority of the Members or Managers in the conduct of the business and affairs of the Company. The officers of the Company may consist of a President, a Treasurer, a Secretary, or other officers or agents as may be elected or appointed by the Voting Members. The Voting Members may provide rules for the appointment, removal, supervision and compensation of such officers, the scope of their authority, and any other matters relevant to the positions. The officers shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Voting Members.

Any action taken by a duly authorized officer, pursuant to authority granted by the Voting Members in accordance with this Agreement, shall constitute the act of and serve to bind the

Company, and each Member hereby agrees neither to dispute such action nor the obligation of the Company created thereby.

4.2 Authority to Bind the Company. Notwithstanding the foregoing, no Member without a majority vote consisting of 60% of the Voting Members' interest in the Company, shall have the authority to engage in the following transactions:

- (a) Borrowing money in the Company's name;
- (b) Transferring, settling or releasing any claim of the Company, except upon payment in full;
- (c) Mortgaging any of the Company's property, or pledging any property of the Company as security for any loan;
- (d) Selling or leasing any of the Company's property other than in the ordinary course of business;
- (e) Knowingly causing anything to be done whereby any of the Company's property may be subjected to seizure, attachment or forfeiture or the Company's ownership or possession of any such property may be put at risk;
- (f) The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in multiple transactions over a six month period, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution;
- (g) The merger of the Company with another partnership, corporation, limited liability company or other entity; and
- (h) Agreeing to or executing any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount greater than One Thousand Dollars (\$1,000.00). Notwithstanding the foregoing, the Chief Executive Officer can agree to or execute any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount more than Ten Thousand Dollars (\$10,000.00).

4.3 Meetings of Voting Members. No regular, annual, special or other meetings of Voting Members are required to be held. Any action that may be taken at a meeting of Voting Members may be taken without a meeting by written consent in accordance with the Act. Meetings of the Voting Members, for any purpose or purposes, may be called at any time by a majority of the Voting Members, or by the President of the Company, if any. The Voting Members may designate any place as the place of meeting for any meeting of the Voting Members. If no designation is made, the place of meeting shall be the principal place of business of the Company.

4.4 Notice of Meetings. In the event that a meeting of the Voting Members is called,

written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five nor more than sixty business days before the date of the meeting unless otherwise provided, either personally or by mail, by or at the direction of the Members calling the meeting, to each Voting Member. Notice of a meeting need not be given to any Voting Member who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Voting Member.

4.5 Record Date. For the purpose of determining Voting Members entitled to notice of or to vote at any meeting of Voting Members or any adjournment thereof, the date on which notice of the meeting is provided shall be the record date for such determination of the Voting Members. When a determination of Voting Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

4.6 Quorum. Members holding at least 66% of the Voting Capital in the Company represented in person, by telephonic participation, or by proxy, shall constitute a quorum at any meeting of Voting Members. In the absence of a quorum at any such meeting, a majority of the Voting Members so represented may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. However, if the adjournment is for more than sixty days, or if after the adjournment a new record date is fixed for another meeting, a notice of the adjourned meeting shall be given to each Voting Member. The Voting Members present at a duly organized meeting may continue to transact business only as previously provided on the agenda until adjournment, notwithstanding the withdrawal during such meeting of that number of Voting Members whose absence would cause less than a quorum.

4.7 Voting. If a quorum is present, a majority vote of the Voting Members so represented shall be the act of the Members or Managers, unless the vote of a lesser or greater proportion or number is otherwise required by the Act, by the Certificate or by this Agreement.

ARTICLE V

ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations of Profits and Losses. Subject to applicable law and any limitations elsewhere in this Agreement, Profits and Losses, after deducting Guaranteed Payments, shall be allocated among the Members in proportion to their Percentage Ownership Interests. Any special allocations necessary to comply with the requirements set forth in Internal Revenue Code Section 704 and the corresponding Regulations, including, without limitation, the qualified income offset and minimum gain chargeback provisions contained therein, shall be made if the Voting Members deem these actions to be appropriate.

5.2 Distributions. Subject to applicable law and any limitations elsewhere in this Agreement below, the Voting Members shall determine the amount and timing of all distributions of cash, or other assets, by the Company. Except as otherwise provided in this Agreement, all distributions shall be made as follows:

Distributions:

- Eighty percent (80%) of each distribution will be allocated among all of the Members, as follows (the "Distribution Interests"):

Pejman Bady	38%
Pouya Mohajer	25.25%
Shane Terry	25.25%
Jennifer Goldstein	7%
Joseph Kennedy	1*%
John Penders	1.75%
Ryan Winmill	1.75%

and

- Twenty percent (20%) of each distribution shall be allocated to satisfy any contractual obligations owed by the Company to consultants, vendors, advisors or others with whom the Company has an appropriate written agreement providing for such distributions (“Distributions Partners”); in the event less than 20% of the Distribution has been allocated to Distributions Partners, the unallocated percentage shall be allocated to the Members in proportion to their Percentage Distribution Interests.

Except as otherwise provided in this Agreement, the decision as to whether to make distributions shall be within the sole discretion of the Voting Members.

With regard to any Distribution Interests granted by the Company after the execution of this Operating Agreement, such Distribution Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Distribution Interests of Pouya Mohajer and Shane Terry until such time Mohajer and Terry’s respective Distribution Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Distribution Interests relative to all other dilutable Members’ Voting Interests. Distribution Interests designated as nondilutable will not decrease.

All such distributions shall be made only to the Members who, according to the books and records of the Company, are the holders of record on the actual date of distribution. The Voting Members may base a determination that a distribution of cash may be made on a balance sheet, profit and loss statement, cash flow statement of the Company or other relevant information. Neither the Company nor the Members shall incur any liability for making distributions.

Vesting Schedule. The Distribution Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Distribution Interests as set forth in Exhibit A.

5.3 Form of Distribution. No Member has the right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to

accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members except on the dissolution and winding up of the Company.

5.4 Non-Compete Agreement. The Members agree that they will not at any time within one (1) year from the earlier of (1) the termination of the Member's Voting Interests for any reason or (2) the termination of this Agreement: directly or indirectly engage in or prepare to engage in, or to have any ownership interest in any business, venture or entity that engages in, or is preparing to engage in, business or activities that directly compete with the services provided by the Company, unless the Member is already engaged in such business or venture at the time this Agreement is entered into, unless such matter is agreed upon in writing by a majority of the disinterested Voting Members. Subject to the foregoing, the departing Member shall only be precluded from competing in any county in which any of the following have occurred: (1) the Company has an in process or pending application; (2) the Company has received licenses to operate any medical marijuana facility; and (3) the Company sells or delivers marijuana and marijuana products (each, a "Competing County"). For purposes of this provision, any county in which the Company's only sale or delivery was related exclusively to Auntie Dolores products shall not be deemed a Competing County unless another provision hereof applies. The other Members may override this provision is by an agreement in writing executed by a majority of the disinterested Voting Members.

ARTICLE VI

TRANSFER AND ASSIGNMENT OF INTERESTS

6.1 Resignation of Membership and Return of Capital. For a period of two (2) years after the Articles of Organization for the Company are filed ("the filing"), no Member may voluntarily resign his membership in the Company, and no Member shall be entitled to any return of capital from the company, except upon the written consent of all of the other Voting Members. During the third year after the filing, a Member may voluntarily resign his membership, but such Member shall be entitled to receive from the Company only the book value of his Ownership Interest, adjusted for profits and losses to the date of resignation, unless otherwise agreed by written consent of all of the other Voting Members. Subsequent to the third year after filing, a Member may voluntarily resign his membership and shall be entitled to receive from the Company the fair market value of his Ownership Interest, adjusted for profits and losses to the date of resignation. Fair market value may be determined informally by unanimous agreement of all of the Voting Members, including the resigning Member. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the resigning Member is entitled. The other Voting Members may elect, by written notice that is provided to the resigning Member within thirty (30) days after the resignation date, for the Company to purchase the resigning Member's Interest (whether the interest is being purchased at book value or fair market value) in four (4) equal annual installments, with the first installment

being due sixty (60) days after the Member's resignation.

6.2 Expulsion or Death of a Member. A Member's interest in the Company may be terminated or expelled only upon agreement of the Disinterested Voting Members by a vote of 60% or more of Disinterested Voting Interests. Expulsion may only be made by a majority vote of 60% or more of the Disinterested Voting Interests that the expelled member was not acting in the best interest of the Company or was otherwise acting in a manner that was contrary to the purpose of the Company. For purposes of this provision, the "Disinterested Voting Members" shall be those Members who's membership in the Company is not then being voted upon, and "Disinterested Voting Interests" shall be the total percentage of the Ownership Interests held by the Disinterested Voting Members. By means of example only, if the Members sought to expel Member A, who owned a 20% Voting Interest, the Disinterested Voting Members would be all Members other than Member A, and the vote would require 60% of the 80% Disinterested Voting Interests to carry. In order to terminate a Member's interest a meeting of the Voting Members must be held in accordance with the provisions of Section 4.3.

Upon the expulsion or death of a Member, the Member's successor-in-interest, estate or beneficiary or beneficiaries, as the case may be, shall be entitled to receive from the Company, in exchange for all of the former Member's Ownership Interest, the fair market value of that Member's Ownership Interest, adjusted for profits and losses to the date of the expulsion or death. Fair market value may be determined informally by a unanimous good-faith agreement of all of the Voting Members. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the former Member or the former Member's successor-in-interest, estate or beneficiary or beneficiaries is or are entitled. The Voting Members may elect, by written notice that is provided to the expelled or deceased Member's successor-in-interest, estate or beneficiary or beneficiaries, within thirty (30) days after the Member's expulsion or death, to purchase the former Member's Ownership Interest over a one-year (1 year) period, in four (4) equal installments, with the first installment being due sixty (60) days after the Member's expulsion or date of death. Unless otherwise agreed unanimously by the Voting Members, prior to the completion of such purchase, the former Member's successor-in-interest, estate or beneficiary or beneficiaries, shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled only to receive the share of profits and the return of capital to which the former Member would otherwise have been entitled. The Company, or the other Voting Members, in its or their discretion, may purchase insurance on the lives of any of the Members, with the company or the purchasing Member named as the beneficiary, as the purchaser may decide, and use all or any of the proceeds from such insurance as a source of proceeds from which the deceased Member's Membership Ownership Interest may be purchased by the Company.

6.3 Restrictions on Transfer. Except (i) as otherwise provided in this Article or (ii) upon the unanimous consent of all of the other Voting Members, no Member shall sell, hypothecate, pledge, assign or otherwise transfer, with or without consideration, any part or all of his Ownership Interest in the Company to any other person or entity (a "Transferee"), without first offering (the "Offer") that portion of his or her Ownership Interest in the Company subject to the contemplated transfer (the "Offered Interest") first to the Company, and secondly, to the other Voting Members, at the purchase price (hereinafter referred to as the "Transfer Purchase Price") and in the manner as prescribed in the Offer.

The Offering Member shall make the Offer first to the Company by written notice (hereinafter referred to as the "Offering Notice"). Within twenty (20) days (the "Company Offer Period") after receipt by the Company of the Offering Notice, the Company shall notify the Offering Member in writing (the "Company Notice"), whether or not the Company shall accept the Offer and shall purchase all but not less than all of the Offered Interest. If the Company accepts the Offer to purchase the Offered Interest, the Company Notice shall fix a closing date not more than twenty-five (25) days (the "Company Closing Date") after the expiration of the Company Offer Period.

In the event the Company decides not to accept the Offer, the Offering Member or the Company, at his or her or its election, shall, by written notice (the "Remaining Member Notice") given within that period (the "Member Offer Period") terminating ten (10) days after the expiration of the Company Offer Period, make the Offer of the Offered Interest to the other Voting Members, each of whom shall then have a period of twenty-five (25) days (the "Member Acceptance Period") after the expiration of the Member Offer Period within which to notify in writing the Offering Member whether or not he or she intends to purchase all but not less than all of the Offered Interest. If two (2) or more Voting Members of the Company desire to accept the Offer to purchase the Offered Interest, then, in the absence of an agreement between them, such Voting Members shall have the right to purchase the Offered Interest in proportion to their respective Percentage Voting Interests. If the other Voting Members intend to accept the Offer and to purchase the Offered Interest, the written notice required to be given by them shall fix a closing date not more than sixty (60) days after the expiration of the Member Acceptance Period (hereinafter referred to as the "Member Closing Date").

The aggregate dollar amount of the Transfer Purchase Price shall be payable in cash on the Company Closing Date or on the Member Closing Date, as the case may be, unless the Company or the purchasing Voting Members shall elect by written notice that is delivered to the Offering Member, prior to or on the Company Closing Date or the Member Closing Date, as the case may be, to purchase such Offered Interest in four (4) equal annual installments, with the first installment being due on the Closing Date.

If the Company or the other Voting Members fail to accept the Offer or, if the Offer is accepted by the Company or the other Voting Members and the Company or the other Voting Members fail to purchase all of the Offered Interest at the Transfer Purchase Price within the time and in the manner specified, then the Offering Member shall be free, for a period (hereinafter referred to as the "Free Transfer Period") of sixty (60) days from the occurrence of such failure, to transfer the Offered Interest to a Transferee; provided, however, that if all of the other Voting Members other than the Offering Member do not approve of the proposed transfer by unanimous written consent, the Transferee of the Offered Interest shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled to receive the share of profits and the return of capital to which the Offering Member would otherwise have been entitled. A Transferee shall be admitted as a Member of the Company, and as a result of which he or she shall become a substituted Member, with the rights that are consistent with the Membership Interest that was transferred, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his required capital contribution; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto.

If the Offering Member shall not transfer the Offered Interest within the Free Transfer Period, his or her right to transfer the Offered Interest free of the foregoing restrictions shall thereupon cease

and terminate.

6.4 Involuntary Transfer of a Membership Interest. A creditor's charging order or lien on a Member's Membership Interest, bankruptcy of a Member resulting in an encumbrance or transfer of the Member's Membership Interest, or other involuntary transfer of Member's Membership Interest, shall constitute a material breach of this Agreement by such Member. The creditor, transferee or other claimant, shall only have the rights of an Assignee, and shall have no right to become a Member, or to participate in the management of the business and affairs of the Company as a Member or Manager under any circumstances, and shall be entitled only to receive the share of profits and losses, and the return of capital, to which the Member would otherwise have been entitled. The Voting Members, including a Voting Member whose interest is the subject of the charging order, lien, bankruptcy, or involuntary transfer, may unanimously elect, by written notice that is provided to the creditor, transferee or other claimant, at any time, to purchase all or any part of Membership Interest that was the subject of the creditor's charging order, lien, bankruptcy, or other involuntary transfer, at a price that is equal to one-half (1/2) of the book value of such interest, adjusted for profits and losses to the date of purchase. The Members agree that such valuation is a good-faith attempt at fixing the value of the interest, after taking into account that the interest does not include all of the rights of a Member or Manager, and after deducting damages that are due to the material breach of this Agreement.

ARTICLE VII

ACCOUNTING, RECORDS AND REPORTING

7.1 Books and Records. The Company shall maintain complete and accurate accounts in proper books of all transactions of or on behalf of the Company and shall enter or cause to be entered therein a full and accurate account of all transactions on behalf of the Company. The Company's books and accounting records shall be kept in accordance with such accounting principles (which shall be consistently applied throughout each accounting period) as the Voting Members may determine to be convenient and advisable. The Company shall maintain at its principal office all of the following:

A current list of the full name and last known business or residence address of each Member in the Company set forth in alphabetical order, together with, for each Member, the Class A Voting Capital account and Class B Nonvoting Capital account, including entries to these accounts for contributions and distributions; the Ownership Interest, Percentage Ownership and Voting Interests; a copy of the Certificate and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Certificate or any amendments thereto have been executed; copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six most recent taxable years; a copy of this Agreement and any and all amendments hereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed; copies of the financial statements of the Company, if any, for the six most recent Fiscal Years; the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four Fiscal Years; true and full information regarding the status of the business and financial condition of the Company; and true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on

which each became a Member.

7.2 Inspection of Books and Records. Each Member has the right, on reasonable request for purposes reasonably related to the interest of the person as a Member or a Manager, to: (a) inspect and copy during normal business hours any of the Company's records described in Section 7.1; and (b) obtain from the Company promptly after their becoming available a copy of the Company's federal, state and local income tax or information returns for each Fiscal Year.

7.3 Accountings. As soon as is reasonably practicable after the close of each Fiscal Year, the Voting Members shall make or cause to be made a full and accurate accounting of the affairs of the Company as of the close of that Fiscal Year and shall prepare or cause to be prepared a balance sheet as of the end of such Fiscal Year, a profit and loss statement for that Fiscal Year and a statement of Members' equity showing the respective Capital Accounts of the Members as of the close of such Fiscal Year and the distributions, if any, to Members during such Fiscal Year, and any other statements and information necessary for a complete and fair presentation of the financial condition of the Company, all of which the Manager shall furnish to each Member. In addition, the Company shall furnish to each Member information regarding the Company necessary for such Member to complete such Member's federal and state income tax returns. The Company shall also furnish a copy of the Company's tax returns to any Member requesting the same. On such accounting being made, profits and losses during such Fiscal Year shall be ascertained and credited or debited, as the case may be, in the books of account of the Company to the respective Members as herein provided.

7.4 Filings. The Voting Members, at Company expense, shall cause the income tax returns for the Company to be prepared and timely filed with the appropriate authorities. The Voting Members, at Company expense, shall also cause to be prepared and timely filed with appropriate federal and state regulatory and administrative bodies amendments to, or restatements of, the Certificate and all reports required to be filed by the Company with those entities under the Act or other then current applicable laws, rules, and regulations. If the Company is required by the Act to execute or file any document and fails, after demand, to do so within a reasonable period of time or refuses to do so, any Member may prepare, execute and file that document with the Nevada Secretary of State.

7.5 Bank Accounts. The Company shall maintain its funds in one or more separate bank accounts in the name of the Company, and shall not permit the funds of the Company to be commingled in any fashion with the funds of any other Person.

7.6 Tax Matters Partner. The Voting Members may, in their exclusive discretion, appoint, remove and replace a Tax Matters Partner at any time or times. The Voting Members shall from time to time cause the Company to make such tax elections as they deem to be in the interests of the Company and the Members generally. The Tax Matters Partner, as defined in Internal Revenue Code Section 6231, shall represent the Company (at the Company's expense) in connection with all examinations of the Company's affairs by tax authorities, including resulting judicial and administrative proceedings, and shall expend the Company funds for professional services and costs associated therewith.

ARTICLE VIII

DISSOLUTION AND WINDING UP

8.1 Dissolution. The Company shall be dissolved, its assets shall be disposed of, and its affairs wound up on the first to occur of: the entry of a decree of judicial dissolution pursuant to

the Act; the majority approval of the Voting Members; or any other event causing a dissolution of a Limited Liability Company under the laws of the State of Nevada.

8.2 Winding Up. On the occurrence of an event specified in Section 8.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Voting Members shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the assets and liabilities of Company, shall cause such assets to be sold or distributed, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.4. The Voting Members shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company. The Members shall be entitled to reasonable compensation for such services.

8.3 Distributions in Kind. All noncash contributions to the Capital Accounts shall be returned to the Member who made such contribution upon dissolution of the Company, to the extent such noncash assets exist and may be legally returned to the contributing Member. Any remaining noncash assets distributed to the Members shall first be valued at their fair market value to determine the profit or loss that would have resulted if such assets were sold for such value. Such profit or loss shall then be allocated pursuant to this Agreement, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged against the Capital Account of each Member receiving an interest in a distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The fair market value of such asset shall be determined by the Voting Members, or if any Voting Member objects, by an independent appraiser (and any such appraiser must be recognized as an expert in valuing the type of asset involved) selected by a Majority of the Voting Members.

8.4 Order of Payment of Liabilities on Dissolution. After a determination that all known debts and liabilities of the Company in the process of winding up, including, without limitation, debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in proportion to their Ownership Interests.

8.5 Adequacy of Payment. The payment of a debt or liability, whether the whereabouts of the creditor is known or unknown, shall have been adequately provided for if payment thereof shall have been assumed or guaranteed in good faith by one or more financially responsible Persons or by the United States government or any agency thereof, and the provision, including the financial responsibility of the Person, was determined in good faith and with reasonable care by the Members to be adequate at the time of any distribution of the assets pursuant to this Section. This Section shall not prescribe the exclusive means of making adequate provision for debts and liabilities.

8.6 Compliance with Regulations. All payments to the Members on the winding up and dissolution of Company shall be strictly in accordance with the positive capital account balance limitation and other requirements of Regulations Section 1.704-1(b)(2)(ii)(d), as the voting Members deem appropriate.

8.7 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of the Company for the return of such Member's positive Capital Account balance and shall have no recourse for such Member's Capital Contribution or share of profits (on dissolution or otherwise)

against any other Member.

8.8 Certificate of Cancellation. The Voting Members conducting the winding up of the affairs of the Company shall cause to be filed in the office of, and on a form prescribed by the Nevada Secretary of State, a certificate of cancellation of the Certificate on the completion of the winding up of the affairs of the Company.

ARTICLE IX

EXCULPATION AND INDEMNIFICATION, REPS AND WARRANTIES

9.1 Exculpation of Members. Subject to the limitations of section 9.3, no Member shall be liable to the Company or to the other Members for damages or otherwise with respect to any actions taken or not taken, as long as such act or omission was made in good faith and reasonably believed by such Member to be in or not opposed to the best interests of the Company, except to the extent any related loss results from fraud, gross negligence or willful or wanton misconduct on the part of such Member or the material breach of any obligation under this Agreement or of the fiduciary duties owed to the Company or the other Members by such Member.

9.2 Indemnification by Company. Subject to the limitations of section 9.3, below, the Company shall indemnify, hold harmless and defend the Members, in their capacity as Members, Managers, or Officers, from and against any loss, expense, damage or injury suffered or sustained by them by reason of any acts or omissions arising out of their activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, if the acts or omissions were not performed or omitted fraudulently or as a result of gross negligence or willful misconduct by the indemnified party. Reasonable expenses incurred by the indemnified party in connection with any such proceeding relating to the foregoing matters may be paid or reimbursed by the Company in advance of the final disposition of such proceeding upon receipt by the Company of (i) written affirmation by the Person requesting indemnification of its good-faith belief that it has met the standard of conduct necessary for indemnification by the Company and (ii) a written undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such Person has not met such standard of conduct, which undertaking shall be an unlimited general obligation of the indemnified party but need not be secured.

9.3 Intellectual Property Indemnification. Notwithstanding the foregoing, each Member will indemnify, defend and hold harmless the other Member and any of its Affiliates, customers, officers, directors, employees, agents, assigns, and successors for any loss, damage, expense, costs (including, but not limited to, fees for attorneys and other professionals) or liability arising out of or in connection with a claim for intellectual property infringement or misappropriation of any patent, copyright, trade secret or other intellectual property right of a third party.

The indemnity obligations under this section are conditioned upon the Party seeking indemnification (the "Indemnified Party") (a) giving the other Party (the "Indemnifying Party") prompt Notice of such claim; (b) cooperating with the Indemnifying Party, at the Indemnifying Party's expense in the defense of such claim; and (c) giving the Indemnifying Party the right to

control the defense and settlement of any such claim, except that the Indemnifying Party shall not enter into any settlement or consent to judgment that affects the Indemnified Party's rights or interests without the Indemnified Party's prior written approval.

9.4 Insurance. The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Member or an agent of the Company against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Member or an agent of the Company, whether or not the Company would have the power to indemnify such Person against such liability under Section 10.1 or under applicable law.

ARTICLE X

INTELLECTUAL PROPERTY

10.1 Definition of Intellectual Property. "Intellectual Property" means all intellectual property rights in the United States or any foreign jurisdiction throughout the world (whether registered or not) including, without limitation, all of the following: (i) all patents and utility models and applications therefore, and all reissues, divisions, re-examinations, renewals, extensions, provisional's, continuations and continuations-in-part thereof, and equivalent or similar rights in inventions and discoveries, including without limitation, invention disclosures; (ii) all trade secrets and other rights in Technology, data, know-how and confidential or proprietary information; (iii) mask works, mask work registrations and applications therefore, and all other rights corresponding thereto throughout the world; (iv) all copyrights, copyrights registrations and applications therefore and all other rights corresponding thereto; (v) all industrial designs and any registrations and applications therefore; (vi) all rights in all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefore; and (vii) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

10.2 Ownership of Intellectual Property. The Parties acknowledge that any and all Intellectual Property created, used or embodied in or in connection with the Project, including without limitation any modifications or improvements made by the Parties based upon ideas, suggestions or proposals communicated between the Parties, are and shall remain the sole and exclusive property of the originating Party, and the other Party shall not during or at any time after the term of this Agreement in any way question or dispute the ownership of any such exclusive ownership rights.

10.3 Definition of Marks. "Mark(s)" means the trademarks, service marks, trademark and service mark applications, trade dress, trade names, logos, insignia, symbols, designs or other marks identifying a Party or its products.

10.4 No Rights in Marks. Nothing in this Agreement should be construed to grant either Party any rights in the Marks of the other Party. The Parties acknowledge, however, that each Party may use the name of the other Party and the name of their Products in advertising and marketing the Products or the Parties, themselves. The Products will be affixed with appropriate copyright and trademark notices sufficient to give Notice as to the rights of the Parties in their respective products.

10.5 Confidentiality. If, during the term, a Party receives or has access to Confidential Information belonging to the other Party, the Parties will be bound to keep all such information confidential. Confidential Information may only be used for purposes related to this Agreement and the Party receiving the confidential information must keep it confidential using the same degree of care that it exercises with respect to its own information of like importance, but in no event less than reasonable care.

ARTICLE XI DISPUTE RESOLUTION

11.1 Disputes Among Members. The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to or in connection with this Agreement or the Company or its organization, formation, business or management ("Member Dispute"), the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

However, in the event that the Members are unable to resolve any Member Dispute, such parties shall first attempt to settle such dispute through a non-binding mediation proceeding. In the event any party to such mediation proceeding is not satisfied with the results thereof, then any unresolved disputes shall be finally settled in accordance with an arbitration proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

11.2 Mediation. Mediation proceedings shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") in effect on the date the notice of mediation was served, other than as specifically modified herein, and shall be non-binding on the parties thereto.

Any Member may commence a mediation proceeding by serving written notice thereof to the other Members, by mail or otherwise, designating the issue(s) to be mediated and the specific provisions of this Agreement under which such issue(s) and dispute arose. The initiating party shall simultaneously file two copies of the notice with the AAA, along with a copy of this Agreement. A Member may withdraw from the Member Dispute by signing an agreement to be bound by the results of the mediation, to the extent the mediation results are accepted by the other Members as provided herein. A Member who withdraws shall have no further right to participate in the Member Dispute.

The Members shall select one neutral third party AAA mediator (the "Mediator") with expertise in the area that is in dispute. If a Mediator has not been selected within five (5) business days thereafter, then a Mediator shall be selected by the AAA in accordance with the Commercial Mediation Rules of the AAA.

The Mediator shall schedule sessions, as necessary, for the presentation by all Members of their respective positions, which, at the option of the Mediator, may be heard by the Mediator jointly or in private, without any other members present. The mediation proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Mediator and all of the Members. The Members may submit to the Mediator, no later than ten (10) business days prior to the first scheduled session, a brief memorandum in support of their position.

The Mediator shall make written recommendations for settlement in respect of the dispute, including apportionment of the mediator's fee, within ten (10) business days of the last scheduled session. If any Member involved is not satisfied with the recommendation for settlement, he or she may commence an arbitration proceeding.

11.3 Arbitration. Arbitration proceedings shall be conducted under the Rules of Commercial Arbitration of the AAA (the "Rules"). A Member may withdraw from the Member

Dispute by signing an agreement to be bound by the results of the arbitration. A Member who withdraws shall have no further right to participate in the Member Dispute.

The arbitration panel shall consist of one arbitrator. The Members shall select one neutral third party AAA arbitrator (the "Arbitrator") with expertise in the area that is in dispute. If an Arbitrator has not been selected within five (5) business days thereafter, then an Arbitrator shall be selected by the AAA in accordance with the Commercial Arbitration Rules of the AAA. The arbitration proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Arbitrator and all of the Members. Any arbitrator who is selected shall disclose promptly to the AAA and to both parties any financial or personal interest the arbitrator may have in the result of the arbitration and/or any other prior or current relationship, or expected or discussed future relationship, with the Members or their representatives. The arbitrator shall promptly conduct proceedings to resolve the dispute in question pursuant to the then existing Rules. To the extent any provisions of the Rules conflict with any provision of this Section, the provisions of this Section shall control.

In any final award and/or order, the arbitrator shall apportion all the costs (other than attorney's fees which shall be borne by the party incurring such fees) incurred in conducting the arbitration in accordance with what the arbitrator deems just and equitable under the circumstances.

Discovery shall not be permitted in such arbitration except as allowed by the rules of arbitration, or as otherwise agreed to by all the parties of the Member Dispute. Notwithstanding, the Members agree to make available to one another and to the arbitrator, for inspection and photocopying, all documents, books and records, if determined by the arbitration panel to be relevant to the dispute, and by making available to one another and to the arbitration panel personnel directly or indirectly under their control, for testimony during hearings if determined by the arbitration panel to be relevant to the dispute. The Members agree, unless undue hardship exists, to conduct arbitration hearings to the greatest extent possible on consecutive business days and to strictly observe time periods established by the Rules or by the arbitrator for the submission of evidence and of briefs. Unless otherwise agreed to by the Members, a stenographic record of the arbitration proceedings shall be made and a transcript thereof shall be ordered for each Member, with each party paying an equal portion of the total cost of such recording and transcription.

The arbitrator shall have all powers of law and equity, which it can lawfully assume, necessary to resolve the issues in dispute including, without limiting the generality of the foregoing, making awards of compensatory damages, issuing both prohibitory and mandatory orders in the nature of injunctions and compelling the production of documents and witnesses for presentation at the arbitration hearings on the merits of the case. The arbitration panel shall neither have nor exercise any power to act as amicable compositeur or ex aequo et bono; or to award special, indirect, consequential or punitive damages. The decision of the arbitration panel shall be in written form and state the reasons upon which it is based. The statutory, case law and common law of the State of Nevada shall govern in interpreting their respective rights, obligations and liabilities arising out of or related to the transactions provided for or contemplated by this Agreement, including without limitation, the validity, construction and performance of all or any portion of this Agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded, but such governing law shall not include the law pertaining to conflicts or choice of laws of Nevada; provided however, that should the parties refer a dispute arising out of or in connection with an ancillary agreement or an agreement between some or all of the Members which specifically references this Article, then

the statutory, case law and common law of the State whose law governs such agreement (except the law pertaining to conflicts or choice of law) shall govern in interpreting the respective rights, obligations and liabilities of the parties arising out of or related to the transactions provided for or contemplated by such agreement, including, without limitation, the validity, construction and performance of all or any portion of such agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded.

Any action or proceeding subsequent to any Award rendered by the arbitrator in the Member Dispute, including, but not limited to, any action to confirm, vacate, modify, challenge or enforce the arbitrator's decision or award shall be filed in a court of competent jurisdiction in the same county where the arbitration of the Member Dispute was conducted, and Nevada law shall apply in any such subsequent action or proceeding.

ARTICLE XII

MISCELLANEOUS

12.1 Notices. Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the address set forth in the Company's records.

12.2 Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held to be invalid or unenforceable, shall not be affected thereby.

12.3 Binding Effect. Subject to Article VII, this Agreement shall bind and inure to the benefit of the parties and their respective Successors.

12.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.5 Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior or contemporaneous written or oral negotiations, correspondence, understandings and agreements between or among the parties, regarding the subject matter hereof.

12.6 Further Assurances. Each Member shall provide such further information with respect to the Member as the Company may reasonably request, and shall execute such other and further certificates, instruments and other documents, as may be necessary and proper to implement, complete and perfect the transactions contemplated by this Agreement.

12.7 Headings; Gender; Number; References. The headings of the Sections hereof are solely for convenience of reference and are not part of this Agreement. As used herein, each gender includes each other gender, the singular includes the plural and vice versa, as the context

may require. All references to Sections and subsections are intended to refer to Sections and subsections of this Agreement, except as otherwise indicated.

12.8 Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective Successors nor shall anything in this Agreement relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over or against any party to this Agreement.

12.9 Amendments. All amendments to this Agreement shall be in writing and signed by all of the Members to the agreement at the time of the amendment.

12.10 Attorneys' Fees. In any dispute between or among the Company and one or more of the Members, including, but not limited to, any Member Dispute, the prevailing party or parties in such dispute shall be entitled to recover from the non-prevailing party or parties all reasonable fees, costs and expenses including, without limitation, attorneys' fees, costs and expenses, all of which shall be deemed to have accrued on the commencement of such action, proceeding or arbitration. Attorneys' fees shall include, without limitation, fees incurred in any post-award or post-judgment motions or proceedings, contempt proceedings, garnishment, levy, and debtor and third party examinations, discovery, and bankruptcy litigation, and prevailing party shall mean the party that is determined in the arbitration, action or proceeding to have prevailed or who prevails by dismissal, default or otherwise.

12.11 Remedies Cumulative. Subject to Article XI, remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Member may be lawfully entitled.

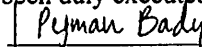
12.12 Jurisdiction and Venue/Equitable Remedies. The Company and each Member hereby expressly agrees that if, under any circumstances, any dispute or controversy arising out of or relating to or in any way connected with this Agreement shall, notwithstanding Article XI, be the subject of any court action at law or in equity, such action shall be filed exclusively in the courts of the State of Nevada or of the United States of America with jurisdiction over any county of Nevada as selected by the Member that is the plaintiff in the action, or that initiates the proceeding or arbitration. Each Member agrees not to commence any action, suit or other proceeding arising from, relating to, or in connection with this Agreement except in such a court and each Member irrevocably and unconditionally consents and submits to the personal and exclusive jurisdiction of such courts for the purposes of litigating any such action, and hereby grants jurisdiction to such courts and to any appellate courts having jurisdiction over appeals from such courts or review of such proceedings. Because the breach of the provisions of this Section would cause irreparable harm and significant injury to the Company and the other Members, which would be difficult to ascertain and which may not be compensable by damages alone, each Member agrees that the Company and the other Members will have the right to enforce the provisions of this Section by injunction, specific performance or other equitable relief in addition to any and all other remedies available to such party or parties without showing or proving any actual damage to such parties. Members will be entitled to recover all reasonable costs and expenses, including but not limited to all reasonable attorneys' fees, expert and consultants' fees, incurred in connection with the enforcement of this Section.

12.13 Authority. This Agreement constitutes a legal, valid and binding agreement of the Member, enforceable against the Member in accordance with its terms. The Member is

empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

12.14 Indemnification by Members in Breach. Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.



Member: PEYMAN BADRY

DocuSigned by:

Pouya Mohajer

Member: POUYA MOHAJER

DocuSigned by:

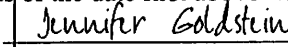
Shane Terry

Member: SHANE TERRY

DocuSigned by:

Ryan Winmill

Member: RYAN WINMILL



Member: JENNIFER GOLDSTEIN

DocuSigned by:

Joseph Kennedy

Member: JOSEPH KENNEDY

Member: JOHN PENDERS

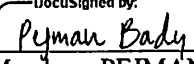
NUVEDA, LLC

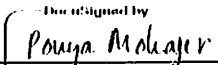
LISTING OF MEMBERS

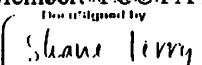
NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	200 Hoover Street #1113 Las Vegas, NV 89101	7%*/7%*/7%*
Joe Kennedy	11115 Kilkerran Ct. Las Vegas, NV 89141	1%*/1%*/1%*
John Penders	29 Marshall Terrace Wayland, MA 01778	1.75%*/1.75%*/1.75%
Ryan Winmill	412 Princess Street Alexandria VA 222314	1.75%*/1.75%*/1.75%

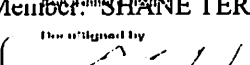
*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

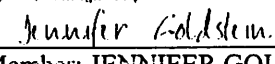
Member Listing as of this 16th day of July, 2014

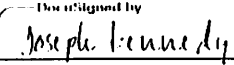
DocuSigned by:

 Member: PEJMAN BADY

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 Member: POUYA MOHAJER

DocuSigned by:

 Member: SHANE TERRY

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 Member: RYAN WINMILL

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 Member: JENNIFER GOLDSTEIN

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 Member: JOSEPH KENNEDY

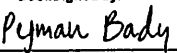
Member: JOHN PENDERS

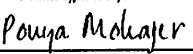
NUVEDA, LLC CAPITAL CONTRIBUTIONS

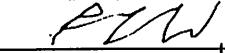
Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

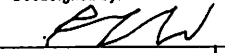
Description	Value
Member: PEJ BADCY	\$440,000.00
Member: POUYA MOHAJER	\$440,000.00
Member: SHANE TERRY	\$120,000.00

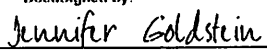
SIGNED AND AGREED this 16th day of July, 2014.

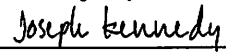
DocuSigned by:

 Member: PEYMAN BADCY

DocuSigned by:

 Member: POUYA MOHAJER

DocuSigned by:

 Member: SHANE TERRY

DocuSigned by:

 Member: RYAN WINMILL

DocuSigned by:

 Member: JENNIFER GOLDSTEIN

DocuSigned by:

 Member: JOSEPH KENNEDY

Member: JOHN PENDERS

empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

12.14 Indemnification by Members in Breach. Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

Member: PEJMAN BADY

Member: JENNIFER GOLDSTEIN

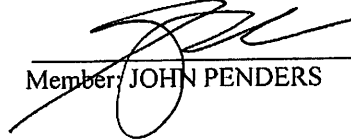
Member: POUYA MOHAJER

Member: JOSEPH KENNEDY

Member: SHANE TERRY

Member: JOHN PENDERS

Member: RYAN WINMILL

 16 JULY 2014

NUVEDA, LLC

LISTING OF MEMBERS

NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	200 Hoover Street #1113 Las Vegas, NV 89101	7%*/7%*/7%*
Joe Kennedy	11115 Kilkerran Ct. Las Vegas, NV 89141	1%*/1%*/1%*
John Penders	29 Marshall Terrace Wayland, MA 01778	1.75%*/1.75%*/1.75%
Ryan Winmill	412 Princess Street Alexandria VA 222314	1.75%*/1.75%*/1.75%

*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

Member Listing as of this 16 day of JULY, 2014

Member: PEJMAN BADY

Member: JENNIFER GOLDSTEIN

Member: POUYA MOHAJER

Member: JOSEPH KENNEDY

Member: SHANE TERRY

Member: JOHN PENDERS

Member: RYAN WINMILL

Page 23 of 24

**NUVEDA, LLC
CAPITAL CONTRIBUTIONS**

Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

Description	Value
Member: PEJ BADY	\$440,000.00
Member: POUYA MOHAJER	\$440,000.00
Member: SHANE TERRY	\$120,000.00

SIGNED AND AGREED this 16 day of JULY, 2014.

Member: PEJMAN BADY

Member: JENNIFER GOLDSTEIN

Member: POUYA MOHAJER

Member: JOSEPH KENNEDY

Member: SHANE TERRY

Member: JOHN PENDERS

Member: RYAN WINMILL

EXHIBIT B-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:

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

Arbitration and District Court Case to Buyer.

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

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

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

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

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

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

APPENDIX 11

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:



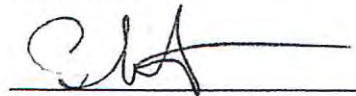
Name:

GUARANTOR:



Brian C. Padgett

SELLER:



Shane Terry

4.25

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

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

Purchase price is substantially reduced

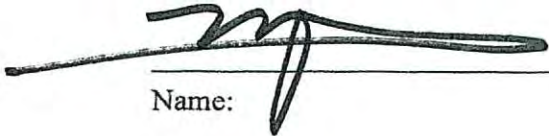
YJP

Dated this 30th day April, 2018

BUYER:

BCP 7, LLC

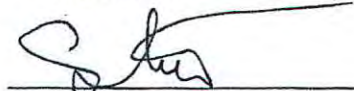
By its Manager:


Name:

GUARANTOR:


Brian C. Padgett

SELLER:


Shane Terry

Sol G

APPENDIX 121

EXHIBIT B-2

Assignment of Interests

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

As set forth in the arbitration demand on file in the Case, Shane Terry was purportedly expelled as a member of NuVeda, LLC under Section 6.2 of the NuVeda, LLC Operating Agreement on March 10, 2016. Section 6.2 of the NuVeda, LLC Operating Agreement expressly contemplates a member's successor-in-interest being entitled to receive from NuVeda, LLC in exchange for all of the member's former interest the value of that terminated interest. In addition, Mr. Terry has alleged claims for damages against NuVeda, LLC, Pej Bady and Pouya Mohajer for breach of the Operating Agreement, including Sect. 6.2, as well as breach of the implied covenant of good faith and fair dealing, breach of fiduciary duty and intentional and/or negligent misrepresentations. These claims are being assigned as-is with no warranties as whether they are legally assignable or otherwise viable as a matter of fact or law.


Assignor	Shane Terry	<small>(digitally signed by Shane Terry) DN: cn=Shane Terry, o=BCP 7, LLC, email=bcp7@bcp7.com, c=US Date: 2018.05.02 10:11:55 -0700</small>	Assignee	
	Shane Terry		BCP 7, LLC	
			By:	<u>5/2/18</u>

EXHIBIT C-1

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 C-2

From: Erika Turner eturner@Gtg.legal 
Subject: Response to Mr. Terry's Motion to Substitute
Date: May 17, 2018 at 1:45 PM
To: Nikki Baker nbaker@petersonbaker.com
Cc: Anna Diallo ADiallo@Gtg.legal, David Feuerstein david@dfmklaw.com, Matthew T. Dushoff mdushoff@klnevada.com, jwiley@wileypetersenlaw.com, Amy Sugden amy@briancpadgett.com, Brian Padgett brian@briancpadgett.com

ET

Arbitrator Baker,

In response to the below, please consider:

There is no substantive opposition to the Motion to Substitute, but rather arguments that the claims are no longer viable by virtue of Mr. Terry's assignment to Buyer. That is a separate inquiry that does not affect Mr. Terry, as the interests of Mr. Terry were sold to Buyer "as-is." The Buyer has not indicated whether there is an intention to move forward with prosecution of all of the claims or abandon certain claims. Notwithstanding, to the extent I can answer Mr. Dushoff's questions, I answer in bolded red, as follows:

1. **The identity of the transferee:** will Mr. Padgett, BCP 7, LLC or some other "designee" be the recipient of the transfer(s). **There was a scrivener's error, as BCP Holding 7, LLC is registered with the Secretary of State and "Holding" was omitted (unintentionally) from the agreement. Mr. Padgett is the manager of the Law Offices of Brian C. Padgett, LLC, which is the manager of BCP Legal, LLC, which is the manager of BCP Holding 7, LLC. Attached is Mr. Padgett's ratification of the agreement and assignment in the correct name of BCP Holding 7, LLC.**
2. **The status of BCP 7, LLC:** The Agreement states that BCP 7, LLC "is an active Nevada domestic Limited Liability Company . . ." Review of the Nevada Secretary of State website provides that BCP 7, LLC is not recognized as an entity by the state. **BCP Holding 7, LLC is an active Nevada domestic limited liability company.**
3. **Beneficial owners of any transferee entity:** If Mr. Terry is purporting to transfer an interest to an entity, he should be required to disclose the identity of all individual and entities holding, directly or indirectly, an interest in the transferee. That information is necessary for all parties (including the Arbitrator) to evaluate potential conflicts of interest. **This information is unknown to Mr. Terry. There is no obligation that a party LLC who is a plaintiff to a lawsuit disclose ownership; that is generally a matter for discovery, if relevant.**
4. **The subject of the transfers:** will Mr. Terry be transferring a purported ownership "Interest" in NuVeda, Clark NMSD, LLC, Clark Natural Medicinal Solutions, LLC, and Nye Natural Medical Solutions, LLC as indicated in the Agreement, or will he be assigning "claims" in this arbitration, or some combination of the two? **Mr. Terry has sold all of his interest in the litigation v. NuVeda, Bady and Mohajer, as well as his ownership interest in NuVeda and the LLCs managed by NuVeda (i.e., Clark NMSD, et al.). As NuVeda has purported to terminate Mr. Terry's ownership interests and that is a matter in dispute, the interests were sold "as-is" without warranty. Incidentally, there is no restriction on transfer of Mr. Terry's interests in NuVeda following purported termination under Section 6.3 of the Operating Agreement. Section 6.3 specifically excepts from its restrictions what is "otherwise provided in this Article," and Sect. 6.2 of the same Article VI specifically provides how assignees "shall" be entitled to receive fair market value of the terminated interests.**
5. **What interest(s), if any, will Mr. Terry retain:** it is unclear whether Mr. Terry will continue participating in this arbitration as a party following the transfer(s). **We have requested substitution of Mr. Terry with the Buyer as the real party in interest, as Mr. Terry has no remaining interest in any litigation claims or proceeds by virtue of his agreement with, and assignment to, the Buyer.**
6. **When will the transfer(s) take place:** The Agreement refers to a transfer at a future date, while the Assignment purports to take effect on May 2, 2018 (but was actually executed 8 days later). Mr. Terry should state when the transfer(s) of the relevant interests took place or are expected to take place. **The condition precedent to the obligation to assign the claims to the Buyer was satisfied on May 2; the assignment therefore has an effective date of May 2. The date of execution is not relevant.**
7. **Are these transfer subject to regulatory approval:** The subject matter of the transfers contemplated by the Agreement and Assignment may include beneficial interests in entities holding privileged licenses. Mr. Terry and his purported assignee should state whether in their opinion the transaction(s) are subject to review and/or approval by regulators. If transfers must receive regulatory approval before taking effect, it may not be appropriate to substitute parties at this time. **This is an improper request for a legal opinion on regulations. This request is particularly improper when NuVeda, Bady and Mohajer have taken the consistent position in this litigation that Mr. Terry's interest in NuVeda has been terminated since March 2016 and this is just a case about value. They should be judicially estopped from taking an opposite position now when it suits them. Notwithstanding that Nuveda, Bady and Mohajer should be judicially estopped from making their new, inconsistent arguments, NuVeda has no license and there is no known regulation, statute, or other legal authority that would require government approval of assignment of claims in a private arbitration relating to 2016 termination of interest in NuVeda. As previously shown, NuVeda it is the manager of licensee LLCs, not managing member.**

As Mr. Dushoff has said over and over in opposition to the motion for temporary restraining order, the license-holder LLCs are not party to the arbitration. As there is no restraining order on the transfer of ownership in the license-holder LLCs consistent with Mr. Dushoff's arguments against entry of a preliminary injunction, Mr. Terry has agreed as part of his purchase and sale agreement with the Buyer to transfer his ownership interest in the license-holder LLCs to the Buyer or its designee, and that transfer will obviously be subject to government approval.

APPENDIX 126

As my representation of Mr. Terry will effectively conclude upon substitution of the Buyer as the real party in interest, my common interest with Mr. Feuerstein in his ongoing representation of Ms. Goldstein's interests will also effectively conclude. Indeed, my client Mr. Terry's interests are already no longer aligned with those of Mr. Feuerstein and Ms. Goldstein as a result of Mr. Terry's settlement. In addition, with Mr. Feuerstein's missive equating Mr. Terry's agreement to cooperate with the Buyer as an agreement to commit perjury, I believe the common interest is otherwise terminated. Note-- "Cooperation" means just that. It means that no subpoena is required to appear and provide testimony, documents requested should be provided, Mr. Terry would not file a claim against CW, etc.; it cannot be reasonably construed to require Mr. Terry to commit perjury.

My withdrawal request is no surprise to Mr. Feuerstein. Before any deal with the Buyer was negotiated, I advised Mr. Feuerstein that I believed I would have to withdraw as counsel in this arbitration as a result of Mr. Terry's divergence from Ms. Goldstein/Mr. Feuerstein's strategy on how to proceed- i.e., Mr. Terry desired to settle instead of incurring the additional expense of moving forward with the litigation without the benefit of an injunction. Under Nevada Supreme Court Rule 42(14), Nevada counsel "shall be responsible for and actively participate in the representation of a client" with associated out-of-state counsel. I am necessarily withdrawing my association with Mr. Feuerstein, as I can no longer be responsible for Mr. Feuerstein in this arbitration. To comply with Rule 42, Mr. Feuerstein will necessarily have to associate with new local counsel or withdraw from his representation.

Please advise if you need anything else from me.

Erika Pike Turner

Partner

GARMAN | TURNER | GORDON

P 725 777 3000 | D 725 244 4573

E eturner@gtg.legal

From: Matthew T. Dushoff <mdushoff@knevada.com>
Sent: Wednesday, May 16, 2018 11:04 AM
To: Nikki Baker <nbaker@petersonbaker.com>
Cc: eturner@gtg.legal; David Feuerstein (david@dfmklaw.com) <david@dfmklaw.com>; AAA Lance Tanaka (LanceTanaka@adr.org) <LanceTanaka@adr.org>; jwiley@wileypetersenlaw.com; Kristina R. Cole <kcole@knevada.com>; 'Amy Sugden' (amy@briancpadgett.com) <amy@briancpadgett.com>; brian@briancpadgett.com
Subject: Response to Mr. Terry's Motion to Substitute

Dear Arbitrator Baker:

I am writing on behalf of my clients, Dr. Pejman Bady and Dr. Pouya Mohajer, with NuVeda, LLC ("NuVeda") joining in this response after consultation with Jason Wiley, Esq., in his capacity as counsel for NuVeda and Mr. Wiley having the opportunity to review and provide comment, in response to the motion by Shane Terry to substitute either Brian C. Padgett or BCP 7, LLC as a party in this matter (Dr. Bady, Dr. Mohajer, and NuVeda hereinafter referred to, collectively, as "Respondents"). Respondents do not currently oppose Mr. Terry's motion, but, as more fully set forth below, Respondents request that you conduct an inquiry regarding the details of the purported transaction before considering the request, and, if necessary, provide Respondents an opportunity to submit additional points and authorities.

1. Inconsistencies Between the Agreement and Assignment.

Respondents have been informed that or about April 30, 2018, Shane Terry and BCP 7, LLC entered into a certain *Purchase and Sale Agreement for Shane Terry's Ownership Interest in NuVeda and NuVeda-Managed Licenses* (the "Agreement"). The Agreement refers to a sale of "Interests" to "Brian C. Padgett or his designee" and to "BCP 7, LLC":

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

"Seller hereby agrees to sell the Interest to **Buyer (defined as "BCP 7, LLC")** and Buyer agrees to purchase the Interest for the following consideration and on the following terms:"

Moreover, Respondents have also been provided with a certain *Assignment of Interests* (the "Assignment") with a stated effective date of May 2, 2018 that was purportedly executed by BCP 7,

LLC on May 2, 2018, and which was electronically executed by Mr. Terry on May 10, 2018 at 7:01 p.m. That document indicates that Mr. Terry will assign “claims” to BCP 7, LLC: “Mr. Terry hereby assigns all claims alleged in AAA Case No. 01-15-005-8574 (the ‘Case’) to BCP 7, LLC.” The two documents cannot be reconciled with one another. Respondents ask that you conduct a further inquiry regarding the following:

1. **The identity of the transferee:** will Mr. Padgett, BCP 7, LLC or some other “designee” be the recipient of the transfer(s).
 2. **The status of BCP 7, LLC:** The Agreement states that BCP 7, LLC “is an active Nevada domestic Limited Liability Company” Review of the Nevada Secretary of State website provides that BCP 7, LLC is not recognized as an entity by the state.
 3. **Beneficial owners of any transferee entity:** If Mr. Terry is purporting to transfer an interest to an entity, he should be required to disclose the identity of all individual and entities holding, directly or indirectly, an interest in the transferee. That information is necessary for all parties (including the Arbitrator) to evaluate potential conflicts of interest.
 4. **The subject of the transfers:** will Mr. Terry be transferring a purported ownership “Interest” in NuVeda, Clark NMSD, LLC, Clark Natural Medicinal Solutions, LLC, and Nye Natural Medical Solutions, LLC as indicated in the Agreement, or will he be assigning “claims” in this arbitration, or some combination of the two?
 5. **What interest(s), if any, will Mr. Terry retain:** it is unclear whether Mr. Terry will continue participating in this arbitration as a party following the transfer(s).
 6. **When will the transfer(s) take place:** The Agreement refers to a transfer at a future date, while the Assignment purports to take effect on May 2, 2018 (but was actually executed 8 days later). Mr. Terry should state when the transfer(s) of the relevant interests took place or are expected to take place.
 7. **Are these transfer subject to regulatory approval:** The subject matter of the transfers contemplated by the Agreement and Assignment may include beneficial interests in entities holding privileged licenses. Mr. Terry and his purported assignee should state whether in their opinion the transaction(s) are subject to review and/or approval by regulators. If transfers must receive regulatory approval before taking effect, it may not be appropriate to substitute parties at this time.
2. **No Substantive Ruling Concerning the Underlying Dispute.** This matter involves, among other things, the propriety of Drs. Bady and Mohajer’s efforts to expel Mr. Terry as a member of NuVeda. Any ruling on Mr. Terry’s request to substitute parties should not be deemed a determination regarding the merits of any legal or factual issues in this case. In other words, if you are inclined to permit Mr. Padgett, BCP 7, LLC or a “designee” to assume Mr. Terry’s role in the arbitration, Respondents ask that you expressly state that the granting of Mr. Terry’s request is not a determination on the merits.
3. **Role of Mr. Terry as Witness.** Assuming for the sake of argument that Mr. Terry intends to transfer all interests regarding the subject matter of this dispute, he will nevertheless remain a percipient witness. If you are inclined to approve the substitution of parties, Respondents request that any order to that effect make clear that Mr. Terry will be required to provide testimony on all subject matter related to this dispute.
4. **Reservation of Rights.** In keeping with the notion that any ruling on Mr. Terry’s motion should not be deemed an adjudication on the merits of any claim, Respondents request that any order approving substitution shall not be deemed a waiver of rights that may exist under any agreements among the parties. For example, the Operating Agreement for NuVeda, LLC includes a right of first refusal that requires any departing member to provide NuVeda an opportunity to purchase membership interests on the same terms as those offered by a prospective purchaser. The Operating Agreement also provides that no new member may be admitted without the unanimous affirmative vote of the existing members. Finally, the Operating Agreement includes a provision that prohibits members from engaging in other businesses that compete with NuVeda. Any order approving substitution should make clear that it does not constitute a waiver of rights under the Operating Agreement in the event that it is determined that the expulsion of Mr. Terry was ineffective.

Matthew T. Dushoff, Esq.

Shareholder





Office: 702.362.7800 Cell: 702.279.8875
Web: www.klnevada.com Bio: [Attorney Bio](#)
400 S. Rampart Blvd. | Suite 400 | Las Vegas | NV 89145

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May 17, 2018

Erika Turner, Esq.
Garman Turner Gordon
650 White Dr #100,
Las Vegas, NV 89119

Via Electronic Mail eturner@gtg.legal

RE: ***Purchase and Sale Agreement for Shane Terry's Ownership Interest in NuVeda and NuVeda-Managed Licenses ("PSA")***

Dear Ms. Turner,

This confirms that the PSA as entered into and between Shane Terry and BCP 7, LLC on or about April 30, 2018, was intended to be entered into on behalf of BCP Holding 7, LLC (instead of simply "BCP 7, LLC"). It was an inadvertent error to the PSA and I apologize for any confusion. The PSA and Assignment pursuant thereto are hereby ratified on behalf of BCP Holding 7, LLC.

Please contact me with any questions or any further clarification you may need.

Respectfully,

/s/ Brian C. Padgett
BCP Holding 7, LLC

611 South Sixth Street, Las Vegas, Nevada 89101
Tel. (702) 304-0123 Fax (702) 368-0123

EXHIBIT D-1

From: **Brian Padgett** brian@briancpadgett.com
Subject: Terry/NuVeda case number 01-15-0005-8574
Date: June 5, 2018 at 7:41 PM

BP

To: nbaker@petersonbaker.com

Cc: pejman bady pbady@me.com, Pouya Mohajer pouyamohajer@gmail.com, Joseph Kennedy joe90275@gmail.com, Matthew T. Dushoff mdushoff@klnvada.com, Jason Wiley jwiley@wileypetersenlaw.com, Amy Sugden amy@briancpadgett.com

Dear Arbitrator Baker:

I hereby dismiss all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry (all right, title and interest) against Bady, Mohajer, and NuVeda and its subsidiaries (Clark NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with prejudice.

Please initiate necessary proceedings to dismiss my claims.

Ms. Sugden shall oversee the process and may sign on my behalf any necessary paperwork.

Brian C. Padgett

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



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EXHIBIT D-2

Subject: RE: BCP 7



Nikki Baker <nbaker@petersonbaker.com> Tue, Oct 9, 2018, 9:59 AM

to Jason Wiley, David Feuerstein, Matthew T. Dushoff, AAA Lance Tanaka, Amy Sugden, Kristina R. Cole, Scott D.

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

Counsel:

Based on the below email string and my orders regarding Ms. Goldstein’s request for discovery, BCP Holding 7, LLC is hereby DISMISSED from this arbitration.

Mr. Tanaka, BCP Holding 7, LLC may be removed from the caption.

Additionally, based on the below emails, I will extend the time for the parties to provide to me proposed new deadlines related to a new arbitration hearing date to **5:00 p.m. PST on Monday, October 15**. Absent exceptional circumstances, which do not include ongoing settlement discussions, this deadline will not be extended again.

Thank you,

Nikki

Nikki Baker, Esq.
Peterson Baker, PLLC
702.786.1001

From: Jason Wiley <jwiley@wileypetersenlaw.com>
Sent: Tuesday, October 09, 2018 8:52 AM
To: 'David Feuerstein' <david@dfmklaw.com>; Nikki Baker <nbaker@petersonbaker.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>
Cc: "Amy Sugden" <amy@briancpadgett.com>; 'Kristina R. Cole' <kcole@knevada.com>; 'Scott D. Fleming' <sffleming@knevada.com>
Subject: RE: BCP 7

Arbitrator Baker:

I can confirm Mr. Feuerstein’s comments regarding the parties’ negotiations and ongoing efforts to schedule arbitration dates and other deadlines.

JMW

Jason M. Wiley, Esq.
Partner



1050 Indigo Drive
Suite 130
Las Vegas, Nevada 89145
Office 702.910.3329|Direct 702.909.5487|Mobile 702.845.7401
jwiley@wileypetersenlaw.com

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From: David Feuerstein <david@dfmklaw.com>
Sent: Monday, October 8, 2018 2:39 PM
To: Nikki Baker <nbaker@petersonbaker.com>; Jason Wiley <jwiley@wileypetersenlaw.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>

EXHIBIT D-3



AMERICAN
ARBITRATION
ASSOCIATION®

INTERNATIONAL CENTRE
FOR DISPUTE RESOLUTION®

Lance Tanaka
Vice President
1400 16th Street, Suite 400
Denver, CO 80202
Telephone: (303)831-0824
Fax: (646)640-1840

October 9, 2018

Matthew T. Dushoff, Esq.
Kolesar & Leatham, Chtd.
400 South Rampart Boulevard, Suite 400
Las Vegas, NV 89145-5725
Via Email to: mdushoff@klnevada.com

David Feuerstein
Feuerstein Kulick LLP
205 East 42nd Street, 20th Floor
New York, NY 10017
Via Email to: david@dfmklaw.com

Jason M. Wiley
Wiley Petersen
1050 Indigo Drive, Suite 130
Las Vegas, NV 89145
Via Email to: jwiley@wileypetersenlaw.com

Case Number: 01-15-0005-8574

Pouya Mohajer and Pejman Bady;
-vs-
Jennifer Goldstein
-vs-
Nuveda, LLC

Dear Parties:

This will confirm that BCP 7, LLC has been dismissed as a party in this matter, in accordance with the Arbitrator's Ruling of October 9, 2018. Counsel for BCP 7, LLC is copied on this letter however they have been removed from the case and will no longer receive correspondence concerning this matter.

Sincerely,

/s/

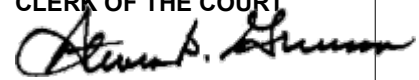
Lance K Tanaka
Vice President
Direct Dial: (303)831-0824
Email: LanceTanaka@adr.org
Fax: (646)640-1840

cc: Amy Sudgen
Kristina Cole
Brian C. Padgett
Anne M. Landis
Scott Fleming, Esq.
Nikki Baker, Esq.

lt/bs

EXHIBIT E

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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

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

3 GENERAL ALLEGATIONS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

26 ///

27 ///

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

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

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

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

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

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

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

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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

APPENDIX 145

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:

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

Arbitration and District Court Case to Buyer.

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

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

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

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

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

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

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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

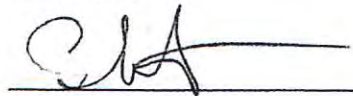
By its Manager:


Name:

GUARANTOR:


Brian C. Padgett

SELLER:


Shane Terry

4.25

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

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

Purchase price is substantially reduced

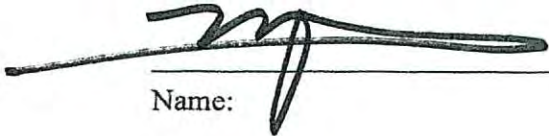
YJP

Dated this 30th day April, 2018

BUYER:

BCP 7, LLC

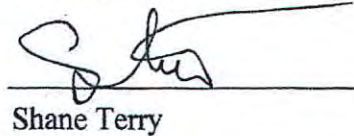
By its Manager:


Name:

GUARANTOR:


Brian C. Padgett

SELLER:


Shane Terry

Sol G

APPENDIX 150

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



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

APPENDIX 152

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 that's a separate discussion.

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

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

Regards,
Shane

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

<TAPROOT_emailsig.png>

On Feb 18, 2019, at 4:18 PM, Shane Terry <shane@taprootbrands.com> 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, TapRoot will have the rights to shelf space and a pop-up sized merchandizing for 18 months that includes 100% of the post-tax proceeds from the sale of all products TapRoot offers in Canopi's three dispensaries. TapRoot will provide those products at no cost to Canopi, and will collect payment for units sold every Friday of each week along with a summary of all units sold from Canopi's accounting team. I will have my attorney draft the agreement and we will have an execution date of no later than 1 March 2019

APPENDIX 154

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 other terms of the agreement.

APPENDIX 156

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:

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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

<A9E75E53-2BEE-408C-80D5-65A27871BFA3[31].png>
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F652CA6B8A41[31].png><09B7C04A-978C-4C8F-9458-1BFC61B27F33[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

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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

APPENDIX 159

www.briancpadgett.com

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<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_emailsiq.png>

APPENDIX 160

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

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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.

APPENDIX 161

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 F-1

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12 *Attorneys for Shane Terry*

9
10 **AMERICAN ARBITRATION ASSOCIATION**

11 SHANE TERRY and JENNIFER
12 GOLDSTEIN

AAA Case No.: 01-15-005-8574

13 Claimants,

14 vs.

15 PEJMAN BADY; POYA MOHAJER, and
16 NUVEDA, LLC, a Nevada limited liability
17 company

18 Respondents.

19 **MOTION TO SET ASIDE DISMISSAL**

20 Claimant, Shane Terry, by and through his undersigned attorneys, moves the Arbitrator to
21 set aside the dismissal entered herein. This Motion is made and based upon the following
22 Memorandum of Points and Authorities, the Declaration of Shane Terry (the "Terry Declaration")
23 attached hereto as Exhibit 1, the papers, pleadings, and records on file herein, and any and all
24 arguments that may be allowed at hearing of this motion.

25 **POINTS AND AUTHORITIES**

26 **I. Statement of the Case**

27 Shane Terry ("Terry"), together with Dotan Y. Melech, the Court-appointed receiver (the
28 "Receiver") for CWNevada, LLC ("CWNevada") and Phillip D. Ivey ("Ivey", collectively, the

Receiver, Terry and Ivey are referred to as “Plaintiffs”) retained the undersigned counsel and firm to pursue claims each possesses against NuVeda, LLC (“NuVeda”), its subsidiaries, licensees, members and/or related entities and Brian C. Padgett (“Padgett”). The Receiver filed a motion to engage the undersigned firm as contingency counsel in Case No. A-17-755479-B (Dept. 11) (the “Receivership Action”), and after an initial objection by NuVeda, the Receiver and NuVeda entered into a stipulation approving the Receiver’s request to engage the undersigned firm as counsel for CWNevada, Terry and Ivey. The order approving the parties’ stipulation and counsels’ engagement was entered May 8, 2020.

Plaintiffs then filed their initial complaint on June 30, 2020 as Case No. A-20-817363-B (Dept. 13). After NuVeda file multiple motions to dismiss, Plaintiffs filed a motion to consolidate several related actions with the Receivership Actions. The Honorable Elizabeth Gonzalez granted the motion to consolidate following a hearing on August 18, 2020. NuVeda’s motion to dismiss concerning the Receiver’s and Terry’s claims came before the Receivership Court for a hearing on August 31, 2020. The Court denied NuVeda’s motion to dismiss with respect to the Receiver’s claims. However, with respect to Terry’s claims, the Court stayed the motion “for a period of ninety (90) days from the date o the hearing for Mr. Terry to request any relief from the arbitrator, Ms. Nikki Baker, of the American Arbitration Association.” See Order Denying Motion to Dismiss or for Summary Judgment, attached hereto as Exhibit 2. This Motion to Set Aside the Dismissal of Terry’s claims follows.

II. Statement of Facts

1. On or about July 9, 2014, Terry entered into an Operating Agreement for NuVeda, LLC (the “NuVeda Operating Agreement”) with Pejman Bady (“Bady”), Pouya Mohajer (“Mohajer”) and Jennifer Goldstein (“Goldstein”) to apply for and operate marijuana dispensaries, cultivation and processing facilities for medical marijuana pursuant to licenses obtained from certain governmental divisions. Terry Declaration, ¶ 3; NuVeda Operating Agreement, Exhibit 3.

2. The NuVeda Operating Agreement was also signed by Joseph Kennedy, John Penders and Ryan Winmill. Terry Declaration, ¶ 4.

1 3. Since July 2014, NuVeda has been governed by the NuVeda Operating
2 Agreement. Terry Declaration, ¶ 5.

3 4. The NuVeda Operating Agreement is governed by, construed and interpreted in
4 accordance with Nevada law. Terry Declaration, ¶ 6.

5 5. Since NuVeda's formation, Terry has been a manager, voting member and at
6 times, NuVeda's Chief Executive Officer and Chief Operations Officer. Terry Declaration, ¶ 7.

7 6. Initially, Terry owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark
8 Natural, and Nye Natural. Terry's ownership interest was later increased to 22.88%. Terry
9 Declaration, ¶ 8.

10 7. During the month of December 2015, NuVeda's annual license renewal paperwork
11 was due to the State of Nevada. Terry Declaration, ¶ 9.

12 8. During this time, Terry was NuVeda's designated and registered point of contact
13 with the State of Nevada for all regulatory correspondence. Terry Declaration, ¶ 10.

14 9. During this time, NuVeda also removed Terry as NuVeda's State of Nevada
15 designated point of contact and refused to provide Terry with access to any records. Terry
16 Declaration, ¶ 11.

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

18 10. Bady, Mohajer and Kennedy, individually and at times through NuVeda or other
19 entities, have engaged in additional fraudulent acts of self-dealing and other acts of misconduct
20 that constituted a breach of their legal duties. Terry Declaration, ¶ 12.

21 11. For instance, Terry and other members of NuVeda learned that Bady
22 misrepresented the source of his funds Bady originally contributed to NuVeda in exchange for
23 equity. Terry Declaration, ¶ 13.

24 12. Nevada law and the state regulatory agencies required in depth financial
25 disclosures. Terry Declaration, ¶ 14.

26 13. While Bady averred that his funding came from the sale of a business, upon
27 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from
28 money he acquired from his friend, Majid Golpa ("Golpa"). Terry Declaration, ¶ 15.

1 14. Upon information and belief, Bady and Mohajer then promised that in exchange
2 for the funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was
3 prohibited by Nevada law. Terry Declaration, ¶ 16.

4 15. Mohsen Bahri (“Bahri”) and Bady also negotiated the terms of a \$500,000
5 promissory note. Terry Declaration, ¶ 17.

6 16. Bady then made an undisclosed deal with Bahri to provide Bady with a \$500,000
7 investment in which Bahri would receive a 4% interest in NuVeda. Terry Declaration, ¶ 18

8 17. This was contrary to NuVeda’s understanding of the financing. Terry Declaration,
9 ¶ 19

10 18. Following discovery of the true nature of Bady and Mohajer’s wrongful side deals
11 with third parties, a dispute arose between Terry and Goldstein on the one hand and Bady and
12 Mohajer on the other hand regarding Defendants’ clandestine and wrongful side deals, pursuant
13 to which Bady and Mohajer attempted to allocate ownership interests to their friends, and the true
14 source of Bady’s capital contribution, Golpa and Bahri. Terry Declaration, ¶ 20.

15 19. Bady and Mohajer were not authorized to pledge to Golpa or Bahri a 5.5% or 4%
16 interest in NuVeda, yet Bady demanded that the members, including Terry and Goldstein, agree
17 to ratify his apparent promises to provide such interest to Golpa and Bahri. Terry Declaration, ¶
18 21.

19 20. Upon information and belief, the transfer of the interests, as proposed by Bady,
20 would jeopardize NuVeda’s licenses. Terry Declaration, ¶ 22.

21 21. On or about November 1, 2015, a monthly payment was due to Bahri on the
22 \$500,000 promissory note. Terry Declaration, ¶ 23.

23 22. Bady, long-time personal friends with Bahri, instructed Terry to not pay the
24 monthly payment and stated he “would take care of it.” Terry Declaration, ¶ 24.

25 23. On November 11, 2015, Bahri sent demand for the November 1, 2015 payment.
26 Terry Declaration, ¶ 25.

27 24. Bady admitted he did not make the monthly payment, but that he and Bahri had
28 agreed to extend the monthly payment to November 15, 2015. Terry Declaration, ¶ 26.

1 25. Bady's non-payment of the Bahri loan and subsequent negotiations were done
2 without Terry's knowledge and jeopardized NuVeda's operations. Terry Declaration, ¶ 27.

3 26. Bahri subsequently presented a lawsuit against Terry and Goldstein, individually,
4 falsely alleging that they were liable for his investment through Bady. Terry Declaration, ¶ 28.

5 27. Bady and Bahri then acted in concert to allege that Goldstein and Terry were liable
6 for the \$500,000 promissory note, as neither NuVeda nor Bady, who single-handedly
7 communicated with Bahri and who negotiated all terms of the clandestine deal with his friend
8 Bahri, were named as defendants. Terry Declaration, ¶ 29.

9 28. Bady and Bahri acted in concert to paralyze Terry and Goldstein from obtaining
10 the necessary funding by threatening to file frivolous and factually unfounded lawsuits against
11 Terry and Goldstein for Bady's strategic gain. Terry Declaration, ¶ 30.

12 29. Additionally, when Kennedy (an IRS enrolled agent) was preparing NuVeda's K-
13 1s, Bady asked Terry to allocate his tax losses to Bady to offset Bady's income from an unrelated
14 medical business. Terry Declaration, ¶ 31.

15 30. Terry refused and explained to Bady that loss-shifting was wrongful and
16 potentially constituted fraud, but Bady ignored Terry's concern and collaborated with Mohajer to
17 shift Mohajer's losses to him instead. Terry Declaration, ¶ 32.

18 31. Bady and Mohajer then had nominal-member Kennedy amend the K-1s to reflect
19 the loss-shifting to Bady in violation of the terms of the NuVeda Operating Agreement without
20 notifying any other NuVeda members. Terry Declaration, ¶ 33.

21 32. Goldstein and Terry made demands for the original K-1s and other financial
22 documents for NuVeda, but Bady and Kennedy denied the records request in violation of Terry's
23 right to review the business records of NuVeda pursuant to Section 7.2 of the NuVeda Operating
24 Agreement. Terry Declaration, ¶ 34.

25 33. It was also discovered that Bady engaged in rampant self-dealing on multiple
26 occasions. An entity known as 2 Prime, LLC ("2 Prime") entered into a financing agreement with
27 NuVeda. Terry Declaration, ¶ 35-36.

28 34. Bady exclusively negotiated the agreement with favorable terms to 2 Prime.

1 Thereafter, it was discovered after the fact that Bady had an undisclosed 50% interest in 2 Prime,
2 which was also co-owned by Golpa. Terry Declaration, ¶ 37-38.

3 35. On or about November 20, 2015 under the guidance of NuVeda's corporate
4 counsel, who was hired directly by Bady, Bady's and Mohajer's NuVeda interests were
5 terminated pursuant to Section 6.2 of the Operating Agreement. Terry Declaration, ¶ 39.

6 36. However, Bady and Mohajer disregarded the expulsion and claimed they remained
7 voting members, managers, and officers with authority to act on behalf of NuVeda. Terry
8 Declaration, ¶ 40.

9 37. Between November 20th, 2015 and December 3, 2015, Bady and Mohajer, acting
10 as purported representatives of NuVeda, attempted to sell NuVeda's interests in its highly
11 valuable and privileged licenses to multiple parties, including CWNevada. Terry Declaration, ¶
12 41.

13 **The District Court Action**

14 38. Over concerns that any attempted and unauthorized transfer of interest could
15 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and Terry filed a complaint, as
16 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady
17 and Mohajer as Case Number A-15-728510-B (the "District Court Action") and
18 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin
19 any transfer of NuVeda's membership interests. Terry Declaration, ¶ 42.

20 39. The District Court Action sought, among other things, the issuance of a
21 preliminary and permanent injunction maintaining the status quo pending a final resolution of the
22 parties' disputes in an arbitral proceeding. Terry Declaration, ¶ 43.

23 40. Although the District Court did not issue a preliminary injunction in the District
24 Court Action, on January 13, 2016, the Court ordered (the "January 13, 2016 Order"), among
25 other things, "IT IS FURTHER ORDERED, ADJUDGED AND DECREED that pending the
26 completion of the contemplated arbitration, the parties are to take no further action to expulse
27 each other on the factual bases presented to the Court during the evidentiary hearing." Terry
28 Declaration, ¶ 44.

1 41. Goldstein and Terry commenced a private arbitration proceeding with the
2 American Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al.*
3 *v. NuVeda LLC, et al.*, AAA Case No. 01-15-005-8574 (the “Arbitration”). Terry Declaration, ¶
4 45.

5 42. Notwithstanding the express language of the January 13, 2016 Order, in a March
6 10, 2016 meeting attended by Terry, Bady called for a vote to expel Terry from NuVeda. Terry
7 Declaration, ¶ 46.

8 43. Bady, Mohajer and Kennedy voted in favor of the motion to expel Terry in
9 violation of the January 13, 2016 Order. Terry Declaration, ¶ 47.

10 44. The purported expulsion was further documented in a meeting on or about
11 September 19, 2017, where the NuVeda Meeting Minutes indicate Terry’s interest in NuVeda
12 was distributed to Bady and Mohajer in yet another act of blatant self-dealing. Terry Declaration,
13 ¶ 48.

14 45. NuVeda, Bady and Mohajer transferred Terry’s individual license interest in
15 NuVeda directly to Bady and Mohajer without Terry’s consent. Terry Declaration, ¶ 49.

16 **Purchase and Sale Agreement for Terry’s Ownership Interest in NuVeda and**
17 **NuVeda-Managed Licenses**

18 46. During the pendency of the District Court Action and Arbitration, on or about
19 April 30, 2018, Terry entered into a “Purchase and Sale Agreement for Terry’s Ownership Interest
20 in NuVeda and NuVeda-Managed Licenses” (the “Terry Purchase Agreement”) with BCP 7 as
21 the Buyer. Terry Declaration, ¶ 50; Terry Purchase Agreement, Ex. 4.

22 47. Padgett personally guaranteed all payments and other performance obligations due
23 under the Terry Purchase Agreement. Terry Declaration, ¶ 51.

24 48. The Terry Purchase Agreement provides, among other things, that Terry agreed to
25 sell the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration
26 and on specific terms. Terry Declaration, ¶ 52.

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

1 Declaration, ¶ 53.

2 50. Terry was induced to sign the Purchase Agreement in reliance upon Padgett's
3 representations that the Purchase Price would be paid. Terry Declaration, ¶ 54.

4 51. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00
5 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the "Initial
6 Payment"), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,
7 2028 with payments due monthly until paid in full (the "Monthly Payments"). Terry Declaration,
8 ¶ 55

9 52. The Monthly Payments were to be made on or before the first day of the month in
10 an amount not less than the interest accrued on the outstanding balance at an interest rate of 18%.
11 Terry Declaration, ¶ 56.

12 53. The Monthly Payments were to commence May 1, 2018, and the first payment
13 was to have been made no later than May 2, 2018. Terry Declaration, ¶ 57.

14 54. The Terry Purchase Agreement further provided that there shall be acceleration of
15 the outstanding balance and any unpaid accrued interest thereon upon (1) the sale or transfer of
16 the Terry Interest to a vehicle not owned by BCP 7, or any beneficial rights thereunder, from BCP
17 7 to a third party (other than CWNV, LLC); or (2) a default of a payment obligations, which shall
18 result from any failure to timely pay the Initial Down Payment or any Monthly Payments on the
19 Balance following notice of failure to Padgett and no cure within 10 business days thereof. Terry
20 Declaration, ¶ 58.

21 55. Upon execution of the Terry Purchase Agreement and upon receipt of the first
22 Monthly Payment, Terry agreed, among other things, to assign any and all claims and right in the
23 Arbitration and District Court Action to BCP 7. Terry Declaration, ¶ 59.

24 56. BCP 7 made a partial payment toward the Initial Payment in the sum of
25 \$250,000.00 on or about August 1, 2018. Terry Declaration, ¶ 60.

26 57. In addition to the partial Initial Payment, BCP 7 made partial interest and extension
27 payments. Terry Declaration, ¶ 61.

28 58. However, BCP 7 failed to pay the Initial Payment or Monthly Payments in full.

1 Terry Declaration, ¶ 62.

2 59. As a result of BCP 7's failure to pay the Initial Payment or any of the Monthly
3 Payments in full, Terry provided notice of and right to cure this failure to BCP 7 and Padgett.
4 Terry Declaration, ¶ 63.

5 60. BCP 7 and Padgett failed to cure the outstanding balance owed following notice
6 of such failure and a right to cure within 10 business days. Terry Declaration, ¶ 64.

7 61. As a result of BCP 7's and Padgett's failure to pay the Initial Payment and Monthly
8 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the
9 Terry Interest to BCP 7. Terry Declaration, ¶ 65.

10 62. Notwithstanding the fact that the Terry Interest was never properly transferred to
11 BCP 7, in an email dated June 5, 2018 from Padgett to the Arbitrator in the Arbitration, Padgett
12 purported to dismiss "all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry
13 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark
14 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with
15 prejudice." Terry Declaration, ¶ 66.; Electronic mail from Padgett to Nikki Baker, Ex. 5.

16 63. Ms. Baker then proceeded to dismiss the arbitration as to BCP Holding 7, LLC.
17 See electronic mail dated October 9, 2018, Ex. 6. AAA then confirmed that BCP7, LLC was
18 dismissed as a party. See letter from AAA dated October 9, 2018, Ex. 7.

19 64. Not only did CWNevada never make or assert any claims related to the Arbitration,
20 the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady and Mohajer
21 to defraud Terry by having BCP 7 purportedly purchase the Terry Interest, and then immediately
22 attempt to dismiss the claims in the Arbitration without BCP 7 and Padgett paying the agreed
23 consideration. Terry Declaration, ¶ 67.

24 **III. Argument**

25 **A. Legal Standard**

26 The NuVeda Operating Agreement provides in part:

27 **11.3 Arbitration** Arbitration proceedings shall be conducted under the Rules of
28 Commercial Arbitration of the AAA (the "Rules").

To the extent any provisions of the Rules conflict with any provision of this Section,

1 the provisions of this section shall control.

2 The arbitrator shall have all powers of law and equity, which it can lawfully assume,
3 necessary to resolve the issues in dispute including, without limiting the generality
4 of the foregoing, making awards of compensatory damages, issuing both
5 prohibitory and mandatory orders in the nature of injunctions and compelling the
6 production of documents and witnesses for presentation at the arbitration hearings
7 on the merits of the case...The statutory, case law and common law of the State of
8 Nevada shall govern in interpreting their respective rights, obligations and
9 liabilities arising out of or related to the transactions provided for or contemplated
10 by this Agreement, including without limitation, the validity, construction and
11 performance of all or any portion of this Agreement, and the applicable remedy for
12 any liability established thereunder, and the amount or method of computation of
13 damages which may be awarded, but such governing law shall not include the law
14 pertaining to conflicts or choice of laws of Nevada; provided however, that should
15 the parties refer a dispute arising out of or in connection with an ancillary agreement
16 or an agreement between some or all of the Members which specifically references
17 this Article, then the statutory, case law and common law of the State whose law
18 governs such agreement (except the law pertaining to conflicts or choice of law)
19 shall govern in interpreting the respective rights, obligations and liabilities of the
20 parties arising out of or related to the transactions provided for or contemplated by
21 such agreement, including without limitation, the validity, construction and
22 performance of all or any portion of such agreement, and the applicable remedy for
23 any liability established thereunder, and the amount or method of computation of
24 damages which may be awarded.

25 Any action or proceeding subsequent to any award rendered by the arbitrator in the
26 Member Dispute, including but not limited to, any action to confirm, vacate,
27 modify, challenge or enforce the arbitrator's decision or award shall be filed in a
28 court of competent jurisdiction in the same county where the arbitration of the
Member dispute was conducted, and Nevada law shall apply in any such
subsequent action or proceeding.

Notwithstanding the provisions of the NuVeda Operating Agreement, the district court
has directed Terry back to the Arbitrator for relief.

**B. The Terry Purchase Agreement should be rescinded for fraud in the
inducement and failure of consideration.**

“Rescission is an equitable remedy which totally abrogates a contract, and which seeks to
place the parties in the position they occupied prior to executing the contract.” *Bergstrom v. Estate
of DeVoe*, 109 Nev. 575, 577, 854 P.2d 860, 861 (1993). A party to a contract may seek rescission
of that contract based upon fraud in the inducement or a failure of consideration. *Awada v. Shuffle
Master, Inc.* 123 Nev. 613, 621, 173 P.2d 707, 713 (2007); *Sprouse v. Wentz*, 105 Nev. 597, 601,

1 781 P.2d 1136, ____ (1989). To establish fraud in the inducement of a contract, a party must prove
2 that the other party made a false representation that was material to the transaction. *Awada*, 123
3 Nev. at 621. To establish a failure of consideration, a party must demonstrate he failed to receive
4 his bargained for consideration. *Sprouse*, 105 Nev. at 601.

5 When a contract has been partially performed, and one of the parties defaults, the other
6 has a choice of remedies. He may rescind or affirm the contract, *but he cannot do both*. If he
7 rescinds, he must return whatever of value he received under it and he may recover back whatever
8 he has paid. He cannot at the same time affirm the contract by retaining its benefits and rescind it
9 by repudiating its burdens. *Bergstrom*, 109 Nev. at 577, citing 5 Arthur Linton Corbin, CORBIN
10 on Contracts § 1114 (1964) (emphasis in original). “Further, there can be no partial rescission; a
11 contract is either valid or void *in toto*.’ *Bergstrom*, 109 Nev. at 577. quoting, *Holden v. Dubois*,
12 665 P.2d 1175 (Okla. 1983). “Because a rescinded contract is void ab initio, following a lawful
13 rescission the ‘injured’ party is precluded from recovering damages for breach just as though the
14 contract had never been entered into by the parties.” *Bergstrom*, 109 Nev. at 577-78. Upon
15 rescission, the parties should be returned as closely as possible to their respective positions prior
16 to entering into the contract. *Bergstrom*, 109 Nev. at 578.

17 Here, the facts are not in dispute that Padgett fraudulently induced Terry to sign the Terry
18 Purchase Agreement and after submitting the dismissal, failed to pay the agreed consideration. In
19 these circumstances, where Terry was fraudulently induced to sign the Terry Purchase Agreement
20 and where he did not receive his bargained for consideration, rescission is proper.

21 **C. The Dismissal entered herein should be set aside.**

22 It follows that if the Terry Purchase Agreement is void, then the dismissal entered herein,
23 based solely on the electronic mail proffered by Mr. Padgett is equally void. Upon rescission, the
24 dismissal should be set aside, the Terry Interest should be returned to Mr. Terry and he should be
25 allowed to proceed with his claims in the arbitration.

26 NRCP 60(b) provides in part:

27 (b) *Grounds for Relief from a Final Judgment, Order, or Proceeding*. On motion
28 and just terms, the court may relieve a party or its legal representative from a final
judgment, order, or proceeding for the following reasons:

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

1 (2) newly discovered evidence that, with reasonable diligence, could not
2 have been discovered in time to move for a new trial under Rule 59(b);
3 (3) fraud (whether previously called intrinsic or extrinsic),
4 misrepresentation, or misconduct by an opposing party;
5 (4) the judgment is void;
6 (5) the judgment has been satisfied, released, or discharged; it is based on an
earlier judgment that has been reversed or vacated; or applying it
prospectively is no longer equitable; or
(6) any other reason that justifies relief.

7 Rule 60(b)(4) allows a court to set aside a judgment, in this case the dismissal, when it is
8 void. *LN Mgmt. LLC Services 440 Sarment v. Wells Fargo Bank, N.A.*, 2018 Nev. App. Unpub.
9 LEXIS 768 (Nev. App. 2018). This rule, which is a remedial in nature, is to be construed liberally
10 to relieve the harshness of rigid form by applying the flexibility of discretion. *La-Tex Partnership*
11 *v. Deters*, 111 Nev. 471, 893 P.2d 361 (1995).

12 Under the circumstances of this case, where the dismissal was submitted as a result of a
13 void agreement, such dismissal must be set aside, and Terry allowed to proceed with his claims
14 in the arbitration.

15 **D. Conclusion**

16 Based on the foregoing, Claimant, Shane Terry respectfully requests that the arbitrator
17 rescind the Terry Purchase Agreement and upon such rescission, set aside the dismissal entered
18 herein.

19 DATED this 30th day of November, 2020.

20 MUSHKIN & COPPEDGE

21
22 /s/Michael R. Mushkin
23 MICHAEL R. MUSHKIN, ESQ.
24 Nevada State Bar No. 2421
25 L. JOE COPPEDGE, ESQ.
26 Nevada State Bar No. 4954
27 6070 S. Eastern Avenue, Suite 270
28 Las Vegas, Nevada 89128
Attorneys for Claimant, Shane Terry

1 **CERTIFICATE OF SERVICE**

2 I hereby certify that on this 30th day of November, 2020, the foregoing **Motion to Set**
3 **Aside Dismissal** was served upon the following parties via electronic mail:

4 Brian C. Padgett: brian@biranpadgett.com

5 Pouya Mohajer: pmohajer@hotmail.com; pmohajer@nuveda.org

6
7 /s/Karen L. Foley

8 An Employee of
9 MUSHKIN & COPPEDGE
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EXHIBIT “1”

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AMERICAN ARBITRATION ASSOCIATION

SHANE TERRY and JENNIFER
GOLDSTEIN

AAA Case No.: 01-15-005-8574

Claimants,

vs.

PEJMAN BADI; POYA MOHAJER, and
NUVEDA, LLC, a Nevada limited liability
company

Respondents.

**DECLARATION OF SHANE M. TERRY IN SUPPORT OF
MOTION TO SET ASIDE DISMISSAL**

SHANE M. TERRY, under penalty of perjury, states as follows:

1. I have personal knowledge of the facts stated herein, except for those facts stated to be based upon information and belief. If called to do so, I would truthfully and competently testify to the facts stated herein, except those facts stated to be based upon information and belief.

2. I make this Declaration in support of the Motion to Set Aside Dismissal (the "Motion").

3. On or about July 9, 2014, I entered into an Operating Agreement for NuVeda, LLC (the "NuVeda Operating Agreement") with Pejman Badi ("Badi"), Pouya Mohajer ("Mohajer")

1 and Jennifer Goldstein (“Goldstein”) to apply for and operate marijuana dispensaries, cultivation
2 and processing facilities for medical marijuana pursuant to licenses obtained from certain
3 governmental divisions. A true and correct copy of the NuVeda Operating Agreement is attached
4 to the Motion as Exhibit 3.

5 4. The NuVeda Operating Agreement was also signed by Joseph Kennedy, John
6 Penders and Ryan Winmill.

7 5. Since July 2014, I understand and believe that NuVeda has been governed by the
8 NuVeda Operating Agreement.

9 6. The NuVeda Operating Agreement is governed by, construed and interpreted in
10 accordance with Nevada law.

11 7. Since NuVeda’s formation, I have been a manager, voting member and at times,
12 NuVeda’s Chief Executive Officer and Chief Operations Officer.

13 8. Initially, I owned 21.5% of NuVeda and its subsidiaries, Clark NMSD, Clark
14 Natural, and Nye Natural. My ownership interest was later increased to 22.88%.

15 9. During the month of December 2015, NuVeda’s annual license renewal paperwork
16 was due to the State of Nevada.

17 10. During this time, I was NuVeda’s designated and registered point of contact with
18 the State of Nevada for all regulatory correspondence.

19 11. After I submitted the renewal application representing NuVeda’s then current
20 ownership structure, Bady falsely submitted documentation to the State of Nevada that removed
21 me as NuVeda’s State of Nevada designated point of contact and refused to provide me with
22 access to any records.

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

24 12. Bady, Mohajer and Kennedy, individually and at times through NuVeda or other
25 entities, engaged in fraudulent acts of self-dealing and other acts of misconduct that constituted a
26 breach of their legal duties.

27 13. For example, I and other members of NuVeda learned that Bady misrepresented
28 the source of funds he originally contributed to NuVeda in exchange for equity.

1 14. Nevada law and the state regulatory agencies required in depth financial
2 disclosures.

3 15. While Bady averred that his funding came from the sale of a business, upon
4 information and belief, Bady, in concert with Mohajer, in fact funded his contributions from
5 money he acquired from his friend, Majid Golpa (“Golpa”).

6 16. Upon information and belief, Bady and Mohajer then promised that in exchange
7 for the funds, Golpa would receive a 5.5% membership interest in NuVeda, a pledge that was
8 prohibited by Nevada law.

9 17. Mohsen Bahri (“Bahri”) and Bady also negotiated the terms of a \$500,000
10 promissory note.

11 18. Bady then made an undisclosed deal with Bahri to provide Bady with a \$500,000
12 investment in which Bahri would receive a 4% interest in NuVeda.

13 19. This was contrary to NuVeda’s understanding of Bady’s financial contribution.

14 20. Following discovery of the true nature of Bady and Mohajer’s wrongful side deals
15 with third parties, a dispute arose between Goldstein and I on the one hand and Bady and Mohajer
16 on the other hand regarding their clandestine and wrongful side deals, pursuant to which Bady
17 and Mohajer attempted to allocate ownership interests to their friends, and the true source of
18 Bady’s capital contribution, Golpa and Bahri.

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

22 22. Upon information and belief, the transfer of the interests, as proposed by Bady,
23 would jeopardize NuVeda’s licenses.

24 23. On or about November 1, 2015, a monthly payment was due to Bahri on the
25 \$500,000 promissory note.

26 24. Bady, a long-time personal friend with Bahri, instructed me to not pay the monthly
27 payment and stated he “would take care of it.”

28 25. On November 11, 2015, Bahri sent demand for the November 1, 2015 payment.

1 26. Bady admitted he did not make the monthly payment, but that he and Bahri had
2 agreed to extend the monthly payment to November 15, 2015.

3 27. Bady's non-payment of the Bahri loan and subsequent negotiations were done
4 without my knowledge and jeopardized NuVeda's operations.

5 28. Bahri subsequently presented a lawsuit against Goldstein and I, individually,
6 falsely alleging that we were liable for his investment through Bady.

7 29. Bady and Bahri then acted in concert to allege that Goldstein and I were liable for
8 the \$500,000 promissory note, as neither NuVeda nor Bady, who single-handedly communicated
9 with Bahri and who negotiated all terms of the clandestine deal with his friend Bahri, were named
10 as defendants.

11 30. Bady and Bahri acted in concert to paralyze Goldstein and I from obtaining the
12 necessary funding by threatening to file frivolous and factually unfounded lawsuits against
13 Goldstein and I for Bady's strategic gain.

14 31. Additionally, when Kennedy (an IRS enrolled agent) was preparing NuVeda's K-
15 1s, Bady asked me to allocate his tax losses to Bady to offset Bady's income from an unrelated
16 medical business.

17 32. I refused and explained to Bady that loss-shifting was wrongful and potentially
18 constituted fraud, but Bady ignored my concern and collaborated with Mohajer to shift Mohajer's
19 losses to him instead.

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

23 34. Goldstein and I made demands for the original K-1s and other financial documents
24 for NuVeda, but Bady and Kennedy denied the records request in violation of my right to review
25 the business records of NuVeda pursuant to Section 7.2 of the NuVeda Operating Agreement.

26 35. I also discovered that Bady engaged in rampant self-dealing on multiple occasions.

27 36. An entity known as 2 Prime, LLC ("2 Prime") entered into a financing agreement
28 with NuVeda.

1 37. Bady exclusively negotiated the financing agreement with favorable terms to 2
2 Prime.

3 38. Thereafter, it was discovered after the fact that Bady had an undisclosed 50%
4 interest in 2 Prime, which was also co-owned by Golpa.

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

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

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

13 **The District Court Action**

14 42. Over concerns that any attempted and unauthorized transfer of interest could
15 jeopardize NuVeda's licenses, on December 3, 2015, Goldstein and I filed a complaint, as
16 individuals and on behalf of NuVeda in the District Court for Clark County, Nevada against Bady
17 and Mohajer as Case Number A-15-728510-B (the "District Court Action") and
18 contemporaneously filed a Motion for a Preliminary Injunction requesting that the Court enjoin
19 any transfer of NuVeda's membership interests.

20 43. The District Court Action sought, among other things, the issuance of a
21 preliminary and permanent injunction maintaining the status quo pending a final resolution of the
22 parties' disputes in an arbitration.

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

28 45. Goldstein and I commenced a private arbitration proceeding with the American

1 Arbitration Association against NuVeda, Bady and Mohajer captioned as *Terry, et al. v. NuVeda*
2 *LLC, et al.*, AAA Case No. 01-15-005-8574 (the “Arbitration”).

3 46. Notwithstanding the express language of the January 13, 2016 Order, in a March
4 10, 2016 meeting I attended, Bady called for a vote to expel me from NuVeda.

5 47. Bady, Mohajer and Kennedy voted in favor of the motion to expel me in violation
6 of the January 13, 2016 Order.

7 48. The purported expulsion was further documented in a meeting on or about
8 September 19, 2017, where the NuVeda Meeting Minutes indicate my interest in NuVeda was
9 distributed to Bady and Mohajer in yet another act of blatant self-dealing.

10 49. NuVeda, Bady and Mohajer transferred my individual license interest in NuVeda
11 directly to Bady and Mohajer without my consent.

12 **Purchase and Sale Agreement for Terry’s Ownership Interest in NuVeda and NuVeda-**
13 **Managed Licenses**

14 50. During the pendency of the District Court Action and Arbitration, on or about
15 April 30, 2018, I entered into a “Purchase and Sale Agreement for Terry’s Ownership Interest in
16 NuVeda and NuVeda-Managed Licenses” (the “Terry Purchase Agreement”) with BCP7 as the
17 Buyer. A true and correct copy of the Terry Purchase Agreement to the Motion as Exhibit 4.

18 51. Padgett personally guaranteed all payments and other performance obligations due
19 under the Terry Purchase Agreement.

20 52. The Terry Purchase Agreement provides, among other things, that I agreed to sell
21 the Terry Interest and BCP 7 agreed to purchase the Terry Interest for specified consideration and
22 on specific terms.

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

25 54. I was induced to sign the Terry Purchase Agreement in reliance upon Padgett’s
26 representations that the Purchase Price would be paid.

27 55. The Purchase Price was payable as follows: (i) an initial payment of \$500,000.00
28 in good and payable U.S. funds to be paid to Terry on or before June 15, 2018 (the “Initial

1 Payment”), and (ii) monthly payments of the \$1.25 million balance due on or before June 15,
2 2028 with payments due monthly until paid in full (the “Monthly Payments”).

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

5 57. The Monthly Payments were to commence May 1, 2018, and the first payment
6 was to have been made no later than May 2, 2018.

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

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

16 60. BCP 7 made a partial payment toward the Initial Payment in the sum of
17 \$250,000.00 on or about August 1, 2018.

18 61. In addition to the partial Initial Payment, BCP 7 made partial interest and extension
19 payments.

20 62. However, BCP 7 failed to pay the Initial Payment or Monthly Payments in full.

21 63. As a result of BCP 7’s failure to pay the Initial Payment or any of the Monthly
22 Payments in full, I provided notice of and right to cure this failure to BCP 7 and Padgett.

23 64. BCP 7 and Padgett failed to cure the outstanding balance owed following notice
24 of such failure and a right to cure within 10 business days.

25 65. As a result of BCP 7’s and Padgett’s failure to pay the Initial Payment and Monthly
26 Payments in full, including the first Monthly Payment, there has not been a valid transfer of the
27 Terry Interest to BCP 7.

28 66. Notwithstanding the fact that the Terry Interest was never properly transferred to

1 BCP 7, in an email dated June 5, 2018 from Padgett to the Arbitrator in the Arbitration, Padgett
2 purported to dismiss “all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry
3 (all right, title, and interest against Bady, Mohajer, and NuVeda and its subsidiaries (Clark
4 NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with
5 prejudice.” See electronic mail from Padgett to Nikki Baker, Exhibit 5 to the Motion.

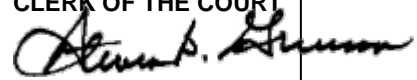
6 67. Not only did CWNevada never make or assert any claims related to the Arbitration,
7 the Padgett email clearly evidences a conspiracy between Padgett, NuVeda, Bady and Mohajer
8 to defraud me by having BCP 7 purportedly purchase the Terry Interest, and then immediately
9 attempt to dismiss the claims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

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

12 DATED this 30th day of November, 2020

13
14 /s/Shane M. Terry
15 SHANE M. TERRY
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EXHIBIT “2”



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Attorneys for Plaintiffs

DISTRICT COURT

CLARK COUNTY, NEVADA

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B

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

Dept. No.: 11

AND RELATED MATTERS

ORDER DENYING MOTION TO DISMISS OR FOR SUMMARY JUDGMENT

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

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

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

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

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

16 DATED this 18th day of September, 2020.

17
18 
19 DISTRICT COURT JUDGE

20
21 Respectfully Submitted:
22 MUSHKIN & COPPEDGE

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

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

Attorneys for NuVeda, LLC

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HOLTHUS & ROSE

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Karen Foley

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

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

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

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

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

From: Joe Coppedge <jcoppedge@mccnvlaw.com>

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

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

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

Mitch, Bill and Chris,

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

Joe

L. Joe Coppedge

Mushkin & Coppedge

6070 S. Eastern Ave., Suite 270

Las Vegas, Nevada 89119

Tel. No. (702) 454-3333

Dir. No. (702) 386-3942

Fax No. (702) 454-3333

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Karen Foley

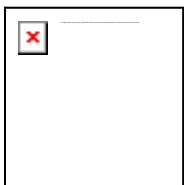
From: Joe Coppedge
Sent: Thursday, September 17, 2020 3:18 PM
To: Karen Foley
Subject: FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

L. Joe Coppedge
Mushkin & Coppedge
6070 S. Eastern Ave., Suite 270
Las Vegas, Nevada 89119
Tel. No. (702) 454-3333
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From: Mitchell Stipp <mstipp@stiplaw.com>
Sent: Thursday, September 17, 2020 2:59 PM
To: Joe Coppedge <jcoppedge@mccnvlaw.com>
Cc: WRU@juwlaw.com; miltenbergerc@gtlaw.com
Subject: Re: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

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



Mitchell Stipp

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

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

Website: www.stiplaw.com

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

Mitch, Bill and Chris,

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

Joe

L. Joe Coppedge

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Karen Foley

From: Joe Coppedge
Sent: Thursday, September 17, 2020 3:18 PM
To: Karen Foley
Subject: FW: 200917Draft Order Denying NuVeda's Motion to Dismiss or For Summary Judgment

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

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

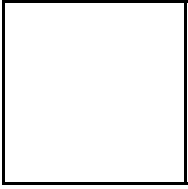
Thanks,

Chris Miltenberger
Greenberg Traurig, LLP
702.599.8024

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

EXTERNAL TO GT

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



Mitchell Stipp

Law Office of Mitchell Stipp

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EXHIBIT “3”

EXHIBIT “4”

NuVeda, LLC

Operating Agreement

July 9, 2014

Operating Agreement For NuVeda, LLC

A Nevada Limited Liability Company

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

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

ARTICLE I

ORGANIZATION

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

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

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

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

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

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

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

ARTICLE II

MEMBERSHIP INTERESTS, VOTING AND MANAGEMENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III CAPITAL ACCOUNTS

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

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

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

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

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

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

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

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

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

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

ARTICLE IV MANNER OF ACTING

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

The Voting Members may appoint officers of the Company who, to the extent provided by the Voting Members, may have and may exercise all the powers and authority of the Members or Managers in the conduct of the business and affairs of the Company. The officers of the Company may consist of a President, a Treasurer, a Secretary, or other officers or agents as may be elected or appointed by the Voting Members. The Voting Members may provide rules for the appointment, removal, supervision and compensation of such officers, the scope of their authority, and any other matters relevant to the positions. The officers shall act in the name of the Company and shall supervise its operation, within the scope of their authority, under the direction and management of the Voting Members.

Any action taken by a duly authorized officer, pursuant to authority granted by the Voting Members in accordance with this Agreement, shall constitute the act of and serve to bind the

Company, and each Member hereby agrees neither to dispute such action nor the obligation of the Company created thereby.

4.2 Authority to Bind the Company. Notwithstanding the foregoing, no Member without a majority vote consisting of 60% of the Voting Members' interest in the Company, shall have the authority to engage in the following transactions:

- (a) Borrowing money in the Company's name;
- (b) Transferring, settling or releasing any claim of the Company, except upon payment in full;
- (c) Mortgaging any of the Company's property, or pledging any property of the Company as security for any loan;
- (d) Selling or leasing any of the Company's property other than in the ordinary course of business;
- (e) Knowingly causing anything to be done whereby any of the Company's property may be subjected to seizure, attachment or forfeiture or the Company's ownership or possession of any such property may be put at risk;
- (f) The sale, exchange or other disposition of all, or substantially all, of the Company's assets occurring as part of a single transaction or plan, or in multiple transactions over a six month period, except in the orderly liquidation and winding up of the business of the Company upon its duly authorized dissolution;
- (g) The merger of the Company with another partnership, corporation, limited liability company or other entity; and
- (h) Agreeing to or executing any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount greater than One Thousand Dollars (\$1,000.00). Notwithstanding the foregoing, the Chief Executive Officer can agree to or execute any check, draft or other evidence of indebtedness of the Company, obligating the Company to pay in the aggregate an amount more than Ten Thousand Dollars (\$10,000.00).

4.3 Meetings of Voting Members. No regular, annual, special or other meetings of Voting Members are required to be held. Any action that may be taken at a meeting of Voting Members may be taken without a meeting by written consent in accordance with the Act. Meetings of the Voting Members, for any purpose or purposes, may be called at any time by a majority of the Voting Members, or by the President of the Company, if any. The Voting Members may designate any place as the place of meeting for any meeting of the Voting Members. If no designation is made, the place of meeting shall be the principal place of business of the Company.

4.4 Notice of Meetings. In the event that a meeting of the Voting Members is called,

written notice stating the place, day and hour of the meeting and the purpose or purposes for which the meeting is called shall be delivered not less than five nor more than sixty business days before the date of the meeting unless otherwise provided, either personally or by mail, by or at the direction of the Members calling the meeting, to each Voting Member. Notice of a meeting need not be given to any Voting Member who signs a waiver of notice or a consent to holding the meeting or an approval of the minutes thereof, whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to such Voting Member.

4.5 Record Date. For the purpose of determining Voting Members entitled to notice of or to vote at any meeting of Voting Members or any adjournment thereof, the date on which notice of the meeting is provided shall be the record date for such determination of the Voting Members. When a determination of Voting Members has been made as provided in this Section, such determination shall apply to any adjournment thereof.

4.6 Quorum. Members holding at least 66% of the Voting Capital in the Company represented in person, by telephonic participation, or by proxy, shall constitute a quorum at any meeting of Voting Members. In the absence of a quorum at any such meeting, a majority of the Voting Members so represented may adjourn the meeting from time to time for a period not to exceed sixty days without further notice. However, if the adjournment is for more than sixty days, or if after the adjournment a new record date is fixed for another meeting, a notice of the adjourned meeting shall be given to each Voting Member. The Voting Members present at a duly organized meeting may continue to transact business only as previously provided on the agenda until adjournment, notwithstanding the withdrawal during such meeting of that number of Voting Members whose absence would cause less than a quorum.

4.7 Voting. If a quorum is present, a majority vote of the Voting Members so represented shall be the act of the Members or Managers, unless the vote of a lesser or greater proportion or number is otherwise required by the Act, by the Certificate or by this Agreement.

ARTICLE V

ALLOCATIONS AND DISTRIBUTIONS

5.1 Allocations of Profits and Losses. Subject to applicable law and any limitations elsewhere in this Agreement, Profits and Losses, after deducting Guaranteed Payments, shall be allocated among the Members in proportion to their Percentage Ownership Interests. Any special allocations necessary to comply with the requirements set forth in Internal Revenue Code Section 704 and the corresponding Regulations, including, without limitation, the qualified income offset and minimum gain chargeback provisions contained therein, shall be made if the Voting Members deem these actions to be appropriate.

5.2 Distributions. Subject to applicable law and any limitations elsewhere in this Agreement below, the Voting Members shall determine the amount and timing of all distributions of cash, or other assets, by the Company. Except as otherwise provided in this Agreement, all distributions shall be made as follows:

Distributions:

- Eighty percent (80%) of each distribution will be allocated among all of the Members, as follows (the "Distribution Interests"):

Pejman Bady	38%
Pouya Mohajer	25.25%
Shane Terry	25.25%
Jennifer Goldstein	7%
Joseph Kennedy	1*%
John Penders	1.75%
Ryan Winmill	1.75%

and

- Twenty percent (20%) of each distribution shall be allocated to satisfy any contractual obligations owed by the Company to consultants, vendors, advisors or others with whom the Company has an appropriate written agreement providing for such distributions ("Distributions Partners"); in the event less than 20% of the Distribution has been allocated to Distributions Partners, the unallocated percentage shall be allocated to the Members in proportion to their Percentage Distribution Interests.

Except as otherwise provided in this Agreement, the decision as to whether to make distributions shall be within the sole discretion of the Voting Members.

With regard to any Distribution Interests granted by the Company after the execution of this Operating Agreement, such Distribution Interests shall be reallocated from existing Members as follows: all such interests shall be subtracted in equal parts from the Distribution Interests of Pouya Mohajer and Shane Terry until such time Mohajer and Terry's respective Distribution Interests have been reduced to nineteen percent (19%). In the event any further or more Voting Interests are granted by the Company, such Voting Interests shall be sourced by taking a proportional share of the dilutable Voting Interests of the Members. All Members whose Voting Interests are dilutable shall have their Voting Interest percentages reduced in proportion to their Distribution Interests relative to all other dilutable Members' Voting Interests. Distribution Interests designated as nondilutable will not decrease.

All such distributions shall be made only to the Members who, according to the books and records of the Company, are the holders of record on the actual date of distribution. The Voting Members may base a determination that a distribution of cash may be made on a balance sheet, profit and loss statement, cash flow statement of the Company or other relevant information. Neither the Company nor the Members shall incur any liability for making distributions.

Vesting Schedule. The Distribution Interests of Joseph Kennedy shall become fully vested upon his provision of credit of three million dollars (\$3,000,000.00) or more on terms satisfactory to the Company. Once such terms are agreed to, Kennedy shall immediately and automatically vest in his entire Distribution Interests as set forth in Exhibit A.

5.3 Form of Distribution. No Member has the right to demand and receive any distribution from the Company in any form other than money. No Member may be compelled to

accept from the Company a distribution of any asset in kind in lieu of a proportionate distribution of money being made to other Members except on the dissolution and winding up of the Company.

5.4 Non-Compete Agreement. The Members agree that they will not at any time within one (1) year from the earlier of (1) the termination of the Member's Voting Interests for any reason or (2) the termination of this Agreement: directly or indirectly engage in or prepare to engage in, or to have any ownership interest in any business, venture or entity that engages in, or is preparing to engage in, business or activities that directly compete with the services provided by the Company, unless the Member is already engaged in such business or venture at the time this Agreement is entered into, unless such matter is agreed upon in writing by a majority of the disinterested Voting Members. Subject to the foregoing, the departing Member shall only be precluded from competing in any county in which any of the following have occurred: (1) the Company has an in process or pending application; (2) the Company has received licenses to operate any medical marijuana facility; and (3) the Company sells or delivers marijuana and marijuana products (each, a "Competing County"). For purposes of this provision, any county in which the Company's only sale or delivery was related exclusively to Auntie Dolores products shall not be deemed a Competing County unless another provision hereof applies. The other Members may override this provision is by an agreement in writing executed by a majority of the disinterested Voting Members.

ARTICLE VI

TRANSFER AND ASSIGNMENT OF INTERESTS

6.1 Resignation of Membership and Return of Capital. For a period of two (2) years after the Articles of Organization for the Company are filed ("the filing"), no Member may voluntarily resign his membership in the Company, and no Member shall be entitled to any return of capital from the company, except upon the written consent of all of the other Voting Members. During the third year after the filing, a Member may voluntarily resign his membership, but such Member shall be entitled to receive from the Company only the book value of his Ownership Interest, adjusted for profits and losses to the date of resignation, unless otherwise agreed by written consent of all of the other Voting Members. Subsequent to the third year after filing, a Member may voluntarily resign his membership and shall be entitled to receive from the Company the fair market value of his Ownership Interest, adjusted for profits and losses to the date of resignation. Fair market value may be determined informally by unanimous agreement of all of the Voting Members, including the resigning Member. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the resigning Member is entitled. The other Voting Members may elect, by written notice that is provided to the resigning Member within thirty (30) days after the resignation date, for the Company to purchase the resigning Member's Interest (whether the interest is being purchased at book value or fair market value) in four (4) equal annual installments, with the first installment

being due sixty (60) days after the Member's resignation.

6.2 Expulsion or Death of a Member. A Member's interest in the Company may be terminated or expelled only upon agreement of the Disinterested Voting Members by a vote of 60% or more of Disinterested Voting Interests. Expulsion may only be made by a majority vote of 60% or more of the Disinterested Voting Interests that the expelled member was not acting in the best interest of the Company or was otherwise acting in a manner that was contrary to the purpose of the Company. For purposes of this provision, the "Disinterested Voting Members" shall be those Members who's membership in the Company is not then being voted upon, and "Disinterested Voting Interests" shall be the total percentage of the Ownership Interests held by the Disinterested Voting Members. By means of example only, if the Members sought to expel Member A, who owned a 20% Voting Interest, the Disinterested Voting Members would be all Members other than Member A, and the vote would require 60% of the 80% Disinterested Voting Interests to carry. In order to terminate a Member's interest a meeting of the Voting Members must be held in accordance with the provisions of Section 4.3.

Upon the expulsion or death of a Member, the Member's successor-in-interest, estate or beneficiary or beneficiaries, as the case may be, shall be entitled to receive from the Company, in exchange for all of the former Member's Ownership Interest, the fair market value of that Member's Ownership Interest, adjusted for profits and losses to the date of the expulsion or death. Fair market value may be determined informally by a unanimous good-faith agreement of all of the Voting Members. In the absence of an informal agreement as to fair market value, the Voting Members shall hire an appraiser to determine fair market value. The cost of any appraisal shall be deducted from the fair market value to which the former Member or the former Member's successor-in-interest, estate or beneficiary or beneficiaries is or are entitled. The Voting Members may elect, by written notice that is provided to the expelled or deceased Member's successor-in-interest, estate or beneficiary or beneficiaries, within thirty (30) days after the Member's expulsion or death, to purchase the former Member's Ownership Interest over a one-year (1 year) period, in four (4) equal installments, with the first installment being due sixty (60) days after the Member's expulsion or date of death. Unless otherwise agreed unanimously by the Voting Members, prior to the completion of such purchase, the former Member's successor-in-interest, estate or beneficiary or beneficiaries, shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled only to receive the share of profits and the return of capital to which the former Member would otherwise have been entitled. The Company, or the other Voting Members, in its or their discretion, may purchase insurance on the lives of any of the Members, with the company or the purchasing Member named as the beneficiary, as the purchaser may decide, and use all or any of the proceeds from such insurance as a source of proceeds from which the deceased Member's Membership Ownership Interest may be purchased by the Company.

6.3 Restrictions on Transfer. Except (i) as otherwise provided in this Article or (ii) upon the unanimous consent of all of the other Voting Members, no Member shall sell, hypothecate, pledge, assign or otherwise transfer, with or without consideration, any part or all of his Ownership Interest in the Company to any other person or entity (a "Transferee"), without first offering (the "Offer") that portion of his or her Ownership Interest in the Company subject to the contemplated transfer (the "Offered Interest") first to the Company, and secondly, to the other Voting Members, at the purchase price (hereinafter referred to as the "Transfer Purchase Price") and in the manner as prescribed in the Offer.

The Offering Member shall make the Offer first to the Company by written notice (hereinafter referred to as the "Offering Notice"). Within twenty (20) days (the "Company Offer Period") after receipt by the Company of the Offering Notice, the Company shall notify the Offering Member in writing (the "Company Notice"), whether or not the Company shall accept the Offer and shall purchase all but not less than all of the Offered Interest. If the Company accepts the Offer to purchase the Offered Interest, the Company Notice shall fix a closing date not more than twenty-five (25) days (the "Company Closing Date") after the expiration of the Company Offer Period.

In the event the Company decides not to accept the Offer, the Offering Member or the Company, at his or her or its election, shall, by written notice (the "Remaining Member Notice") given within that period (the "Member Offer Period") terminating ten (10) days after the expiration of the Company Offer Period, make the Offer of the Offered Interest to the other Voting Members, each of whom shall then have a period of twenty-five (25) days (the "Member Acceptance Period") after the expiration of the Member Offer Period within which to notify in writing the Offering Member whether or not he or she intends to purchase all but not less than all of the Offered Interest. If two (2) or more Voting Members of the Company desire to accept the Offer to purchase the Offered Interest, then, in the absence of an agreement between them, such Voting Members shall have the right to purchase the Offered Interest in proportion to their respective Percentage Voting Interests. If the other Voting Members intend to accept the Offer and to purchase the Offered Interest, the written notice required to be given by them shall fix a closing date not more than sixty (60) days after the expiration of the Member Acceptance Period (hereinafter referred to as the "Member Closing Date").

The aggregate dollar amount of the Transfer Purchase Price shall be payable in cash on the Company Closing Date or on the Member Closing Date, as the case may be, unless the Company or the purchasing Voting Members shall elect by written notice that is delivered to the Offering Member, prior to or on the Company Closing Date or the Member Closing Date, as the case may be, to purchase such Offered Interest in four (4) equal annual installments, with the first installment being due on the Closing Date.

If the Company or the other Voting Members fail to accept the Offer or, if the Offer is accepted by the Company or the other Voting Members and the Company or the other Voting Members fail to purchase all of the Offered Interest at the Transfer Purchase Price within the time and in the manner specified, then the Offering Member shall be free, for a period (hereinafter referred to as the "Free Transfer Period") of sixty (60) days from the occurrence of such failure, to transfer the Offered Interest to a Transferee; provided, however, that if all of the other Voting Members other than the Offering Member do not approve of the proposed transfer by unanimous written consent, the Transferee of the Offered Interest shall have no right to become a Member or to participate in the management of the business and affairs of the Company as a Member or Manager, and shall only have the rights of an Assignee and be entitled to receive the share of profits and the return of capital to which the Offering Member would otherwise have been entitled. A Transferee shall be admitted as a Member of the Company, and as a result of which he or she shall become a substituted Member, with the rights that are consistent with the Membership Interest that was transferred, only if such new Member (i) is approved unanimously by the Voting Members; (ii) delivers to the Company his required capital contribution; (iii) agrees in writing to be bound by the terms of this Agreement by becoming a party hereto.

If the Offering Member shall not transfer the Offered Interest within the Free Transfer Period, his or her right to transfer the Offered Interest free of the foregoing restrictions shall thereupon cease

and terminate.

6.4 Involuntary Transfer of a Membership Interest. A creditor's charging order or lien on a Member's Membership Interest, bankruptcy of a Member resulting in an encumbrance or transfer of the Member's Membership Interest, or other involuntary transfer of Member's Membership Interest, shall constitute a material breach of this Agreement by such Member. The creditor, transferee or other claimant, shall only have the rights of an Assignee, and shall have no right to become a Member, or to participate in the management of the business and affairs of the Company as a Member or Manager under any circumstances, and shall be entitled only to receive the share of profits and losses, and the return of capital, to which the Member would otherwise have been entitled. The Voting Members, including a Voting Member whose interest is the subject of the charging order, lien, bankruptcy, or involuntary transfer, may unanimously elect, by written notice that is provided to the creditor, transferee or other claimant, at any time, to purchase all or any part of Membership Interest that was the subject of the creditor's charging order, lien, bankruptcy, or other involuntary transfer, at a price that is equal to one-half (1/2) of the book value of such interest, adjusted for profits and losses to the date of purchase. The Members agree that such valuation is a good-faith attempt at fixing the value of the interest, after taking into account that the interest does not include all of the rights of a Member or Manager, and after deducting damages that are due to the material breach of this Agreement.

ARTICLE VII

ACCOUNTING, RECORDS AND REPORTING

7.1 Books and Records. The Company shall maintain complete and accurate accounts in proper books of all transactions of or on behalf of the Company and shall enter or cause to be entered therein a full and accurate account of all transactions on behalf of the Company. The Company's books and accounting records shall be kept in accordance with such accounting principles (which shall be consistently applied throughout each accounting period) as the Voting Members may determine to be convenient and advisable. The Company shall maintain at its principal office all of the following:

A current list of the full name and last known business or residence address of each Member in the Company set forth in alphabetical order, together with, for each Member, the Class A Voting Capital account and Class B Nonvoting Capital account, including entries to these accounts for contributions and distributions; the Ownership Interest, Percentage Ownership and Voting Interests; a copy of the Certificate and any and all amendments thereto together with executed copies of any powers of attorney pursuant to which the Certificate or any amendments thereto have been executed; copies of the Company's federal, state and local income tax or information returns and reports, if any, for the six most recent taxable years; a copy of this Agreement and any and all amendments hereto together with executed copies of any powers of attorney pursuant to which this Agreement or any amendments thereto have been executed; copies of the financial statements of the Company, if any, for the six most recent Fiscal Years; the Company's books and records as they relate to the internal affairs of the Company for at least the current and past four Fiscal Years; true and full information regarding the status of the business and financial condition of the Company; and true and full information regarding the amount of cash and a description and statement of the agreed value of any other property or services contributed by each Member and which each Member has agreed to contribute in the future, and the date on

the Act; the majority approval of the Voting Members; or any other event causing a dissolution of a Limited Liability Company under the laws of the State of Nevada.

8.2 Winding Up. On the occurrence of an event specified in Section 8.1, the Company shall continue solely for the purpose of winding up its affairs in an orderly manner, liquidating its assets and satisfying the claims of its creditors. The Voting Members shall be responsible for overseeing the winding up and liquidation of Company, shall take full account of the assets and liabilities of Company, shall cause such assets to be sold or distributed, and shall cause the proceeds therefrom, to the extent sufficient therefor, to be applied and distributed as provided in Section 9.4. The Voting Members shall give written notice of the commencement of winding up by mail to all known creditors and claimants whose addresses appear on the records of the Company. The Members shall be entitled to reasonable compensation for such services.

8.3 Distributions in Kind. All noncash contributions to the Capital Accounts shall be returned to the Member who made such contribution upon dissolution of the Company, to the extent such noncash assets exist and may be legally returned to the contributing Member. Any remaining noncash assets distributed to the Members shall first be valued at their fair market value to determine the profit or loss that would have resulted if such assets were sold for such value. Such profit or loss shall then be allocated pursuant to this Agreement, and the Members' Capital Accounts shall be adjusted to reflect such allocations. The amount distributed and charged against the Capital Account of each Member receiving an interest in a distributed asset shall be the fair market value of such interest (net of any liability secured by such asset that such Member assumes or takes subject to). The fair market value of such asset shall be determined by the Voting Members, or if any Voting Member objects, by an independent appraiser (and any such appraiser must be recognized as an expert in valuing the type of asset involved) selected by a Majority of the Voting Members.

8.4 Order of Payment of Liabilities on Dissolution. After a determination that all known debts and liabilities of the Company in the process of winding up, including, without limitation, debts and liabilities to Members who are creditors of the Company, have been paid or adequately provided for, the remaining assets shall be distributed to the Members in proportion to their Ownership Interests.

8.5 Adequacy of Payment. The payment of a debt or liability, whether the whereabouts of the creditor is known or unknown, shall have been adequately provided for if payment thereof shall have been assumed or guaranteed in good faith by one or more financially responsible Persons or by the United States government or any agency thereof, and the provision, including the financial responsibility of the Person, was determined in good faith and with reasonable care by the Members to be adequate at the time of any distribution of the assets pursuant to this Section. This Section shall not prescribe the exclusive means of making adequate provision for debts and liabilities.

8.6 Compliance with Regulations. All payments to the Members on the winding up and dissolution of Company shall be strictly in accordance with the positive capital account balance limitation and other requirements of Regulations Section 1.704-1(b)(2)(ii)(d), as the voting Members deem appropriate.

8.7 Limitations on Payments Made in Dissolution. Except as otherwise specifically provided in this Agreement, each Member shall only be entitled to look solely to the assets of the Company for the return of such Member's positive Capital Account balance and shall have no recourse for such Member's Capital Contribution or share of profits (on dissolution or otherwise)

against any other Member.

8.8 Certificate of Cancellation. The Voting Members conducting the winding up of the affairs of the Company shall cause to be filed in the office of, and on a form prescribed by the Nevada Secretary of State, a certificate of cancellation of the Certificate on the completion of the winding up of the affairs of the Company.

ARTICLE IX

EXCULPATION AND INDEMNIFICATION, REPS AND WARRANTIES

9.1 Exculpation of Members. Subject to the limitations of section 9.3, no Member shall be liable to the Company or to the other Members for damages or otherwise with respect to any actions taken or not taken, as long as such act or omission was made in good faith and reasonably believed by such Member to be in or not opposed to the best interests of the Company, except to the extent any related loss results from fraud, gross negligence or willful or wanton misconduct on the part of such Member or the material breach of any obligation under this Agreement or of the fiduciary duties owed to the Company or the other Members by such Member.

9.2 Indemnification by Company. Subject to the limitations of section 9.3, below, the Company shall indemnify, hold harmless and defend the Members, in their capacity as Members, Managers, or Officers, from and against any loss, expense, damage or injury suffered or sustained by them by reason of any acts or omissions arising out of their activities on behalf of the Company or in furtherance of the interests of the Company, including but not limited to any judgment, award, settlement, reasonable attorneys' fees and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding or claim, if the acts or omissions were not performed or omitted fraudulently or as a result of gross negligence or willful misconduct by the indemnified party. Reasonable expenses incurred by the indemnified party in connection with any such proceeding relating to the foregoing matters may be paid or reimbursed by the Company in advance of the final disposition of such proceeding upon receipt by the Company of (i) written affirmation by the Person requesting indemnification of its good-faith belief that it has met the standard of conduct necessary for indemnification by the Company and (ii) a written undertaking by or on behalf of such Person to repay such amount if it shall ultimately be determined by a court of competent jurisdiction that such Person has not met such standard of conduct, which undertaking shall be an unlimited general obligation of the indemnified party but need not be secured.

9.3 Intellectual Property Indemnification. Notwithstanding the foregoing, each Member will indemnify, defend and hold harmless the other Member and any of its Affiliates, customers, officers, directors, employees, agents, assigns, and successors for any loss, damage, expense, costs (including, but not limited to, fees for attorneys and other professionals) or liability arising out of or in connection with a claim for intellectual property infringement or misappropriation of any patent, copyright, trade secret or other intellectual property right of a third party.

The indemnity obligations under this section are conditioned upon the Party seeking indemnification (the "Indemnified Party") (a) giving the other Party (the "Indemnifying Party") prompt Notice of such claim; (b) cooperating with the Indemnifying Party, at the Indemnifying Party's expense in the defense of such claim; and (c) giving the Indemnifying Party the right to

control the defense and settlement of any such claim, except that the Indemnifying Party shall not enter into any settlement or consent to judgment that affects the Indemnified Party's rights or interests without the Indemnified Party's prior written approval.

9.4 Insurance. The Company shall have the power to purchase and maintain insurance on behalf of any Person who is or was a Member or an agent of the Company against any liability asserted against such Person and incurred by such Person in any such capacity, or arising out of such Person's status as a Member or an agent of the Company, whether or not the Company would have the power to indemnify such Person against such liability under Section 10.1 or under applicable law.

ARTICLE X

INTELLECTUAL PROPERTY

10.1 Definition of Intellectual Property. "Intellectual Property" means all intellectual property rights in the United States or any foreign jurisdiction throughout the world (whether registered or not) including, without limitation, all of the following: (i) all patents and utility models and applications therefore, and all reissues, divisions, re-examinations, renewals, extensions, provisional's, continuations and continuations-in-part thereof, and equivalent or similar rights in inventions and discoveries, including without limitation, invention disclosures; (ii) all trade secrets and other rights in Technology, data, know-how and confidential or proprietary information; (iii) mask works, mask work registrations and applications therefore, and all other rights corresponding thereto throughout the world; (iv) all copyrights, copyrights registrations and applications therefore and all other rights corresponding thereto; (v) all industrial designs and any registrations and applications therefore; (vi) all rights in all trade names, logos, common law trademarks and service marks, trademark and service mark registrations and applications therefore; and (vii) any similar, corresponding or equivalent rights to any of the foregoing anywhere in the world.

10.2 Ownership of Intellectual Property. The Parties acknowledge that any and all Intellectual Property created, used or embodied in or in connection with the Project, including without limitation any modifications or improvements made by the Parties based upon ideas, suggestions or proposals communicated between the Parties, are and shall remain the sole and exclusive property of the originating Party, and the other Party shall not during or at any time after the term of this Agreement in any way question or dispute the ownership of any such exclusive ownership rights.

10.3 Definition of Marks. "Mark(s)" means the trademarks, service marks, trademark and service mark applications, trade dress, trade names, logos, insignia, symbols, designs or other marks identifying a Party or its products.

10.4 No Rights in Marks. Nothing in this Agreement should be construed to grant either Party any rights in the Marks of the other Party. The Parties acknowledge, however, that each Party may use the name of the other Party and the name of their Products in advertising and marketing the Products or the Parties, themselves. The Products will be affixed with appropriate copyright and trademark notices sufficient to give Notice as to the rights of the Parties in their respective products.

10.5 Confidentiality. If, during the term, a Party receives or has access to Confidential Information belonging to the other Party, the Parties will be bound to keep all such information confidential. Confidential Information may only be used for purposes related to this Agreement and the Party receiving the confidential information must keep it confidential using the same degree of care that it exercises with respect to its own information of like importance, but in no event less than reasonable care.

ARTICLE XI DISPUTE RESOLUTION

11.1 Disputes Among Members. The Members agree that in the event of any dispute or disagreement solely between or among any of them arising out of, relating to or in connection with this Agreement or the Company or its organization, formation, business or management ("Member Dispute"), the Members shall use their best efforts to resolve any dispute arising out of or in connection with this Agreement by good-faith negotiation and mutual agreement. The Members shall meet at a mutually convenient time and place to attempt to resolve any such dispute.

However, in the event that the Members are unable to resolve any Member Dispute, such parties shall first attempt to settle such dispute through a non-binding mediation proceeding. In the event any party to such mediation proceeding is not satisfied with the results thereof, then any unresolved disputes shall be finally settled in accordance with an arbitration proceeding. In no event shall the results of any mediation proceeding be admissible in any arbitration or judicial proceeding.

11.2 Mediation. Mediation proceedings shall be conducted in accordance with the Commercial Mediation Rules of the American Arbitration Association (the "AAA") in effect on the date the notice of mediation was served, other than as specifically modified herein, and shall be non-binding on the parties thereto.

Any Member may commence a mediation proceeding by serving written notice thereof to the other Members, by mail or otherwise, designating the issue(s) to be mediated and the specific provisions of this Agreement under which such issue(s) and dispute arose. The initiating party shall simultaneously file two copies of the notice with the AAA, along with a copy of this Agreement. A Member may withdraw from the Member Dispute by signing an agreement to be bound by the results of the mediation, to the extent the mediation results are accepted by the other Members as provided herein. A Member who withdraws shall have no further right to participate in the Member Dispute.

The Members shall select one neutral third party AAA mediator (the "Mediator") with expertise in the area that is in dispute. If a Mediator has not been selected within five (5) business days thereafter, then a Mediator shall be selected by the AAA in accordance with the Commercial Mediation Rules of the AAA.

The Mediator shall schedule sessions, as necessary, for the presentation by all Members of their respective positions, which, at the option of the Mediator, may be heard by the Mediator jointly or in private, without any other members present. The mediation proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Mediator and all of the Members. The Members may submit to the Mediator, no later than ten (10) business days prior to the first scheduled session, a brief memorandum in support of their position.

The Mediator shall make written recommendations for settlement in respect of the dispute, including apportionment of the mediator's fee, within ten (10) business days of the last scheduled session. If any Member involved is not satisfied with the recommendation for settlement, he or she may commence an arbitration proceeding.

11.3 Arbitration. Arbitration proceedings shall be conducted under the Rules of Commercial Arbitration of the AAA (the "Rules"). A Member may withdraw from the Member

Dispute by signing an agreement to be bound by the results of the arbitration. A Member who withdraws shall have no further right to participate in the Member Dispute.

The arbitration panel shall consist of one arbitrator. The Members shall select one neutral third party AAA arbitrator (the "Arbitrator") with expertise in the area that is in dispute. If an Arbitrator has not been selected within five (5) business days thereafter, then an Arbitrator shall be selected by the AAA in accordance with the Commercial Arbitration Rules of the AAA. The arbitration proceeding shall be held in the city that is the company's principal place of business or such other place as agreed by the Arbitrator and all of the Members. Any arbitrator who is selected shall disclose promptly to the AAA and to both parties any financial or personal interest the arbitrator may have in the result of the arbitration and/or any other prior or current relationship, or expected or discussed future relationship, with the Members or their representatives. The arbitrator shall promptly conduct proceedings to resolve the dispute in question pursuant to the then existing Rules. To the extent any provisions of the Rules conflict with any provision of this Section, the provisions of this Section shall control.

In any final award and/or order, the arbitrator shall apportion all the costs (other than attorney's fees which shall be borne by the party incurring such fees) incurred in conducting the arbitration in accordance with what the arbitrator deems just and equitable under the circumstances.

Discovery shall not be permitted in such arbitration except as allowed by the rules of arbitration, or as otherwise agreed to by all the parties of the Member Dispute. Notwithstanding, the Members agree to make available to one another and to the arbitrator, for inspection and photocopying, all documents, books and records, if determined by the arbitration panel to be relevant to the dispute, and by making available to one another and to the arbitration panel personnel directly or indirectly under their control, for testimony during hearings if determined by the arbitration panel to be relevant to the dispute. The Members agree, unless undue hardship exists, to conduct arbitration hearings to the greatest extent possible on consecutive business days and to strictly observe time periods established by the Rules or by the arbitrator for the submission of evidence and of briefs. Unless otherwise agreed to by the Members, a stenographic record of the arbitration proceedings shall be made and a transcript thereof shall be ordered for each Member, with each party paying an equal portion of the total cost of such recording and transcription.

The arbitrator shall have all powers of law and equity, which it can lawfully assume, necessary to resolve the issues in dispute including, without limiting the generality of the foregoing, making awards of compensatory damages, issuing both prohibitory and mandatory orders in the nature of injunctions and compelling the production of documents and witnesses for presentation at the arbitration hearings on the merits of the case. The arbitration panel shall neither have nor exercise any power to act as amicable compositeur or ex aequo et bono; or to award special, indirect, consequential or punitive damages. The decision of the arbitration panel shall be in written form and state the reasons upon which it is based. The statutory, case law and common law of the State of Nevada shall govern in interpreting their respective rights, obligations and liabilities arising out of or related to the transactions provided for or contemplated by this Agreement, including without limitation, the validity, construction and performance of all or any portion of this Agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded, but such governing law shall not include the law pertaining to conflicts or choice of laws of Nevada; provided however, that should the parties refer a dispute arising out of or in connection with an ancillary agreement or an agreement between some or all of the Members which specifically references this Article, then

the statutory, case law and common law of the State whose law governs such agreement (except the law pertaining to conflicts or choice of law) shall govern in interpreting the respective rights, obligations and liabilities of the parties arising out of or related to the transactions provided for or contemplated by such agreement, including, without limitation, the validity, construction and performance of all or any portion of such agreement, and the applicable remedy for any liability established thereunder, and the amount or method of computation of damages which may be awarded.

Any action or proceeding subsequent to any Award rendered by the arbitrator in the Member Dispute, including, but not limited to, any action to confirm, vacate, modify, challenge or enforce the arbitrator's decision or award shall be filed in a court of competent jurisdiction in the same county where the arbitration of the Member Dispute was conducted, and Nevada law shall apply in any such subsequent action or proceeding.

ARTICLE XII

MISCELLANEOUS

12.1 Notices. Except as otherwise expressly provided herein, any notice, consent, authorization or other communication to be given hereunder shall be in writing and shall be deemed duly given and received when delivered personally, when transmitted by facsimile if receipt is acknowledged by the addressee, one business day after being deposited for next-day delivery with a nationally recognized overnight delivery service, or three business days after being mailed by first class mail, charges and postage prepaid, properly addressed to the party to receive such notice at the address set forth in the Company's records.

12.2 Severability. If any provision of this Agreement, or the application of such provision to any Person or circumstance, shall be held by a court of competent jurisdiction to be invalid or unenforceable, the remainder of this Agreement, or the application of such provision to Persons or circumstances other than those to which it is held to be invalid or unenforceable, shall not be affected thereby.

12.3 Binding Effect. Subject to Article VII, this Agreement shall bind and inure to the benefit of the parties and their respective Successors.

12.4 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.5 Entire Agreement. This Agreement contains the entire agreement of the parties and supersedes all prior or contemporaneous written or oral negotiations, correspondence, understandings and agreements between or among the parties, regarding the subject matter hereof.

12.6 Further Assurances. Each Member shall provide such further information with respect to the Member as the Company may reasonably request, and shall execute such other and further certificates, instruments and other documents, as may be necessary and proper to implement, complete and perfect the transactions contemplated by this Agreement.

12.7 Headings; Gender; Number; References. The headings of the Sections hereof are solely for convenience of reference and are not part of this Agreement. As used herein, each gender includes each other gender, the singular includes the plural and vice versa, as the context

may require. All references to Sections and subsections are intended to refer to Sections and subsections of this Agreement, except as otherwise indicated.

12.8 Parties in Interest. Except as expressly provided in the Act, nothing in this Agreement shall confer any rights or remedies under or by reason of this Agreement on any Persons other than the Members and their respective Successors nor shall anything in this Agreement relieve or discharge the obligation or liability of any third Person to any party to this Agreement, nor shall any provision give any third Person any right of subrogation or action over or against any party to this Agreement.

12.9 Amendments. All amendments to this Agreement shall be in writing and signed by all of the Members to the agreement at the time of the amendment.

12.10 Attorneys' Fees. In any dispute between or among the Company and one or more of the Members, including, but not limited to, any Member Dispute, the prevailing party or parties in such dispute shall be entitled to recover from the non-prevailing party or parties all reasonable fees, costs and expenses including, without limitation, attorneys' fees, costs and expenses, all of which shall be deemed to have accrued on the commencement of such action, proceeding or arbitration. Attorneys' fees shall include, without limitation, fees incurred in any post-award or post-judgment motions or proceedings, contempt proceedings, garnishment, levy, and debtor and third party examinations, discovery, and bankruptcy litigation, and prevailing party shall mean the party that is determined in the arbitration, action or proceeding to have prevailed or who prevails by dismissal, default or otherwise.

12.11 Remedies Cumulative. Subject to Article XI, remedies under this Agreement are cumulative and shall not exclude any other remedies to which any Member may be lawfully entitled.

12.12 Jurisdiction and Venue/Equitable Remedies. The Company and each Member hereby expressly agrees that if, under any circumstances, any dispute or controversy arising out of or relating to or in any way connected with this Agreement shall, notwithstanding Article XI, be the subject of any court action at law or in equity, such action shall be filed exclusively in the courts of the State of Nevada or of the United States of America with jurisdiction over any county of Nevada as selected by the Member that is the plaintiff in the action, or that initiates the proceeding or arbitration. Each Member agrees not to commence any action, suit or other proceeding arising from, relating to, or in connection with this Agreement except in such a court and each Member irrevocably and unconditionally consents and submits to the personal and exclusive jurisdiction of such courts for the purposes of litigating any such action, and hereby grants jurisdiction to such courts and to any appellate courts having jurisdiction over appeals from such courts or review of such proceedings. Because the breach of the provisions of this Section would cause irreparable harm and significant injury to the Company and the other Members, which would be difficult to ascertain and which may not be compensable by damages alone, each Member agrees that the Company and the other Members will have the right to enforce the provisions of this Section by injunction, specific performance or other equitable relief in addition to any and all other remedies available to such party or parties without showing or proving any actual damage to such parties. Members will be entitled to recover all reasonable costs and expenses, including but not limited to all reasonable attorneys' fees, expert and consultants' fees, incurred in connection with the enforcement of this Section.

12.13 Authority. This Agreement constitutes a legal, valid and binding agreement of the Member, enforceable against the Member in accordance with its terms. The Member is

empowered and duly authorized to enter into this Agreement (including the power of attorney herein) under every applicable governing document, partnership agreement, trust instrument, pension plan, charter, certificate of incorporation, bylaw provision or the like. The Person, if any, signing this Agreement on behalf of the Member is empowered and duly authorized to do so by the governing document or trust instrument, pension plan, charter, certificate of incorporation, bylaw provision, board of directors or stockholder resolution or the like.

12.14 Indemnification by Members in Breach. Each Member hereby agrees to indemnify and defend the Company, the other Members and each of their respective employees, agents, partners, members, shareholders, officers and directors and hold them harmless from and against any and all claims, liabilities, damages, costs and expenses (including, without limitation, court costs and attorneys' fees and expenses) suffered or incurred on account of or arising out of any breach of this Agreement by that Member.

IN WITNESS WHEREOF, this Limited Liability Company Operating Agreement has been duly executed by or on behalf of the parties hereto as of the date first above written.

Peyman Bady
Member: PEYMAN BADY

Pouya Mohajer
Member: POUYA MOHAJER

Shane Terry
Member: SHANE TERRY

RYAN WINMILL
Member: RYAN WINMILL

Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

Joseph Kennedy
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

NUVEDA, LLC
LISTING OF MEMBERS

NAME:	ADDRESS:	PERCENTAGE INTERESTS VOTING/OWNERSHIP INTERESTS/DISTRIBUTION:
Pejman Bady	PO Box 6255 Pahrump, NV 89041	46.5%/46.5%/38%
Pouya Mohajer	2700 Las Vegas Blvd. #2709 Las Vegas, NV 89109	21%/21%/25.25%
Shane Terry	4575 Dean Martin Drive #1401 Las Vegas, NV 89103	21%/21%/25.25%
Jennifer Goldstein	200 Hoover Street #1113 Las Vegas, NV 89101	7%*/7%*/7%*
Joe Kennedy	11115 Kilkerran Ct, Las Vegas, NV 89141	1%*/1%*/1%*
John Penders	29 Marshall Terrace Wayland, MA 01778	1.75%*/1.75%*/1.75%
Ryan Winmill	412 Princess Street Alexandria VA 222314	1.75%*/1.75%*/1.75%

*Nondilutable interests once vested. As if this writing, the Ownership, Voting and Distribution Shares of Goldstein, Kennedy, Winmill and Penders are designated as Nondilutable

Member Listing as of this _____ day of _____, 2014

DocuSigned by:
Pejman Bady
Member: PEJMAN BADY

DocuSigned by:
Pouya Mohajer
Member: POUYA MOHAJER

DocuSigned by:
Shane Terry
Member: SHANE TERRY

DocuSigned by:
RW
Member: RYAN WINMILL

DocuSigned by:
Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

DocuSigned by:
Joseph Kennedy
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

**NUVEDA, LLC
CAPITAL CONTRIBUTIONS**

Pursuant to ARTICLE III, the Members' initial contribution to the Company capital is stated to be one million dollars (\$1,000,000.00). The description and each individual portion of this initial contribution is as follows, which amounts shall be allocated to the Capital Accounts for each Member:

Description	Value
Member: PEJ BADY	\$440,000.00
Member: POUYA MOHAJER	\$440,000.00
Member: SHANE TERRY	\$120,000.00

SIGNED AND AGREED this _____ day of _____, 2014.

DocuSigned by:
Pejman Bady
Member: PEJMAN BADCY

DocuSigned by:
Pouya Mohajer
Member: POUYA MOHAJER

DocuSigned by:
STW
Member: SHANE TERRY

DocuSigned by:
STW
Member: SHANE TERRY

DocuSigned by:
Jennifer Goldstein
Member: JENNIFER GOLDSTEIN

DocuSigned by:
Joseph Kennedy
Member: JOSEPH KENNEDY

Member: JOHN PENDERS

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

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

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

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

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

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

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

1.45
45 MR

ST
Substantially reduced

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

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

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

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

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

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

Litigation, Releases and Cooperation:

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

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

245
to

Arbitration and District Court Case to Buyer.

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

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

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

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

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

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

shall be awarded to the prevailing party.

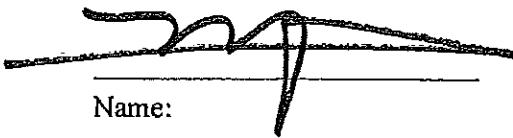
The Parties acknowledge that there is no other agreement and no other term incorporated into this Purchase and Sale Agreement other than what is expressed herein.

Dated this 20th day April, 2018

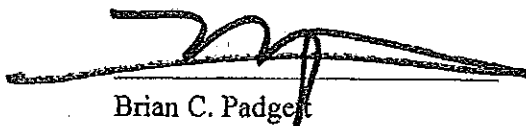
BUYER:

BCP 7, LLC

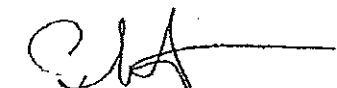
By its Manager:


Name:

GUARANTOR:


Brian C. Padgett


SELLER:


Shane Terry

4.85

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

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


Purchase price is substantially reduced
RP 

Dated this 30th day April, 2018.


BUYER:

BCP 7, LLC


By its Manager:


Name:

GUARANTOR:


Brian C. Padgett

SELLER:


Shane Terry

5 of 6
9

Assignment of Interests

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

As set forth in the arbitration demand on file in the Case, Shane Terry was purportedly expelled as a member of NuVeda, LLC under Section 6.2 of the NuVeda, LLC Operating Agreement on March 10, 2016. Section 6.2 of the NuVeda, LLC Operating Agreement expressly contemplates a member's successor-in-interest being entitled to receive from NuVeda, LLC in exchange for all of the member's former interest the value of that terminated interest. In addition, Mr. Terry has alleged claims for damages against NuVeda, LLC, Pej Bady and Pouya Mohajer for breach of the Operating Agreement, including Sect. 6.2, as well as breach of the implied covenant of good faith and fair dealing, breach of fiduciary duty and intentional and/or negligent misrepresentations. These claims are being assigned as-is with no warranties as whether they are legally assignable or otherwise viable as a matter of fact or law.

Assignor

Shane Terry

Assignee

BCP 7, LLC

By: _____

5/2/18

EXHIBIT “5”

From: Brian Padgett brian@briancpadgett.com
Subject: Terry/NuVeda case number 01-15-0005-8574
Date: June 5, 2018 at 7:41 PM
To: nbaker@petersonbaker.com
Cc: pejman bady pbady@me.com, Pouya Mohajer pouyamohajer@gmail.com, Joseph Kennedy joe90275@gmail.com, Matthew T. Dushoff mdushoff@klnevada.com, Jason Wiley jwiley@wileypetersenlaw.com, Amy Sugden amy@briancpadgett.com

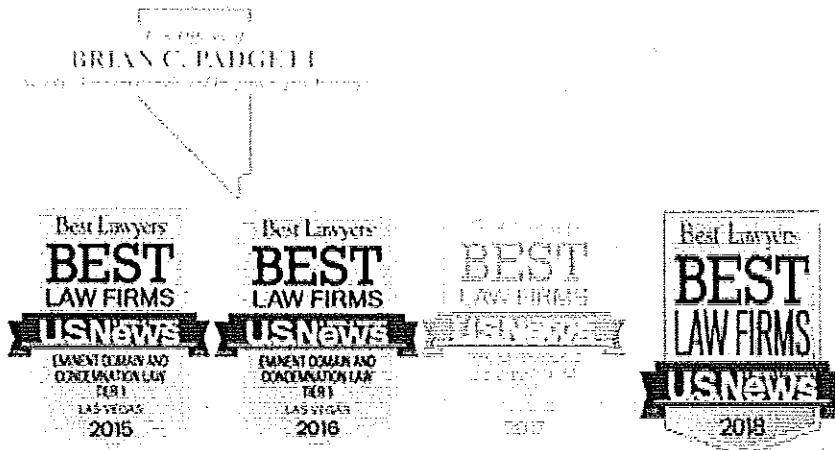
Dear Arbitrator Baker:

I hereby dismiss all claims of myself, CWNevada, BCP Holdings 7, LLC and Shane Terry (all right, title and interest) against Bady, Mohajer, and NuVeda and its subsidiaries (Clark NMSD, Clark Natural Medicinal Solutions, and Nye Natural Medicinal Solutions) with prejudice.

Please initiate necessary proceedings to dismiss my claims.

Ms. Sugden shall oversee the process and may sign on my behalf any necessary paperwork.

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



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EXHIBIT “6”

Subject: RE: BCP 7

?

Nikki Baker <nbaker@petersonbaker.com>

Tue, Oct 9, 2018, 9:59 AM

to Jason Wiley, David Feuerstein, Matthew T. Dushoff, AAA Lance Tanaka, Amy Sugden, Kristina R. Cole, Scott D.

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

Counsel:

Based on the below email string and my orders regarding Ms. Goldstein's request for discovery, BCP Holding 7, LLC is hereby DISMISSED from this arbitration.

Mr. Tanaka, BCP Holding 7, LLC may be removed from the caption.

Additionally, based on the below emails, I will extend the time for the parties to provide to me proposed new deadlines related to a new arbitration hearing date to 5:00 p.m. PST on Monday, October 15. Absent exceptional circumstances, which do not include ongoing settlement discussions, this deadline will not be extended again.

Thank you,

Nikki

Nikki Baker, Esq.
Peterson Baker, PLLC
702.786.1001

From: Jason Wiley <jwiley@wileypetersenlaw.com>
Sent: Tuesday, October 09, 2018 8:52 AM
To: 'David Feuerstein' <david@dfmklaw.com>; Nikki Baker <nbaker@petersonbaker.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>
Cc: 'Amy Sugden' <amy@briancpadgett.com>; 'Kristina R. Cole' <kcole@knevada.com>; 'Scott D. Fleming' <sfleming@knevada.com>
Subject: RE: BCP 7

Arbitrator Baker:

I can confirm Mr. Feuerstein's comments regarding the parties' negotiations and ongoing efforts to schedule arbitration dates and other deadlines.

JMW

Jason M. Wiley, Esq.
Partner



1050 Indigo Drive
Suite 130
Las Vegas, Nevada 89145
Office 702.910.3329 | Direct 702.909.5487 | Mobile 702.845.7401
jwiley@wileypetersenlaw.com

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From: David Feuerstein <david@dfmklaw.com>
Sent: Monday, October 8, 2018 2:39 PM
To: Nikki Baker <nbaker@petersonbaker.com>; Jason Wiley <jwiley@wileypetersenlaw.com>; 'Matthew T. Dushoff' <mdushoff@knevada.com>; 'AAA Lance Tanaka' <LanceTanaka@adr.org>

APPENDIX 230

Defendant's Exhibits Page 164

EXHIBIT “7”



AMERICAN
ARBITRATION
ASSOCIATION®

INTERNATIONAL CENTRE
FOR DISPUTE RESOLUTION®

Lance Tanaka
Vice President
1400 16th Street, Suite 400
Denver, CO 80202
Telephone: (303)831-0824
Fax: (646)640-1840

October 9, 2018

Matthew T. Dushoff, Esq.
Kolesar & Leatham, Chtd.
400 South Rampart Boulevard, Suite 400
Las Vegas, NV 89145-5725
Via Email to: mdushoff@knevada.com

David Feuerstein
Feuerstein Kulick LLP
205 East 42nd Street, 20th Floor
New York, NY 10017
Via Email to: david@dfmklaw.com

Jason M. Wiley
Wiley Petersen
1050 Indigo Drive, Suite 130
Las Vegas, NV 89145
Via Email to: jwiley@wileypetersenlaw.com

Case Number: 01-15-0005-8574

Pouya Mohajer and Pejman Bady;
-vs-
Jemifer Goldstein
-vs-
Nuveda, LLC

Dear Parties:

This will confirm that BCP 7, LLC has been dismissed as a party in this matter, in accordance with the Arbitrator's Ruling of October 9, 2018. Counsel for BCP 7, LLC is copied on this letter however they have been removed from the case and will no longer receive correspondence concerning this matter.

Sincerely,

/s/
Lance K Tanaka
Vice President
Direct Dial: (303)831-0824
Email: LanceTanaka@adr.org
Fax: (646)640-1840

cc: Amy Sudgen
Kristina Cole
Brian C. Padgett
Anne M. Landis
Scott Fleming, Esq.
Nikki Baker, Esq.

lt/bs

EXHIBIT F-2

From: [AAA Lance Tanaka](#)
To: [Karen Foley](#)
Cc: [Michael Mushkin](#)
Subject: RE: AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al
Date: Tuesday, December 1, 2020 11:17:25 AM
Attachments: [image881d5c.PNG](#)

Dear Ms. Foley,

This will confirm receipt of your email and attachments.

Our files in the matter referenced were closed on March 20, 2019 and the Association no longer has jurisdiction regarding this matter.

Sincerely,

Lance K. Tanaka



Lance Tanaka

American Arbitration Association

16 Market Square
1400 16th Street, Suite 400, Denver, CO 80202
T: 303 831 0824 F: 646 640 1840 E: LanceTanaka@adr.org
adr.org | icdr.org | aaamediation.org



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From: Karen Foley <KFoley@mccnvlaw.com>
Sent: Monday, November 30, 2020 5:09 PM
To: AAA Lance Tanaka <LanceTanaka@adr.org>
Cc: Michael Mushkin <Michael@mccnvlaw.com>
Subject: AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al

***** External E-Mail – Use Caution *****

Mr. Tanaka,

Please be advised that the law firm of Mushkin & Coppedge has been retained to represent the interests of Shane Terry, in regard to the above-referenced matter. I have attached a Notice of Appearance. In addition, I am attaching a Motion to Set Aside Dismissal for your review.

If this is not the proper procedural order would you please be able to lead me in the right direction.

Thank you for your attention to this matter.

Regards,

Karen L. Foley
Legal Administrator/Case Manager
MUSHKIN & COPPEDGE
6070 South Eastern Avenue, Suite 270
Las Vegas, NV 89119
Tel. No. (702) 454-3333
Fax No. (702) 386-4979

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APPENDIX 234

From: [Karen Foley](#)
To: ["lancetanaka@adr.org"](mailto:lancetanaka@adr.org)
Cc: [Michael Mushkin](#)
Bcc: [Joe Coppedge](#)
Subject: AAA Case # 01-15-0005-8574 - Shane Terry v. Pejman Bady, et al
Date: Monday, November 30, 2020 4:08:54 PM
Attachments: [201130\[Executed\] AAA - Motion to Set Aside Dismissal.pdf](#)
[201130\[Executed\] AAA - Notice of Appearance.pdf](#)

Mr. Tanaka,

Please be advised that the law firm of Mushkin & Coppedge has been retained to represent the interests of Shane Terry, in regard to the above-referenced matter. I have attached a Notice of Appearance. In addition, I am attaching a Motion to Set Aside Dismissal for your review.

If this is not the proper procedural order would you please be able to lead me in the right direction.

Thank you for your attention to this matter.

Regards,

Karen L. Foley
Legal Administrator/Case Manager
MUSHKIN & COPPEDGE
6070 South Eastern Avenue, Suite 270
Las Vegas, NV 89119
Tel. No. (702) 454-3333
Fax No. (702) 386-4979

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