

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

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Jan 26 2022 09:10 a.m.
Elizabeth A. Brown
Clerk of Supreme Court

E&T VENTURES, LLC,
Petitioner,

vs

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

Respondent,

EUPPHORIA WELLNESS, LLC a
Nevada limited liability company,

Real Party in Interest.

Supreme Court Case No. TBD

District Court Case: A-19-796919-B

Volume 6 of 7

**APPENDIX IN SUPPORT OF PETITION FOR WRIT OF PROHIBITION
OR, IN THE ALTERNATIVE, PETITION FOR WRIT OF MANDAMUS**

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
mstipp@stipplaw.com
Counsel for Petitioner

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DATED this 25th day of January, 2022.

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
mstipp@stipplaw.com
Counsel for Petitioner

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 25th day of January, 2022, I filed the foregoing **APPENDIX IN SUPPORT OF PETITION FOR WRIT OF PROHIBITION OR, IN THE ALTERNATIVE, PETITION FOR WRIT OF MANDAMUS**, using the court's electronic filing system.

Notice of the filing of the APPENDIX 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 and by mail to the addresses as indicated:

Judge Joanna Kishner:

Dept31lc@clarkcountycourts.us

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

Euphoria Wellness, LLC as Real Parties-in- Interest:

Nicole E. Lovelock, Esq.
Nevada State Bar No. 11187
JONES LOVELOCK
6600 Amelia Earhart Ct., Suite C
Las Vegas, Nevada 89119
Telephone: (702) 805-8450
Fax: (702) 805-8451
Email: nlovelock@joneslovelock.com

By: /s/ Mitchell Stipp

An employee of Law Office of Mitchell Stipp

EXHIBIT 10

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1	DISTRICT COURT	
2	CLARK COUNTY, NEVADA	
3		
4	E&T VENTURES, LLC, a Nevada)
	limited liability company,)
5)
)
6	Plaintiff,)
)
7	vs.)CASE NO.: A-19-796919-B
)DEPT. NO.: XI
8	EUPHORIA WELLNESS, LLC, a)
	Nevada limited liability)
9	company; DOE Individuals I-X,)
	inclusive; and ROE ENTITIES)
10	1-10, inclusive,)
)
11)
	Defendants.)
12	_____)
)
13	AND RELATED CLAIMS.)
	_____)
14		
15		
16	DEPOSITION OF	
17	JOSEPH E. KENNEDY	
18	ON BEHALF OF	
19	VALJO, INC.	
20	LAS VEGAS, NEVADA	
21	FRIDAY, APRIL 16, 2021	
22		
23		
24	REPORTED BY: JOHANNA VORCE, CCR NO. 913	
25	JOB NO.: 741038B	
	PETITIONER'S APPENDIX NO. 00801	

<p style="text-align: right;">Page 2</p> <p>1 DEPOSITION OF JOSEPH E. KENNEDY, held at JONES 2 LOVELOCK, located at 6675 South Tenaya Way, Suite 200, Las 3 Vegas, Nevada 89113, on Friday, April 16, 2021, at 1:30 4 p.m., before Johanna Vorce, Certified Court Reporter, in and 5 for the State of Nevada.</p> <p>6</p> <p>7 APPEARANCES:</p> <p>8 For EUPHORIA WELLNESS, LLC:</p> <p>9 JONES LOVELOCK 10 NICOLE E. LOVELOCK, ESQ. 6675 South Tenaya Way 11 Suite 200 Las Vegas, Nevada 89113 12 (702) 805-8450 nlovelock@joneslovelock.com</p> <p>13</p> <p>14 For E&T VENTURES, LLC; MIRAL CONSULTING, LLC; HAPPY 15 CAMPERS, LLC; CBD SUPPLY CO, LLC; and JOSEPH KENNEDY; VALJO, 16 INC.; AND NYE NATURAL MEDICINAL SOLUTIONS, LLC:</p> <p>17 LAW OFFICE OF MITCHELL STIPP 18 MITCHELL STIPP, ESQ. 10120 West Flamingo Road 19 PMB 4124 Las Vegas, NV 89147 20 (702) 602-1242 mstipp@stippilaw.com</p> <p>21 22 23 24 25</p>	<p style="text-align: right;">Page 3</p> <p style="text-align: center;">I N D E X</p> <p>1 2 3 WITNESS: JOSEPH E. KENNEDY 4 5 EXAMINATION PAGE 6 By Ms. Lovelock 5 7 8 9 10 EXHIBITS 11 12 NUMBER MARKED 13 14 Exhibit 1 Civil Subpoena 8 15 Exhibit 2 Response by Valjo, Inc. to Amended 11 16 Subpoena of Euphoria Wellness, LLC 17 Exhibit 3 The Cima Group, LLC's and CanCore 59 18 Concepts, Inc.'s Motion to Intervene 19 on Order Shortening Time 20 Exhibit 4 Notice of Termination 65 21 Exhibit 5 Opposition to Motion to Disqualify 69 22 and Related Relief 23 Exhibit 6 Request for Immediate Telephonic 72 24 Discovery Conference 25 Exhibit 7 Register of Actions 77</p>
<p style="text-align: right;">Page 4</p> <p>1 Exhibit 8 Transcript of Proceedings 89 2 Exhibit 9 Stipulation and Order Regarding 91 3 Repossession of Collateral 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25</p>	<p style="text-align: right;">Page 5</p> <p>1 LAS VEGAS, NEVADA; FRIDAY, APRIL 16, 2021 2 1:30 P.M. 3 -oOo- 4 (The Court Reporter was relieved of her duties 5 under NRCP 30(b)(5).) 6 Whereupon, 7 JOSEPH E. KENNEDY, 8 having been first duly sworn to testify to the truth, was 9 examined and testified as follows: 10 11 EXAMINATION 12 BY MS. LOVELOCK: 13 Q. Hi, Mr. Kennedy. For the record here on this 14 deposition that is for Valjo, Inc., can you give your full 15 name and spell it for the record. 16 A. Joseph E. Kennedy, J-o-s-e-p-h, E-u-g-e-n-e, 17 K-e-n-n-e-d-y. 18 Q. Mr. Kennedy, we went through these admonitions in 19 the previous deposition that was held today for Nye. I 20 won't go through them as extensively again, but I'll just 21 highlight some of them, which are that you know that I won't 22 ask you to make guesses. I'll ask you sometimes to make 23 estimates but never guess as to my question. If you don't 24 know the answer, it's perfectly acceptable to say "I don't 25 know." <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00802</p></p>

<p style="text-align: right;">Page 6</p> <p>1 Do you understand that?</p> <p>2 A. I do.</p> <p>3 Q. Okay. And, again, to make sure that we have a</p> <p>4 good record, we can't speak over each other, and we have to</p> <p>5 say yes or no versus shaking our heads.</p> <p>6 A. I understand.</p> <p>7 Q. Thank you.</p> <p>8 And, again, we can take a break any time, but I</p> <p>9 ask that it not happen in between a pending question. And</p> <p>10 while we're in the informal setting, you still have the same</p> <p>11 oath that you would take as if you were in a court of law.</p> <p>12 Do you have any questions before we get started on</p> <p>13 this deposition?</p> <p>14 A. No.</p> <p>15 Q. Okay. And I'm going to ask you again.</p> <p>16 What is your address?</p> <p>17 A. 11166 Villa Bellagio Drive, and it's Las Vegas,</p> <p>18 Nevada 89141.</p> <p>19 Q. Okay. And you appearing for the deposition today</p> <p>20 means you've been designated as the person to testify on</p> <p>21 Valjo's behalf for the topics that are part of the subpoena.</p> <p>22 Do you understand that?</p> <p>23 A. I do.</p> <p>24 Q. Okay. And when I say "Valjo," can you -- can we</p> <p>25 make sure we both understand that I'm talking about Valjo,</p>	<p style="text-align: right;">Page 7</p> <p>1 Inc.?</p> <p>2 A. That's fine.</p> <p>3 Q. Okay. Is there a Valjo, LLC?</p> <p>4 A. There is not --</p> <p>5 Q. Okay.</p> <p>6 A. -- that I know of. I don't know.</p> <p>7 Q. Okay. What is your role at Valjo?</p> <p>8 A. I'm the CEO and board -- on the board of</p> <p>9 directors.</p> <p>10 Q. How big is the board of directors?</p> <p>11 A. Two.</p> <p>12 Q. Who is the other board member?</p> <p>13 A. My spouse.</p> <p>14 Q. And her name is?</p> <p>15 A. Valerie M. Kennedy.</p> <p>16 Q. And is Shane Kennedy also -- does he have a role</p> <p>17 at Valjo?</p> <p>18 MR. STIPP: I'm going to stop and object. As to</p> <p>19 matters concerning the management, officers, directors,</p> <p>20 members, et cetera, into Valjo, I'm instructing my client</p> <p>21 not to answer those specific questions. They're also</p> <p>22 outside the scope of the subpoena.</p> <p>23 MS. LOVELOCK: Okay. We disagree. I'll make a</p> <p>24 standing objections throughout this. If any objection is</p> <p>25 made based upon it being outside the scope or not relevant,</p>
<p style="text-align: right;">Page 8</p> <p>1 he still has a duty to respond. We're not waiving our right</p> <p>2 to recall Valjo. We're not waiving our right to take this</p> <p>3 to the Court and to seek the appropriate sanctions.</p> <p>4 MR. STIPP: I would also note that, you know, some</p> <p>5 of these issues are privileged in terms of ownership and</p> <p>6 management structure, and so we would be asserting</p> <p>7 confidentiality as it relates to those issues.</p> <p>8 MS. LOVELOCK: Understood.</p> <p>9 MR. STIPP: Okay.</p> <p>10 THE WITNESS: Are you instructing me not to</p> <p>11 answer?</p> <p>12 MR. STIPP: I am.</p> <p>13 THE WITNESS: Okay.</p> <p>14 MS. LOVELOCK: Okay. Can I get this marked as</p> <p>15 Exhibit 1.</p> <p>16 (Defendant's Exhibit 1 was marked</p> <p>17 for identification.)</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. I'm handing you a document that was served upon</p> <p>20 you personally on January 2nd, 2021.</p> <p>21 Do you remember being served this document?</p> <p>22 A. I don't recall directly, but I also -- but it's</p> <p>23 pos- -- very possibly could have been served on me.</p> <p>24 Q. Okay. RA Pro Advice LLC, is that a registered</p> <p>25 agent at Valjo, Inc.?</p>	<p style="text-align: right;">Page 9</p> <p>1 A. Yes.</p> <p>2 Q. Okay. Is that also one of your entities?</p> <p>3 A. Yes.</p> <p>4 Q. And does that operate out of your home address?</p> <p>5 MR. STIPP: Let me object.</p> <p>6 MS. LOVELOCK: It's on the face of the subpoena.</p> <p>7 MR. STIPP: That's right. But whether Pro Advice</p> <p>8 operates out of the physical address of Mr. Kennedy isn't</p> <p>9 particularly relevant.</p> <p>10 MS. LOVELOCK: It is as to service when he said he</p> <p>11 doesn't remember.</p> <p>12 MR. STIPP: Right. I don't think there's an issue</p> <p>13 of service here, unless you think there is.</p> <p>14 MS. LOVELOCK: You can -- you've made an issue</p> <p>15 throughout this, and we appreciate that you're here now.</p> <p>16 Q (By Ms. Lovelock) Is -- does it operate out of</p> <p>17 11166 Villa Bellagio Drive?</p> <p>18 MR. STIPP: I don't think he needs to answer that</p> <p>19 question.</p> <p>20 THE WITNESS: I can.</p> <p>21 MS. LOVELOCK: You're --</p> <p>22 THE WITNESS: Answer, I can.</p> <p>23 MS. LOVELOCK: -- instructing your client not to</p> <p>24 answer that question; is that correct?</p> <p>25 You can. You can instruct him not to answer. I</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00803</p>

<p style="text-align: right;">Page 10</p> <p>1 object to -- usually, you can only instruct your client not 2 to answer when it's privileged. So if you're doing it based 3 upon relevancy, that's your decision. 4 MR. STIPP: You can answer -- you can answer the 5 question. It's not a big deal. It's just beyond the scope 6 of where the -- your -- this entity is -- is operating. So 7 if she -- 8 You want to answer the question, go ahead. 9 THE WITNESS: Yes. 10 BY MS. LOVELOCK: 11 Q. And if you look on that page, it says on page 2 12 that the deposition would be held on January 29th, 2021, at 13 1:00 p.m. 14 Do you see that? 15 A. I saw that. 16 Q. Okay. After you received -- after Valjo received 17 the subpoena, what did it do with the subpoena and what 18 actions did it take? 19 A. Scanned it and sent it to the attorney. 20 Q. The attorney for Valjo, Inc.? 21 A. For Valjo, Inc., yeah. 22 Q. Okay. And who is that? 23 A. Mitchell Stipp. 24 Q. Okay. If you turn to page 6. 25 Did you understand that Valjo, Inc. had a duty to</p>	<p style="text-align: right;">Page 11</p> <p>1 respond to these document requests that are numbered from 1 2 to 7 on page 6 and 7? 3 A. I did understand that. 4 MS. LOVELOCK: Can I have this marked as 5 Exhibit 2. 6 (Defendant's Exhibit 2 was marked 7 for identification.) 8 BY MS. LOVELOCK: 9 Q. The document I just handed to you was 10 electronically served, as it says on the top, on 11 January 14th, 2021, at 3:47 p.m. It's entitled "Response to 12 Valjo, Inc. to Amended Subpoena of Euphoria Wellness, LLC." 13 Have you seen this document before today? 14 A. This response? 15 Q. This response. 16 A. No. 17 Q. Okay. If you look at page 5, it's executed by 18 your -- by -- it says here "Attorneys for Joval, Inc.," but 19 I think it's supposed to be for Valjo, Inc., but it's signed 20 by Mitchell Stipp. 21 Do you see that? 22 A. I see that. 23 Q. Okay. And did you -- you haven't seen this before 24 today? 25 A. Not this particular document.</p>
<p style="text-align: right;">Page 12</p> <p>1 Q. Okay. Would anyone else at Valjo be working with 2 Mr. Stipp on responses to the subpoena? 3 A. Yes. 4 Q. Who else? 5 A. My wife, Valerie M. Kennedy. 6 Q. Would Shane Kennedy be helping with any responses 7 to the subpoena? 8 MR. STIPP: You can answer. 9 THE WITNESS: No. 10 BY MS. LOVELOCK: 11 Q. If you can, turn to page 3 of Exhibit 2. 12 Document Request No. 1, it says, "Produce any 13 document in your possession, custody, or control regarding 14 Valjo's asserted security interest in any assets belonging 15 to E&T, including, but not limited to, all loan documents, 16 loan communications, loan drafts, loan demands, loan 17 defaults, and loan negotiations." 18 And the response to Request No. 1 is, "Valjo 19 offers for production in response Bates Nos. 1 through 16 20 attached hereto as Exhibit B." 21 Would you take a minute to look at Exhibit B. And 22 it should be -- on the very bottom, say Exhibit -- marked 23 Bates stamps 1 through 16. 24 A. All right. 25 I forgot to turn off my phone. Sorry.</p>	<p style="text-align: right;">Page 13</p> <p>1 Q. Let me know when you're done looking at those 2 documents. 3 A. Okay. 4 Q. With regards to Document Request No. 1, please let 5 me know what Valjo did to see if there were any responsive 6 documents. 7 A. Valjo went through -- we -- we keep both 8 electronic and paper copies of loans, and we went through 9 the files and chose those documents that were responsive to 10 the request. 11 Q. Were these the only documents you chose, the ones 12 1 through 16, or did you find other documents as well? 13 A. It was sometime ago, but I think it was -- this -- 14 this constituted -- the 1 through 16 constituted the 15 relevant documents for the loan. 16 Q. Did you determine the relevant documents, or did 17 you have -- did you have -- have anyone else help you 18 determine what is relevant? 19 A. No, I have my spouse. 20 Q. Okay. 21 A. We both have significant experience responding to 22 subpoenas and . . . 23 Q. Understood. 24 A. It's just part of doing business. 25 Q. When you're saying it's part of doing business and</p>

<p style="text-align: right;">Page 14</p> <p>1 that you looked and you keep copies of electronic and paper</p> <p>2 copies of loans, is Valjo in the business of lending money?</p> <p>3 A. Yes.</p> <p>4 Q. What other business is it in the business of</p> <p>5 doing?</p> <p>6 A. It's just --</p> <p>7 MR. STIPP: I'm going to object to the scope of</p> <p>8 the deposition subpoena doesn't include the business of</p> <p>9 Valjo, and so matters related to Valjo and its business are</p> <p>10 proprietary in nature.</p> <p>11 Mr. Kennedy has described that it provides loans,</p> <p>12 and I'm instructing him not to provide any further</p> <p>13 clarification or response.</p> <p>14 MS. LOVELOCK: Should we take a break? And you</p> <p>15 can talk to your client about whether such objections are</p> <p>16 needed and what the ramifications are when we go to court</p> <p>17 and we file motions and we require him to come back as Valjo</p> <p>18 while we're also going to be doing him as an individual. I</p> <p>19 mean, do you want to take a break and think about this</p> <p>20 strategy that you've employed and the cost and the time that</p> <p>21 it's going to cost you and your client? I'm happy to take a</p> <p>22 break and go off the record so you can do that and have time</p> <p>23 to think about the strategy that you're taking.</p> <p>24 MR. STIPP: Well, you know, I -- I appreciate the</p> <p>25 advice that you're giving --</p>	<p style="text-align: right;">Page 15</p> <p>1 MS. LOVELOCK: I'm not giving you advice. I'm</p> <p>2 asking you if you want to take this opportunity to take a</p> <p>3 break.</p> <p>4 MR. STIPP: If I wanted to take a break, I would</p> <p>5 tell you that I need to take a break. I don't need to take</p> <p>6 a break here. If you want to talk about the business of</p> <p>7 Valjo, then you should have included it in the scope of your</p> <p>8 subpoena.</p> <p>9 MS. LOVELOCK: It's your position when you talk</p> <p>10 about Valjo's relationship and business dealings with E&T</p> <p>11 that it doesn't include what Valjo does as a business?</p> <p>12 MR. STIPP: Why don't you ask that question.</p> <p>13 MS. LOVELOCK: I'm asking you that question</p> <p>14 because you've taken the position that asking him questions</p> <p>15 about Valjo is outside of the scope. Matters --</p> <p>16 MR. STIPP: You can ask him very clearly:</p> <p>17 Mr. Kennedy, what business do you conduct with E&T?</p> <p>18 But exploring Valjo's other business interests</p> <p>19 with third parties, particularly as it relates to loans and</p> <p>20 loans he may have made to third parties, is proprietary and</p> <p>21 confidential. He doesn't have the right to discuss those</p> <p>22 specific loans or those matters, and so I -- I think the</p> <p>23 assertion of our privilege is appropriate.</p> <p>24 MS. LOVELOCK: I asked him what other business</p> <p>25 Valjo offered. I did not ask the specifics as to other</p>
<p style="text-align: right;">Page 16</p> <p>1 loans at this time.</p> <p>2 MR. STIPP: Well, ask him related to E&T, and</p> <p>3 he'll answer your question. His Valjo's business dealings</p> <p>4 with third parties that don't include E&T or any of the</p> <p>5 other parties listed on your subpoena are simply not</p> <p>6 relevant and are confidential. His Valjo's business</p> <p>7 relationship in those arrangements with third parties are</p> <p>8 subject to their own agreements and confidentiality</p> <p>9 associated with those. So I don't see why you are so upset</p> <p>10 by the assertion of that privilege.</p> <p>11 MS. LOVELOCK: Mr. Mitchell, don't characterize my</p> <p>12 temper or say that I'm upset. It's inappropriate. I'm not</p> <p>13 upset.</p> <p>14 MR. STIPP: Okay.</p> <p>15 MS. LOVELOCK: I'm trying to --</p> <p>16 MR. STIPP: Let's move on.</p> <p>17 MS. LOVELOCK: -- (inaudible) with you. I gave</p> <p>18 you the opportunity to talk to your client and explain to</p> <p>19 him your strategy and the cost and the time.</p> <p>20 MR. STIPP: This isn't my strategy. It's simply</p> <p>21 an assertion privilege. And we have the right to assert</p> <p>22 privilege. Parties who are the borrowers of loan or</p> <p>23 proceeds made available through Valjo don't expect their --</p> <p>24 their business dealings to be the subject of a -- of a</p> <p>25 deposition here. If you had included that, we might have</p>	<p style="text-align: right;">Page 17</p> <p>1 explored it, but -- and we would have filed a motion.</p> <p>2 MS. LOVELOCK: Mr. Stipp, what you're saying isn't</p> <p>3 applicable to my last question.</p> <p>4 If the court reporter could repeat the last</p> <p>5 question. Thank you.</p> <p>6 (Record read.)</p> <p>7 MR. STIPP: So I'm instructing Mr. Kennedy to not</p> <p>8 provide a response as it relates to that question.</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. Mr. Kennedy, did the question that the court</p> <p>11 reporter just asked you ask you to identify loans to third</p> <p>12 parties, yes or no?</p> <p>13 MR. STIPP: We're not doing that.</p> <p>14 MS. LOVELOCK: Yes. I'm allowed to ask questions.</p> <p>15 MR. STIPP: About questions that I have objected</p> <p>16 to? No, you're not.</p> <p>17 MS. LOVELOCK: Yes, I can, Mr. Stipp.</p> <p>18 MR. STIPP: I would ask you to rephrase your</p> <p>19 question as to the matters that are relevant and set forth</p> <p>20 in your subpoena, and we'll address them. It's not</p> <p>21 complicated. I mean, this isn't a fishing expedition. This</p> <p>22 should be discovery related to the matters that are before</p> <p>23 the Court and the parties. Mr. Kennedy's role with Valjo</p> <p>24 and its business dealings with people unrelated to the</p> <p>25 parties that you have identified in your subpoena, it's</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00805</p>

<p style="text-align: right;">Page 18</p> <p>1 simply confidential and privileged, and he's not going to 2 answer that question.</p> <p>3 MS. LOVELOCK: Valjo is not identified in my 4 subpoena?</p> <p>5 MR. STIPP: Valjo is the name of the company. I 6 don't know who "Valjo" is, but it's Valjo.</p> <p>7 MS. LOVELOCK: What other demeaning and 8 patronizing things do you want to put on the record before I 9 continue with my line of questioning?</p> <p>10 MR. STIPP: I'm just simply telling you what -- 11 how to say the name. We -- we've told you --</p> <p>12 MS. LOVELOCK: Is Valjo --</p> <p>13 MR. STIPP: Okay.</p> <p>14 MS. LOVELOCK: -- part of this subpoena, 15 Mr. Stipp?</p> <p>16 MR. STIPP: The subpoena was addressed to the PMK 17 for Valjo, correct.</p> <p>18 MS. LOVELOCK: Okay. Thank you. I'm going to 19 continue on with my deposition.</p> <p>20 MR. STIPP: Please do.</p> <p>21 MS. LOVELOCK: Your speaking objections are 22 inappropriate. If you want to tell him not to answer a 23 question, you can instruct him to not answer the question. 24 I will not allow any more speaking objections. I will stop 25 the deposition and I will take it to the judge and we will</p>	<p style="text-align: right;">Page 19</p> <p>1 reconvene.</p> <p>2 MR. STIPP: That's no problem.</p> <p>3 MS. LOVELOCK: No more speaking objections, 4 Mr. Stipp.</p> <p>5 MR. STIPP: I will make the objections that I need 6 to make that are appropriate under the circumstances. And 7 if it's a, quote/unquote, speaking objection, as you 8 characterize it, then so be it.</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. Let's go back to what you did to respond to 11 Document Request No. 1.</p> <p>12 A. Okay.</p> <p>13 Q. You said that you looked at the electronic and 14 paper files of Valjo and you found 16 documents; is that 15 correct?</p> <p>16 MR. STIPP: Objection; misstates testimony.</p> <p>17 THE WITNESS: No, that's not correct.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. What did you do in response to Document Request 20 No. 1 to find responsive documents?</p> <p>21 A. I looked in our electronic and paper files, and I 22 selected documents that I thought were responsive, and I 23 sent those documents to Mr. Stipp.</p> <p>24 Q. So there were no loan drafts in Valjo's records -- 25 Valjo's records?</p>
<p style="text-align: right;">Page 20</p> <p>1 A. Correct.</p> <p>2 MR. STIPP: Mr. Kennedy has already testified as 3 to --</p> <p>4 MS. LOVELOCK: I can ask him follow-up questions, 5 Mr. Stipp.</p> <p>6 THE WITNESS: Yeah.</p> <p>7 BY MS. LOVELOCK:</p> <p>8 Q. Were there any loan drafts within those electronic 9 files and paper files?</p> <p>10 A. Can you define "loan drafts" for me.</p> <p>11 Q. Not the final executed copy.</p> <p>12 A. No.</p> <p>13 Q. There were no other loan demands to E&T?</p> <p>14 MR. STIPP: Objection; ambiguity.</p> <p>15 What's a loan demand?</p> <p>16 MS. LOVELOCK: Demands for payment.</p> <p>17 THE WITNESS: Demand for payment.</p> <p>18 MR. STIPP: It's provided.</p> <p>19 THE WITNESS: Yeah.</p> <p>20 MS. LOVELOCK: Mr. Stipp, please stop answering 21 the question. You can make an objection. Allow the 22 deponent to answer my questions.</p> <p>23 Thank you.</p> <p>24 THE WITNESS: We sent -- we sent a demand for 25 payment when the note was three months in -- in arrears.</p>	<p style="text-align: right;">Page 21</p> <p>1 BY MS. LOVELOCK:</p> <p>2 Q. And that is included in your responsive documents?</p> <p>3 A. I believe so. I have to check. Yes.</p> <p>4 Q. What number is it identified as on the bottom?</p> <p>5 A. Six.</p> <p>6 Q. There's no other communications with E&T from 7 Valjo regarding past due payments?</p> <p>8 A. No. I think this was our notice to them.</p> <p>9 Q. There's no text messages that were made to E&T or 10 the principals of E&T regarding past due payments?</p> <p>11 MR. STIPP: Objection; asked and answered. He's 12 already testified there's no other documents.</p> <p>13 BY MS. LOVELOCK:</p> <p>14 Q. You can answer my question.</p> <p>15 A. Not to my knowledge.</p> <p>16 Q. Did you look at text messages to see if there was 17 any responses to Request No. 1?</p> <p>18 MR. STIPP: Objection.</p> <p>19 THE WITNESS: I -- I didn't have to. I knew I 20 wouldn't send any texts -- texts on this topic. But I 21 didn't check my wife's phone.</p> <p>22 BY MS. LOVELOCK:</p> <p>23 Q. Why wouldn't you send any texts on this topic?</p> <p>24 A. Because I saw --</p> <p>25 MR. STIPP: Objection; speculation.</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00806</p>

<p style="text-align: right;">Page 22</p> <p>1 BY MS. LOVELOCK:</p> <p>2 Q. You can answer the question.</p> <p>3 A. Because I saw Mr. Taracki and Mrs. Taracki quite</p> <p>4 frequently so . . .</p> <p>5 Q. Why would you see them frequently?</p> <p>6 A. Their offices and my offices were in the same</p> <p>7 building.</p> <p>8 Q. Where are your offices?</p> <p>9 A. 36-- right -- 3643 --</p> <p>10 MR. STIPP: Can we -- can we clarify as to what</p> <p>11 you mean by --</p> <p>12 MS. LOVELOCK: No.</p> <p>13 MR. STIPP: Objection.</p> <p>14 MS. LOVELOCK: You can make an objection.</p> <p>15 THE WITNESS: 3643 East Post Road.</p> <p>16 THE COURT REPORTER: 3643 East Post Road?</p> <p>17 THE WITNESS: Uh-huh.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. And E&T had offices at 3640 East Post Road?</p> <p>20 A. No.</p> <p>21 Q. E&T's principals had offices at 3640 East Post</p> <p>22 Road?</p> <p>23 A. Not as E&T principals.</p> <p>24 Q. What entity has offices at 3640 East Post Road?</p> <p>25 A. Happy Campers, LLC.</p>	<p style="text-align: right;">Page 23</p> <p>1 Q. And which of your entities had offices at 3640</p> <p>2 East Post Road?</p> <p>3 MR. STIPP: I'm going to object.</p> <p>4 MS. LOVELOCK: You can answer my question.</p> <p>5 MR. STIPP: No. I'm instructing him not to answer</p> <p>6 that specific question. He's already told you where the --</p> <p>7 MS. LOVELOCK: I understand. You don't have to</p> <p>8 keep talking. You're instructing him not to answer a</p> <p>9 question, but it's not based upon privilege.</p> <p>10 MR. STIPP: It absolutely is.</p> <p>11 MS. LOVELOCK: It's based upon attorney-client</p> <p>12 privilege?</p> <p>13 MR. STIPP: I didn't say attorney-client</p> <p>14 privilege.</p> <p>15 MS. LOVELOCK: I don't think you understand what</p> <p>16 privilege is.</p> <p>17 Is it based upon attorney-client privilege?</p> <p>18 MR. STIPP: Ms. Lovelock --</p> <p>19 MS. LOVELOCK: Mr. Stipp, is it based upon</p> <p>20 attorney-client privilege? Is it based upon attorney-client</p> <p>21 privilege?</p> <p>22 MR. STIPP: Ms. Lovelock, if you continue to --</p> <p>23 MS. LOVELOCK: I haven't done anything. I'm not</p> <p>24 going to listen to you recharacterize --</p> <p>25 MR. STIPP: You're angry. You're insulting. You</p>
<p style="text-align: right;">Page 24</p> <p>1 know, I wouldn't look at the court reporter and smile.</p> <p>2 She's not going to help you. The fact of the matter is, is</p> <p>3 that you have to let me complete my statement before you</p> <p>4 interrupt me. And I don't think you are in any position to</p> <p>5 tell me what I understand or don't understand about the</p> <p>6 attorney-client privilege.</p> <p>7 MS. LOVELOCK: I agree. You -- it's our position</p> <p>8 you've waived it because you represent all different</p> <p>9 entities. But -- okay.</p> <p>10 MR. STIPP: Well, you're not -- you're not doing</p> <p>11 any --</p> <p>12 MS. LOVELOCK: You had directed your client not to</p> <p>13 answer my last question. I'll ask my next question.</p> <p>14 MR. STIPP: Joval -- look, he does not have --</p> <p>15 he's -- the -- the -- the location of the business that he's</p> <p>16 identified, he's already told you.</p> <p>17 MS. LOVELOCK: What, is Joval located at</p> <p>18 that address?</p> <p>19 MR. STIPP: He didn't say that.</p> <p>20 MS. LOVELOCK: You just said Joval.</p> <p>21 MR. STIPP: You said that.</p> <p>22 MS. LOVELOCK: You just said Joval.</p> <p>23 MR. STIPP: That's not what I said.</p> <p>24 THE WITNESS: There's a question pending.</p> <p>25 Do I answer it?</p>	<p style="text-align: right;">Page 25</p> <p>1 MR. STIPP: I don't know if there's a question</p> <p>2 pending.</p> <p>3 Is there?</p> <p>4 THE WITNESS: I believe there is.</p> <p>5 MR. STIPP: Leave it to them.</p> <p>6 What's the question?</p> <p>7 MS. LOVELOCK: You've instructed him not to answer</p> <p>8 the question. I was asking which entity.</p> <p>9 THE WITNESS: No. There's a subsequent question</p> <p>10 that you asked that I was trying -- that I was asking if I</p> <p>11 was included in any instruction not to answer.</p> <p>12 MS. LOVELOCK: Will you -- will you read my last</p> <p>13 question, please.</p> <p>14 (Record read, page 23, lines 1-2.)</p> <p>15 MR. STIPP: Okay. And so our objection was</p> <p>16 that --</p> <p>17 THE WITNESS: I'm sorry. That wasn't the last</p> <p>18 question.</p> <p>19 THE COURT REPORTER: Was there another one?</p> <p>20 THE WITNESS: Yeah. After that.</p> <p>21 THE COURT REPORTER: Let me look.</p> <p>22 THE WITNESS: I just want you to know I'm paying</p> <p>23 attention.</p> <p>24 MS. LOVELOCK: Thank you. I appreciate it.</p> <p>25 MR. STIPP: I wasn't aware that there was another</p>

<p style="text-align: right;">Page 26</p> <p>1 question.</p> <p>2 THE COURT REPORTER: I don't see another one after</p> <p>3 that.</p> <p>4 It's back and forth --</p> <p>5 THE WITNESS: Do you want me to tell you what the</p> <p>6 question was or no?</p> <p>7 MR. STIPP: Sure.</p> <p>8 THE WITNESS: Is Joval located at that building?</p> <p>9 That was the last line that she said.</p> <p>10 MR. STIPP: That was in connection with our</p> <p>11 communication. If you want to answer that question, go</p> <p>12 ahead. I'm not instructing you not to answer that.</p> <p>13 THE WITNESS: I thought that was directed at me.</p> <p>14 MR. STIPP: You can answer that question.</p> <p>15 THE WITNESS: Is that a question, ma'am?</p> <p>16 BY MS. LOVELOCK:</p> <p>17 Q. Yes.</p> <p>18 Can you answer that question?</p> <p>19 A. No is the answer.</p> <p>20 Q. When you were looking for responsive documents at</p> <p>21 Valjo, which includes you and your wife, were you able to</p> <p>22 find any documents that discussed loan negotiations such as</p> <p>23 text messages, notes, or anything in your electronic or</p> <p>24 paper files?</p> <p>25 MR. STIPP: Objection; form.</p>	<p style="text-align: right;">Page 27</p> <p>1 THE WITNESS: Everything that I found in my</p> <p>2 electronic and paper files, I forwarded it to our attorney.</p> <p>3 BY MS. LOVELOCK:</p> <p>4 Q. And does your -- does that consist of 16 pages?</p> <p>5 A. I'm -- I'm sorry?</p> <p>6 Q. Does that consist of those 16 pages which were</p> <p>7 produced?</p> <p>8 A. They were included in that response, yes.</p> <p>9 Q. Were additional documents provided to your</p> <p>10 attorney?</p> <p>11 A. I don't know. Yeah, they --</p> <p>12 MR. STIPP: You can answer.</p> <p>13 THE WITNESS: Yeah. The answer is yes.</p> <p>14 MS. LOVELOCK: Did you serve a privilege log with</p> <p>15 this response?</p> <p>16 MR. STIPP: I'm sorry. I'm not here to answer</p> <p>17 questions.</p> <p>18 MS. LOVELOCK: Okay.</p> <p>19 MR. STIPP: And I'm not sure how a privilege log</p> <p>20 is even relevant.</p> <p>21 You do understand that the documents could be</p> <p>22 withheld on the -- if it's not responsive to your request,</p> <p>23 correct?</p> <p>24 MS. LOVELOCK: Oh, am I here to answer questions,</p> <p>25 Mr. Stipp?</p>
<p style="text-align: right;">Page 28</p> <p>1 MR. STIPP: No. No. But you can if you want to.</p> <p>2 BY MS. LOVELOCK:</p> <p>3 Q. There were no documents that were responsive that</p> <p>4 were loan negotiations between the parties, negotiations as</p> <p>5 to terms?</p> <p>6 A. Yeah. I don't recall every document that was</p> <p>7 submitted, so it's difficult for me to respond to that</p> <p>8 question. But we rely upon counsel to determine the</p> <p>9 suitability of documents for response.</p> <p>10 Q. Can you go back to Exhibit 1.</p> <p>11 If you could, look at page 8.</p> <p>12 A. Okay.</p> <p>13 Q. Item 14 has you as the person qualified for</p> <p>14 Valjo -- Valjo today to testify as to any and all documents</p> <p>15 produced pursuant to the subpoena duces tecum.</p> <p>16 MR. STIPP: Objection.</p> <p>17 Is there a question?</p> <p>18 MS. LOVELOCK: I'm reminding him.</p> <p>19 Q (By Ms. Lovelock) Are you here today to testify --</p> <p>20 MR. STIPP: Objection.</p> <p>21 Is there a question?</p> <p>22 THE WITNESS: That's the question, am I here</p> <p>23 today.</p> <p>24 MS. LOVELOCK: That's the question.</p> <p>25 Q (By Ms. Lovelock) Are you here today to testify on</p>	<p style="text-align: right;">Page 29</p> <p>1 behalf of Valjo as to item 14?</p> <p>2 A. Yes.</p> <p>3 Q. Okay. With regards to the documents you gathered</p> <p>4 on your own, is it more than 50 documents?</p> <p>5 A. No.</p> <p>6 Q. But it's more than 16 documents?</p> <p>7 A. It's more than 16.</p> <p>8 Q. Do you have an approximate number of documents?</p> <p>9 MR. STIPP: Don't guess.</p> <p>10 THE WITNESS: Okay.</p> <p>11 BY MS. LOVELOCK:</p> <p>12 Q. Do you have an estimate --</p> <p>13 A. I don't know.</p> <p>14 Q. Do you have an estimate of documents?</p> <p>15 A. You know, it's like asking me how many pages are</p> <p>16 in here. I can look at it and find out, but I don't know.</p> <p>17 Q. That's fine.</p> <p>18 Was anything electronic, or was it all paper</p> <p>19 documents?</p> <p>20 A. At the time it was remitted, it was all</p> <p>21 electronic.</p> <p>22 Q. Did it include e-mails?</p> <p>23 A. Yes.</p> <p>24 Q. Did you look through your Gmail account to see if</p> <p>25 there was any e-mails related to the loan in any way between</p> <p>PETITIONER'S APPENDIX NO. 00808</p>

<p style="text-align: right;">Page 30</p> <p>1 Valjo, Inc. and E&T?</p> <p>2 MR. STIPP: Objection; assumes facts not in</p> <p>3 evidence.</p> <p>4 THE WITNESS: Yes.</p> <p>5 BY MS. LOVELOCK:</p> <p>6 Q. And were there e-mails between the parties that</p> <p>7 were related to the loan?</p> <p>8 A. No, not regarding Valjo.</p> <p>9 Q. Who would it be regarding?</p> <p>10 MR. STIPP: Objection; it's beyond the scope of</p> <p>11 the subpoena. I'm instructing him not to answer. It's also</p> <p>12 privileged, too. Just thought I would note that.</p> <p>13 BY MS. LOVELOCK:</p> <p>14 Q. Did you look to see if there was e-mails between</p> <p>15 you and/or your wife and E&T or any principals regarding the</p> <p>16 security interest that you have asserted in assets belonging</p> <p>17 to E&T?</p> <p>18 MR. STIPP: Objection; form, compound, ambiguous.</p> <p>19 THE WITNESS: I did, and I found none.</p> <p>20 BY MS. LOVELOCK:</p> <p>21 Q. Was there any written correspondence between</p> <p>22 Valjo, yourself, your wife, E&T, or E&T's principals, any of</p> <p>23 the Tarackis regarding any of the security interest that</p> <p>24 you're claiming to have in E&T's assets?</p> <p>25 MR. STIPP: Objection; form, compound.</p>	<p style="text-align: right;">Page 31</p> <p>1 THE WITNESS: The list of the collateral was</p> <p>2 initially sent by e-mail as an attachment and all the</p> <p>3 documents that was attached as our list of equipment. So we</p> <p>4 produced the list of equipment. I didn't think that -- that</p> <p>5 there was any relevance to producing the same document over</p> <p>6 and over again.</p> <p>7 BY MS. LOVELOCK:</p> <p>8 Q. But there was an e-mail from E&T or the Tarackis</p> <p>9 to you that list out the security interest?</p> <p>10 A. Yes.</p> <p>11 Q. And there was just a single e-mail on that topic?</p> <p>12 A. Yes.</p> <p>13 Q. But that e-mail isn't included in documents 1</p> <p>14 through 16, correct?</p> <p>15 A. Correct.</p> <p>16 THE COURT REPORTER: I'm sorry. The e-mail was</p> <p>17 included?</p> <p>18 MS. LOVELOCK: Was not included.</p> <p>19 BY MS. LOVELOCK:</p> <p>20 Q. All right. If we can move on, on Exhibit 2,</p> <p>21 Document Request No. 2, it asks for Valjo to produce any</p> <p>22 document in your -- in Valjo's possession, custody, and</p> <p>23 control regarding E&T's promissory note dated April 1st,</p> <p>24 2019. The response is: Valjo offers production responses</p> <p>25 Bates Nos. 1 through 16 attached hereto as Exhibit B.</p>
<p style="text-align: right;">Page 32</p> <p>1 MR. STIPP: Objection.</p> <p>2 Is there a question?</p> <p>3 THE WITNESS: Okay.</p> <p>4 MS. LOVELOCK: I'm waiting until he gets to the</p> <p>5 document.</p> <p>6 Q (By Ms. Lovelock) What did you do to find</p> <p>7 responsive documents for this question?</p> <p>8 A. I've asked -- you've asked that, and I've answered</p> <p>9 that.</p> <p>10 Q. This relates to the promissory note. The other</p> <p>11 one asked about the security interest.</p> <p>12 MR. STIPP: If your answer is the same, you can</p> <p>13 state that your answer is the same.</p> <p>14 THE WITNESS: The answer is the same.</p> <p>15 BY MS. LOVELOCK:</p> <p>16 Q. If you want to take a second and look through all</p> <p>17 the responses and all the requests on Exhibit 2 -- so it</p> <p>18 starts on page 3 and 5. And tell me if you did anything</p> <p>19 other than look at the paper documents and your electronic</p> <p>20 files.</p> <p>21 MR. STIPP: Objection.</p> <p>22 Is there a question?</p> <p>23 BY MS. LOVELOCK:</p> <p>24 Q. Please tell me if you did anything besides look at</p> <p>25 your paper files and your electronic files in -- in looking</p>	<p style="text-align: right;">Page 33</p> <p>1 for responsive documents for Requests 1 through 7.</p> <p>2 MR. STIPP: Objection. It's still not a question.</p> <p>3 THE WITNESS: No, I didn't do anything different</p> <p>4 for any of these.</p> <p>5 BY MS. LOVELOCK:</p> <p>6 Q. Did you also look through your e-mails to see if</p> <p>7 there were responsive documents to these requests?</p> <p>8 A. I did.</p> <p>9 Q. Will you look at where it says "nonparty</p> <p>10 Valjo 00005" in Exhibit 2.</p> <p>11 Yeah, it's that page.</p> <p>12 A. I got it. Oh, well, it goes nonparty</p> <p>13 Valjo 0004 -- oh, 0005. Okay.</p> <p>14 Q. Is this the list of the security interest that</p> <p>15 Valjo alleges secures the promissory note to -- that was</p> <p>16 executed by E&T?</p> <p>17 MR. STIPP: Objection; form.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. You can answer the question.</p> <p>20 A. Yes. Yes.</p> <p>21 Q. What due diligence did Valjo complete prior to</p> <p>22 accepting these items as security for its loan?</p> <p>23 A. We showed this list to somebody in the industry to</p> <p>24 determine if the numbers -- it's just in the ballpark, you</p> <p>25 know, say, does this look like it's a real -- I mean, I know</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00809</p>

<p style="text-align: right;">Page 34</p> <p>1 what a -- a reasonable number, but we did sit down with 2 somebody who I know in the industry and went through it. 3 Q. Who -- who did you sit down with? 4 A. Peter Burn. 5 Q. And what's his position in the industry? 6 A. He just says the -- the numbers looked reasonable. 7 Q. What -- what is his occupation in the industry? 8 What is his position and title? 9 A. He's an owner in -- I think it's Ohio, 10 Pennsylvania of cannabis industry. 11 Q. Okay. And what other due diligence did you 12 conduct regarding these assets that you were taking as 13 security for the loan? 14 A. That was it. I mean, I went out, and I couldn't 15 go to -- to check off each piece because they didn't have 16 access to the building at the time so . . . 17 Q. So Valjo knew at the time that these items, if 18 they did exist, were within the production facility, 19 Euphoria's production facility? 20 A. Correct. 21 Q. Okay. Did you look at any purchase orders, 22 leases, any other documentations to establish if these items 23 were owned by E&T? 24 A. We did. They provided -- I'm trying to think how 25 we did that. I think the major items we saw receipts on.</p>	<p style="text-align: right;">Page 35</p> <p>1 Q. Which were the major items? 2 A. Okay. Let's go back and see that. 3 The G2 short path distillation kit would be a 4 major item. 5 THE COURT REPORTER: I'm sorry. G2 short path 6 what kit? 7 THE WITNESS: Distillation kit. 8 The HAL extraction booth, which is the 9 explosion-proof room operating it for -- for extraction. 10 It's the bottle line -- inline labeler. 11 THE COURT REPORTER: I'm sorry. What is it? 12 THE WITNESS: Bottle inline labeler. 13 BY MS. LOVELOCK: 14 Q. And it's your testimony you saw receipts from E&T 15 as to those items? 16 A. As to some of those items. I don't recall which 17 ones, but it was like a spot check. 18 I would imagine you have those, but I'm not 19 supposed to comment. 20 Q. No. These items don't belong to E&T, so we -- we 21 don't have proof that they have ownership of these items. 22 A. Okay. 23 MR. STIPP: Objection. I don't know what the 24 point of that was, but that's your contention as to 25 ownership.</p>
<p style="text-align: right;">Page 36</p> <p>1 BY MS. LOVELOCK: 2 Q. Okay. The next question: Is there any other 3 items that you saw receipts for on Exhibit B? 4 THE COURT REPORTER: I'm sorry. The next 5 question, is there any other items -- 6 MS. LOVELOCK: That you saw receipts for that are 7 listed on Exhibit B. 8 THE WITNESS: I'm not testifying that the 9 particular items I alluded to are the ones I saw receipts 10 for. What I would say -- what I was saying is that I did 11 see receipts for. And you asked me for examples of what I 12 would have asked for, and that -- that's -- those items that 13 I brought up are definitely items I would like -- that I 14 would have asked for the purchase receipts or contracts, 15 purchase contracts. 16 BY MS. LOVELOCK: 17 Q. And how did they show you these receipts? 18 A. They brought them to us, showed them to us, and 19 took them. 20 Q. And you didn't keep any copies? 21 A. They brought them. We met at my house, so I 22 didn't have the ability to copy them, so I just let them 23 take them back. 24 Q. Did you do any other due diligence besides ask for 25 some receipts and meet with Peter Burn before you lent the</p>	<p style="text-align: right;">Page 37</p> <p>1 money to determine if this security was adequate -- 2 MR. STIPP: Objection; form. 3 BY MS. LOVELOCK: 4 Q. -- for the loan? 5 MR. STIPP: Compound. 6 THE WITNESS: Yes. 7 BY MS. LOVELOCK: 8 Q. What else did you do? 9 A. I read the contract between Euphoria and E&T. 10 Q. Who gave you the copy of the contract between 11 Euphoria and E&T? 12 A. Kristin Ehasz. 13 THE COURT REPORTER: Christian who? 14 THE WITNESS: Ehasz, E-h-a-s-z. 15 BY MS. LOVELOCK: 16 Q. What -- did you do any other due diligence before 17 you accepted this security for the loan, as to the security? 18 A. No. 19 Q. If you can turn to Exhibit 2, nonparty Valjo 20 No. 1, it's entitled "Straight Note." 21 Who drafted this straight note? 22 A. My wife. 23 Q. Did she draft -- were there different drafts of 24 this straight note, or was this the only draft? 25 A. I don't know. PETITIONER'S APPENDIX NO. 00810</p>

<p style="text-align: right;">Page 38</p> <p>1 Q. Did you conduct a search to see if there were</p> <p>2 other drafts of this straight note?</p> <p>3 MR. STIPP: Objection; asked and answered.</p> <p>4 He's already testified that there were no drafts</p> <p>5 in the file.</p> <p>6 THE WITNESS: It never even occurred to me that</p> <p>7 there might be other drafts because we -- we do a lot of</p> <p>8 notes. And I was presented with this by Valerie to review</p> <p>9 before we brought the note to -- so, usually, we get it</p> <p>10 right on the first go. It's only if -- I mean, there -- the</p> <p>11 variable data -- you know, we use the same format. The</p> <p>12 variable data is pretty straightforward. So I review the</p> <p>13 variable data, and then I'll go ahead and tell her that's</p> <p>14 fine or I'll say -- but even then, we wouldn't -- may not</p> <p>15 even have a printed note because we -- we use software to do</p> <p>16 it. And I can see on my computer what she's doing on hers.</p> <p>17 So, you know, like she'll say, "Okay. It's ready."</p> <p>18 And I'll go, "Okay. I'll go through it."</p> <p>19 And then I'll say, "Change this or change that,"</p> <p>20 or say, "That's fine."</p> <p>21 BY MS. LOVELOCK:</p> <p>22 Q. What kind of software do you use?</p> <p>23 A. I think it's Rocket Lawyer, and we have</p> <p>24 subscription that allows more than one person on at the same</p> <p>25 time.</p>	<p style="text-align: right;">Page 39</p> <p>1 MR. STIPP: I just want to note for the record</p> <p>2 that I'm not part of Rocket Lawyer.</p> <p>3 THE WITNESS: Oh, you're not. You should be. You</p> <p>4 wouldn't be sitting here.</p> <p>5 MR. STIPP: Rocket Lawyer.</p> <p>6 THE WITNESS: They got some good stuff.</p> <p>7 BY MS. LOVELOCK:</p> <p>8 Q. Were you present when Alex Taracki and Kristin</p> <p>9 Taracki signed this promissory note?</p> <p>10 A. I believe I was, yes.</p> <p>11 Q. And they did it in person?</p> <p>12 A. Pardon me?</p> <p>13 Q. They did it in person?</p> <p>14 A. They did it in person.</p> <p>15 Q. And Valjo was created -- the entity was created on</p> <p>16 March 16, 2019; is that correct?</p> <p>17 A. That's what the Secretary of State says, yes.</p> <p>18 Q. And that was just a few weeks before this straight</p> <p>19 note was created and executed, correct?</p> <p>20 A. Correct, I guess.</p> <p>21 Q. When did Valjo first begin talking with E&T</p> <p>22 regarding a loan?</p> <p>23 A. Just a couple of days before the date of the note.</p> <p>24 Q. So Valjo was already in existence at that time?</p> <p>25 A. It was.</p>
<p style="text-align: right;">Page 40</p> <p>1 Q. Valjo wasn't created for this note specifically?</p> <p>2 A. It was created in response to the Tax Act of 2017.</p> <p>3 Q. So you made the determination that the loan would</p> <p>4 come from Valjo versus a Joval, LLC, correct?</p> <p>5 A. They have two different functions.</p> <p>6 Q. And what are those?</p> <p>7 MR. STIPP: I'm going to object. As it relates to</p> <p>8 matters concerning Valjo and this loan, they're certainly</p> <p>9 subject to questions today. But the business operations and</p> <p>10 purpose of Joval are beyond the scope and its business, and</p> <p>11 its proprietary are confidential and privileged.</p> <p>12 I'm instructing Mr. Kennedy not to answer that</p> <p>13 question.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. You made the determination, you and your wife, to</p> <p>16 have Valjo be the lender on this E&T loan, correct?</p> <p>17 A. Correct.</p> <p>18 Q. What was the reason that Valjo was the lender on</p> <p>19 this E&T loan?</p> <p>20 MR. STIPP: Objection; asked and answered.</p> <p>21 THE WITNESS: It was -- it was the vehicle that we</p> <p>22 were using for making loans because of the new tax laws.</p> <p>23 BY MS. LOVELOCK:</p> <p>24 Q. Does Valjo have its own bank account prior to</p> <p>25 April 1st, 2019?</p>	<p style="text-align: right;">Page 41</p> <p>1 A. Yes.</p> <p>2 Q. How was this loan funded to E&T?</p> <p>3 MR. STIPP: Objection; ambiguous.</p> <p>4 THE WITNESS: From capital -- capital account of</p> <p>5 Valjo.</p> <p>6 BY MS. LOVELOCK:</p> <p>7 Q. Was it funded by -- was it written through check</p> <p>8 by wire? How was it paid, lent to?</p> <p>9 MR. STIPP: Objection; form.</p> <p>10 BY MS. LOVELOCK:</p> <p>11 Q. Let me rephrase.</p> <p>12 How were the loan proceeds provided to E&T?</p> <p>13 A. \$200,000 in cash and \$300,000 in check.</p> <p>14 Q. And who was the check made out to?</p> <p>15 A. Happy Campers.</p> <p>16 Q. Is there -- and did you look for this check in</p> <p>17 responding to this subpoena request?</p> <p>18 A. Yes.</p> <p>19 Q. Did you find the check in responding to the</p> <p>20 subpoena request?</p> <p>21 A. No.</p> <p>22 Q. Did you take any steps to contact your bank to get</p> <p>23 a copy of this check?</p> <p>24 A. No.</p> <p>25 Q. Who was the \$200,000 in cash provided to?</p> <p>PETITIONER'S APPENDIX NO. 00811</p>

<p style="text-align: right;">Page 42</p> <p>1 A. Alex and Kristin Taracki.</p> <p>2 Q. Was there any receipt provided when the loan</p> <p>3 proceeds of the 200,000 were provided to?</p> <p>4 A. I think they signed a note at the time.</p> <p>5 Q. And so you believe the \$200,000 was funded on</p> <p>6 April 1st, 2019?</p> <p>7 A. I believe it was.</p> <p>8 Q. Why was the check of \$300,000 made to Happy</p> <p>9 Campers and not to E&T?</p> <p>10 A. Because that was the instruction from Alex and</p> <p>11 Kristin Taracki.</p> <p>12 Q. Do you know why they would make such an</p> <p>13 instruction?</p> <p>14 MR. STIPP: Objection; speculation.</p> <p>15 Don't speculate if you don't know.</p> <p>16 THE WITNESS: I'm not. I'm not. I'm just</p> <p>17 thinking.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. Did you ask them any questions why you would be</p> <p>20 making a loan to E&T and the loan proceeds would be going to</p> <p>21 Happy Campers?</p> <p>22 A. Yes.</p> <p>23 Q. You asked them that question?</p> <p>24 A. No. I knew why.</p> <p>25 Q. Can you tell me why?</p>	<p style="text-align: right;">Page 43</p> <p>1 A. Sure.</p> <p>2 There was a -- there was capital call for Happy</p> <p>3 Campers, and they had their obligations to me. So rather</p> <p>4 than go through a process where the funds might be held up,</p> <p>5 we deposited the funds directly.</p> <p>6 Q. So you have an interest in Happy Campers?</p> <p>7 MR. STIPP: Objection; misstates testimony.</p> <p>8 THE WITNESS: No longer.</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. At the time, you had an interest in Happy Campers?</p> <p>11 A. Yes.</p> <p>12 Q. Did E&T have an interest in Happy Campers?</p> <p>13 MR. STIPP: Objection; beyond the scope of the</p> <p>14 subpoena.</p> <p>15 BY MS. LOVELOCK:</p> <p>16 Q. You can answer the question.</p> <p>17 A. I -- I'm thinking about what the correct answer</p> <p>18 is.</p> <p>19 Q. Or is it Alex and Kristin?</p> <p>20 MR. STIPP: I would object -- I would object to</p> <p>21 the answer -- I would object to my client answering that</p> <p>22 question. Matters related to Happy Campers, you can address</p> <p>23 to Happy Campers. But it would be inappropriate for</p> <p>24 Mr. Kennedy to provide any testimony concerning ownership</p> <p>25 interest in a third-party entity where the operating</p>
<p style="text-align: right;">Page 44</p> <p>1 agreement has confidentiality provisions and related</p> <p>2 matters.</p> <p>3 So I'm instructing him not to answer that specific</p> <p>4 question.</p> <p>5 MS. LOVELOCK: Even though No. 5 talks about</p> <p>6 Valjo's relationship and business relationship with Happy</p> <p>7 Campers, LLC, you're instructing him not to answer?</p> <p>8 MR. STIPP: You're --</p> <p>9 MS. LOVELOCK: I asked you a yes-or-no question.</p> <p>10 MR. STIPP: No, I'm not instructing him not to</p> <p>11 answer. He can answer those questions. You asked about</p> <p>12 whether E&T was an owner in Happy Campers. I'm instructing</p> <p>13 him not to answer that.</p> <p>14 You see that they're different questions, correct?</p> <p>15 MS. LOVELOCK: If I can go back to my question</p> <p>16 and . . .</p> <p>17 Q (By Ms. Lovelock) E&T -- you made a check to Happy</p> <p>18 Campers on a loan that was a note that was executed by E&T,</p> <p>19 correct?</p> <p>20 A. Correct.</p> <p>21 MR. STIPP: Objection; form.</p> <p>22 BY MS. LOVELOCK:</p> <p>23 Q. What was the purpose of the \$300,000 loan proceeds</p> <p>24 that was provided to Happy Campers?</p> <p>25 A. Operating capital.</p>	<p style="text-align: right;">Page 45</p> <p>1 Q. What was the purpose of the \$200,000 cash that was</p> <p>2 provided directly to Alex and Kristin Taracki?</p> <p>3 A. I think they had -- well, I shouldn't say I think.</p> <p>4 To pay liabilities that they had individually.</p> <p>5 Q. That Kristin Taracki had?</p> <p>6 A. Alex and Kristin.</p> <p>7 Q. If E&T signed the note and it's E&T's assets that</p> <p>8 secure the note, why did the loan proceeds go to not E&T?</p> <p>9 MR. STIPP: Objection; speculation. Secondly,</p> <p>10 asked and answered.</p> <p>11 He's already told you what the purpose of the</p> <p>12 proceeds were.</p> <p>13 BY MS. LOVELOCK:</p> <p>14 Q. You can answer the question.</p> <p>15 A. Because even though the limited liability</p> <p>16 companies are -- provide limited liability to the owners,</p> <p>17 the -- the -- they operate as a partnership. And,</p> <p>18 federally, they're partnership. So the funds are passed</p> <p>19 through entities, and the -- the funds that are given to</p> <p>20 partners can be allocated in any way they want to allocate</p> <p>21 them.</p> <p>22 Q. Do you know how the Tarackis used that \$200,000</p> <p>23 that you provided them in cash?</p> <p>24 A. I do not.</p> <p>25 Q. Did anyone at this time, to date, make any</p> <p>PETITIONER'S APPENDIX NO. 00812</p>

<p style="text-align: right;">Page 46</p> <p>1 payments to repay back this straight promissory note?</p> <p>2 A. Never.</p> <p>3 Q. Why did Valjo not take any personal guarantees to</p> <p>4 secure this note?</p> <p>5 MR. STIPP: Objection; calls for speculation.</p> <p>6 And, again, for the record, the entity's name is</p> <p>7 Valjo, as in Joseph Kennedy.</p> <p>8 BY MS. LOVELOCK:</p> <p>9 Q. You can answer my question.</p> <p>10 A. We -- we didn't think that the addition of</p> <p>11 personal guarantees would add any -- enhance the collateral</p> <p>12 at all.</p> <p>13 Q. Did Valjo consider taking any additional security</p> <p>14 from the security that ended up on a nonparty Valjo 0005?</p> <p>15 MR. STIPP: Objection; form, ambiguous.</p> <p>16 THE WITNESS: We explored if there was more.</p> <p>17 THE COURT REPORTER: I'm sorry?</p> <p>18 THE WITNESS: We explored the possibility of</p> <p>19 trying to find more collateral, but we didn't. I mean,</p> <p>20 there was nothing -- there were nothing additional that</p> <p>21 we -- as to any substance to be added from the assets of</p> <p>22 either the Tarackis or E&T. That was it.</p> <p>23 BY MS. LOVELOCK:</p> <p>24 Q. And did you look into any of the Taracki's other</p> <p>25 entities or other income-producing activities?</p>	<p style="text-align: right;">Page 47</p> <p>1 MR. STIPP: Objection; assumes facts not in</p> <p>2 evidence.</p> <p>3 THE WITNESS: I wasn't aware of any other</p> <p>4 income-producing entities that the Tarackis were part of.</p> <p>5 BY MS. LOVELOCK:</p> <p>6 Q. And there was no e-mail correspondence or text</p> <p>7 messages between you and the Tarackis in discussing either</p> <p>8 security for this note, guarantors for this note, or</p> <p>9 anything related to ensuring that you would get some type of</p> <p>10 repayment for this note?</p> <p>11 MR. STIPP: Objection; ambiguous, compound, asked</p> <p>12 and answered.</p> <p>13 He's already testified as to --</p> <p>14 THE WITNESS: No.</p> <p>15 MR. STIPP: -- the documents.</p> <p>16 BY MS. LOVELOCK:</p> <p>17 Q. All your communications -- is it your testimony</p> <p>18 that all of Valjo's communications with E&T for</p> <p>19 half-a-million-dollar loan were oral?</p> <p>20 MR. STIPP: Objection; argumentative.</p> <p>21 THE WITNESS: Well, we -- we documented the loan</p> <p>22 and -- and on paper. I'm -- I'm not sure what you mean by</p> <p>23 "oral."</p> <p>24 BY MS. LOVELOCK:</p> <p>25 Q. Prior to the documentation or the execution of the</p>
<p style="text-align: right;">Page 48</p> <p>1 straight note, when you were negotiating the terms and</p> <p>2 discussing the terms of the note, were all of those</p> <p>3 communications done orally?</p> <p>4 A. Yes.</p> <p>5 Q. And over what course of time? More than a day?</p> <p>6 A. More than three days.</p> <p>7 Q. But less than a week?</p> <p>8 A. Less than a week.</p> <p>9 Q. At that time, did Valjo think that E&T would be</p> <p>10 returning to Euphoria's production facility to operate?</p> <p>11 A. Yes.</p> <p>12 Q. Why did you think that?</p> <p>13 MR. STIPP: Again, if it calls for speculation, we</p> <p>14 object.</p> <p>15 If you know the answer to the question, answer.</p> <p>16 THE WITNESS: Because we were told by Alex that he</p> <p>17 would be able to amend -- to amend the situation and that he</p> <p>18 would be back to the -- the Even location and operating it</p> <p>19 all so . . .</p> <p>20 THE COURT REPORTER: Operating it all?</p> <p>21 THE WITNESS: Yeah, operating it.</p> <p>22 That was his belief at the time, at -- at this</p> <p>23 early date.</p> <p>24 BY MS. LOVELOCK:</p> <p>25 Q. Did he give you any type of documentation or show</p>	<p style="text-align: right;">Page 49</p> <p>1 you anything to support that statement?</p> <p>2 MR. STIPP: Objection; form, compound.</p> <p>3 THE WITNESS: Just the equipment with E&T and</p> <p>4 Euphoria, which said they would have the opportunity to</p> <p>5 rectify any deficiencies and that the contract would go on.</p> <p>6 BY MS. LOVELOCK:</p> <p>7 Q. Did you have anyone besides yourself or your wife</p> <p>8 look at that contract? Such as, did you provide counsel a</p> <p>9 copy? Did you get any advice as to your interpretation of</p> <p>10 that contract?</p> <p>11 MR. STIPP: So objection; compound. Advice as to</p> <p>12 the contract would be privileged, and he can't answer that</p> <p>13 question.</p> <p>14 THE WITNESS: Okay.</p> <p>15 MS. LOVELOCK: I'll rephrase it.</p> <p>16 MR. STIPP: Hold on. If you want to rephrase,</p> <p>17 that's great.</p> <p>18 MS. LOVELOCK: I will rephrase it.</p> <p>19 Q (By Ms. Lovelock) Did you seek advice of counsel</p> <p>20 when you were reviewing the contract between E&T and</p> <p>21 Euphoria?</p> <p>22 A. Yes.</p> <p>23 Q. And that was prior to issuing the straight note?</p> <p>24 A. Contemporaneously with that.</p> <p>25 Q. And that's counsel for Valjo?</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00813</p>

<p style="text-align: right;">Page 50</p> <p>1 A. Yes.</p> <p>2 Q. Is that Mr. Stipp?</p> <p>3 A. No.</p> <p>4 Q. Who was the counsel?</p> <p>5 A. I have to look at my phone.</p> <p>6 Q. It's okay if you don't remember.</p> <p>7 A. I don't remember.</p> <p>8 Q. Was it Erika Pike Turner?</p> <p>9 A. Oh, man.</p> <p>10 THE COURT REPORTER: I'm sorry?</p> <p>11 MR. STIPP: He said, "Oh, man."</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. Was it Erika Pike Turner?</p> <p>14 A. No.</p> <p>15 Q. Okay. Had Valjo seen the notice of default that</p> <p>16 Euphoria had served on E&T --</p> <p>17 MR. STIPP: Objection; ambiguous.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. -- prior to the issuance of this straight note?</p> <p>20 A. No.</p> <p>21 Q. Had Valjo seen any communications between Euphoria</p> <p>22 and E&T regarding E&T's default prior to issuing the</p> <p>23 straight note?</p> <p>24 A. I don't think so.</p> <p>25 Q. Did Valjo talk to anyone or attempt to talk with</p>	<p style="text-align: right;">Page 51</p> <p>1 anyone at Euphoria to discuss E&T's default prior to the</p> <p>2 issuance of the straight note?</p> <p>3 MR. STIPP: Objection; compound.</p> <p>4 THE WITNESS: No.</p> <p>5 BY MS. LOVELOCK:</p> <p>6 Q. Did Valjo try to talk to anyone at Euphoria or did</p> <p>7 talk to anyone at Euphoria regarding the security that E&T</p> <p>8 provided or was trying to provide to secure the straight</p> <p>9 note?</p> <p>10 MR. STIPP: Objection; ambiguous, compound,</p> <p>11 assumes facts not in evidence.</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. You can still answer.</p> <p>14 A. On the day we tried to pick it up, yes.</p> <p>15 Q. Prior to -- I'm asking prior to the straight note.</p> <p>16 A. Oh, prior to the issuance of the note, no.</p> <p>17 Q. So would it be safe to say that Valjo listened to</p> <p>18 what Alex Taracki -- strike that.</p> <p>19 Besides listening to the representations of</p> <p>20 Mr. Taracki as to E&T's default and ability to remedy, did</p> <p>21 Valjo do any other due diligence as to that issue?</p> <p>22 MR. STIPP: Objection; misstates Mr. Kennedy's</p> <p>23 testimony as to the statements made to him by Mr. Taracki.</p> <p>24 THE WITNESS: No.</p> <p>25 BY MS. LOVELOCK:</p>
<p style="text-align: right;">Page 52</p> <p>1 Q. At that time, had Mr. Taracki told you that the</p> <p>2 state was looking into issues with E&T and testing?</p> <p>3 A. Yes.</p> <p>4 Q. That was prior to the issuance of the note?</p> <p>5 A. Yes.</p> <p>6 Q. And what did he tell you the issues were?</p> <p>7 A. He told me that he expected the reconciliation of</p> <p>8 the inventory of the metric reports to -- to be -- to</p> <p>9 reconcile very closely.</p> <p>10 Q. That had to do with variances.</p> <p>11 My question is: Did Mr. Taracki, prior to you</p> <p>12 issuing this note, tell you that the department was looking</p> <p>13 into testing issues by E&T, testing of product?</p> <p>14 MR. STIPP: If you don't recall, you can say you</p> <p>15 don't recall.</p> <p>16 THE WITNESS: No. Actually, no, I do recall.</p> <p>17 MR. STIPP: Okay.</p> <p>18 THE WITNESS: The answer to that is no.</p> <p>19 BY MS. LOVELOCK:</p> <p>20 Q. He didn't tell you any information?</p> <p>21 A. Today is the first day I've heard of that.</p> <p>22 Q. Did you also have communications with Kristin</p> <p>23 Taracki in regards to making this loan to E&T?</p> <p>24 A. Yes.</p> <p>25 Q. And what kind of communications did you have with</p>	<p style="text-align: right;">Page 53</p> <p>1 her regarding making this loan?</p> <p>2 MR. STIPP: Objection; ambiguous.</p> <p>3 THE WITNESS: Whether she was in agreement with</p> <p>4 making a loan and committing the E&T resources to -- as</p> <p>5 collateral for it.</p> <p>6 BY MS. LOVELOCK:</p> <p>7 Q. Prior to funding the loan, did the Tarackis tell</p> <p>8 you anything about their agreements with Cima Group or</p> <p>9 CanCore?</p> <p>10 MR. STIPP: Objection; form, compound.</p> <p>11 THE WITNESS: Who was the first group?</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. Cima, C-i-m-a.</p> <p>14 A. Oh, Cima Group.</p> <p>15 No, neither one.</p> <p>16 Q. When was the first time you, Valjo, learned that</p> <p>17 Cima Group and CanCore were claiming ownership of items on</p> <p>18 this security list?</p> <p>19 A. At the hearing that you alluded to before --</p> <p>20 before Judge Alf, I think.</p> <p>21 Is that --</p> <p>22 Q. Yes.</p> <p>23 A. Yeah.</p> <p>24 Q. And after you learned about it, did you have any</p> <p>25 discussions with E&T or its principals regarding those</p>

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<p style="text-align: right;">Page 54</p> <p>1 items?</p> <p>2 A. I did.</p> <p>3 Q. And what were those discussions?</p> <p>4 MR. STIPP: I'm going to object to the specific</p> <p>5 substance of the conversation because it would be</p> <p>6 privileged.</p> <p>7 MS. LOVELOCK: Why would it be privileged?</p> <p>8 MR. STIPP: Subject to attorney-client privilege.</p> <p>9 MS. LOVELOCK: They're two different parties. E&T</p> <p>10 and Valjo are adverse to each other. One is a creditor and</p> <p>11 one is a borrower. There's no privilege there.</p> <p>12 MR. STIPP: There's privilege.</p> <p>13 MS. LOVELOCK: Where's the privilege?</p> <p>14 MR. STIPP: There's a joint defense agreement that</p> <p>15 provides for the communication between the parties and</p> <p>16 exchange of documents subject to the same attorney-client</p> <p>17 privilege. It's privileged.</p> <p>18 MS. LOVELOCK: You've never produced a joint</p> <p>19 defense agreement.</p> <p>20 MR. STIPP: You never asked for it.</p> <p>21 MS. LOVELOCK: You don't think it would come up at</p> <p>22 some point when we raised privilege issues?</p> <p>23 MR. STIPP: Maybe.</p> <p>24 But the terms and conditions of the joint defense</p> <p>25 agreement would be privileged as well.</p>	<p style="text-align: right;">Page 55</p> <p>1 BY MS. LOVELOCK:</p> <p>2 Q. Were you present during that -- was Mr. Stipp</p> <p>3 present during that discussion that E&T had with Valjo or</p> <p>4 yourself?</p> <p>5 MR. STIPP: Objection; the facts and circumstances</p> <p>6 of any discussion would be subject to privilege.</p> <p>7 BY MS. LOVELOCK:</p> <p>8 Q. Do you remember signing a joint defense agreement?</p> <p>9 A. Yes.</p> <p>10 Q. Can you give me an estimate of the time -- the</p> <p>11 time of when you did that? Was it within the last month?</p> <p>12 A. No.</p> <p>13 Q. Was it in the last two months?</p> <p>14 MR. STIPP: Objection.</p> <p>15 Don't speculate or guess.</p> <p>16 THE WITNESS: Yeah.</p> <p>17 MR. STIPP: We can pull the agreement up and give</p> <p>18 you the date.</p> <p>19 MS. LOVELOCK: Okay. Let's take a break. I'd</p> <p>20 like a copy of that agreement, and then we can reconvene.</p> <p>21 MR. STIPP: Take a break, if you'd like.</p> <p>22 MS. LOVELOCK: And I'd like a copy of that</p> <p>23 agreement.</p> <p>24 MR. STIPP: We're not providing --</p> <p>25 MS. LOVELOCK: You're going to make objections as</p>
<p style="text-align: right;">Page 56</p> <p>1 to privilege.</p> <p>2 THE COURT REPORTER: Are we still on?</p> <p>3 MS. LOVELOCK: Yes, we are still on the record.</p> <p>4 You knew coming in that one of the topics was</p> <p>5 going to go over all of these matters of examination.</p> <p>6 MR. STIPP: That's right. And --</p> <p>7 MS. LOVELOCK: And it would discuss course</p> <p>8 communications between Valjo and E&T. If you were going to</p> <p>9 claim privilege between those discussions, then you should</p> <p>10 have already produced this joint defense agreement that</p> <p>11 you're going to be relying upon privilege.</p> <p>12 MR. STIPP: I disagree with you.</p> <p>13 MS. LOVELOCK: I'd like to take a break until you</p> <p>14 can e-mail us that copy.</p> <p>15 MR. STIPP: I'm not providing you a copy of the</p> <p>16 joint defense agreement. I'm not required to.</p> <p>17 MS. LOVELOCK: I thought you -- I thought you</p> <p>18 already offered me a copy of the joint defense agreement.</p> <p>19 Wasn't that your statement, I never asked for it?</p> <p>20 MR. STIPP: I -- you -- you --</p> <p>21 MS. LOVELOCK: I'm now asking for it. I'd like --</p> <p>22 MR. STIPP: Yeah.</p> <p>23 MS. LOVELOCK: -- to see a copy --</p> <p>24 MR. STIPP: Okay.</p> <p>25 MS. LOVELOCK: -- of the joint defense agreement.</p>	<p style="text-align: right;">Page 57</p> <p>1 MR. STIPP: So you understand the different -- you</p> <p>2 understand the difference between asking and -- and me</p> <p>3 responding. I didn't produce it. It's not required. You</p> <p>4 didn't ask for it. You're asking for it now, and I'm</p> <p>5 telling you no.</p> <p>6 You do understand the difference in that</p> <p>7 communication, right? You understand the difference?</p> <p>8 Because you appear to have some difficulty with respect to</p> <p>9 those matters, right?</p> <p>10 You never asked for a copy of the joint defense</p> <p>11 agreement before, No. 1. Number 2, our responses to the</p> <p>12 discovery didn't assert attorney-client privilege on those</p> <p>13 specific matters. Number 3, the items that you have</p> <p>14 identified in your subpoena may or may not implicate</p> <p>15 privilege. And so when your questions implicate privilege,</p> <p>16 we're asserting them.</p> <p>17 MS. LOVELOCK: Mr. Stipp, who's part of the joint</p> <p>18 defense agreement?</p> <p>19 MR. STIPP: I don't have the document in front of</p> <p>20 me, but I'm not going to answer questions regarding the</p> <p>21 joint defense agreement unless I'm ordered to produce it.</p> <p>22 If we're ordered to produce it, then I'll produce it to</p> <p>23 Judge Gonzalez in camera. At this point, you're not</p> <p>24 entitled to it.</p> <p>25 MS. LOVELOCK: To be clear, we're going to be</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00815</p>

<p style="text-align: right;">Page 58</p> <p>1 taking this matter before the Court. We're going to proceed 2 with today. We're not waiving our right to call you back 3 and to ask you questions related to the joint defense 4 agreement and related to the questions where he's making 5 objections based upon privilege. We'll go forward with 6 today, but we're not waiving our right to not bring you 7 back. We plan on bringing you back. And any questions that 8 he is claiming privilege on based upon a joint defense 9 agreement that he won't give us a copy of, we'll be bringing 10 before the Court, and we'll be asking to have another 11 examination of you. 12 MR. STIPP: And my response is, is you don't have 13 the right to recall Mr. Kennedy as the person most -- 14 MS. LOVELOCK: I can. 15 MR. STIPP: Let me finish. 16 -- as the person most knowledgeable on these 17 particular matters. We've asserted privilege. If you'd 18 like to challenge that privilege, you have every right to do 19 so, and we'll address it with Judge Gonzalez. But we have 20 done nothing improper. You're not entitled to it, and 21 you're not getting it today. 22 BY MS. LOVELOCK: 23 Q. The first time you learned that third parties had 24 interest in your security was at the hearing on the motion 25 for preliminary injunction --</p>	<p style="text-align: right;">Page 59</p> <p>1 MR. STIPP: Objection. 2 BY MS. LOVELOCK: 3 Q. -- yes or no? 4 A. Can I just make a little adjustment to what you 5 asked me? 6 Q. Sure. 7 A. Okay. The first time I learned that there were 8 other claims against the collateral was at that hearing. 9 But nobody else had a UCC-1 filed. So I -- so there was no 10 public notice of their claims to -- we -- we had a UCC-1 11 filed, so it should have been the other way around. They 12 should have known. 13 Q. When was the first time you learned that E&T 14 hadn't paid in full for the items that are listed on 15 Exhibit B? 16 MR. STIPP: Objection; argumentative and assumes 17 facts not in evidence. 18 THE WITNESS: I don't know that they haven't paid 19 for all of those except -- one exception is the freezer. 20 Otherwise, nobody has said to me that they haven't been paid 21 for, those items. 22 MS. LOVELOCK: Can we get this marked as 23 Exhibit -- are we on 3? 24 THE COURT REPORTER: Yes. 25 (Defendant's Exhibit 3 was marked</p>
<p style="text-align: right;">Page 60</p> <p>1 for identification.) 2 BY MS. LOVELOCK: 3 Q. Have you seen this document before? 4 MR. STIPP: Can I get a copy? 5 Thank you. 6 BY MS. LOVELOCK: 7 Q. This is entitled "The Cima Group, LLC and CanCore 8 Concepts, Inc.'s Motion to Intervene on Order Shortening 9 Time." 10 THE COURT REPORTER: I'm sorry. Can you go 11 slower? This is entitled Cima Group, LLC and -- 12 MS. LOVELOCK: CanCore Concepts, Inc.'s Motion to 13 Intervene on Order Shortening Time, filed on July 11th, 14 2019. 15 Q (By Ms. Lovelock) And the question is: Have you 16 seen this document before? 17 MR. STIPP: I just want to state for the record 18 that Valjo is not a party to this action and wouldn't 19 ordinarily receive a copy of this document. 20 MS. LOVELOCK: Is that an objection? I'm asking a 21 question if he's ever seen this document. 22 THE WITNESS: No. 23 BY MS. LOVELOCK: 24 Q. Okay. If you can, turn to Exhibit 2. It's the 25 third-to-last page.</p>	<p style="text-align: right;">Page 61</p> <p>1 A. Okay. 2 Q. It is entitled "SeroVita," and it's to E&T 3 Ventures, LLC. And it's entitled "Re-notice of Termination 4 of Exclusive License Agreement and Termination of Exclusive 5 Sale of Goods Agreement; Demand for Payment of All Amounts 6 Due Under Exclusive Sale of Goods Agreement." 7 Have you seen this document before? 8 A. No. 9 Q. E&T never provided you a copy of this document? 10 MR. STIPP: He's already testified that he hasn't 11 seen the document before. 12 BY MS. LOVELOCK: 13 Q. Will you answer my question? E&T never provided 14 you a copy of this document, yes or no? 15 A. No. 16 MR. STIPP: Objection; asked and answered. 17 BY MS. LOVELOCK: 18 Q. And do you see the third paragraph where it says, 19 "Finally, E&T failed to pay invoices due and owing to CCC 20 totaling \$106,075.19, outlined in detail in Exhibit A?" 21 Do you see that statement? 22 A. I see that. 23 Q. Okay. And if you turn to Exhibit A of that same 24 letter -- so it would be the last page of the document I 25 gave you, the very last page. PETITIONER'S APPENDIX NO. 00816</p>

<p style="text-align: right;">Page 62</p> <p>1 A. Oh, of this document. Okay.</p> <p>2 MR. STIPP: It's Exhibit A.</p> <p>3 THE WITNESS: Yeah.</p> <p>4 BY MS. LOVELOCK:</p> <p>5 Q. You'll see that there are items listed, and some</p> <p>6 of those items --</p> <p>7 A. These are all --</p> <p>8 MR. STIPP: Objection. There's no question</p> <p>9 pending.</p> <p>10 BY MS. LOVELOCK:</p> <p>11 Q. Do -- do any of these items appear on your</p> <p>12 security agreement?</p> <p>13 MR. STIPP: Objection; the document speaks for</p> <p>14 itself.</p> <p>15 There's no way to tell whether these items on here</p> <p>16 are the same or similar to the items listed on the security</p> <p>17 sheet.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. You can still answer the question.</p> <p>20 A. No. These are all materials -- packaging</p> <p>21 materials.</p> <p>22 Q. Okay. All right. If we can go back to -- you --</p> <p>23 why were you at the hearing on E&T's motion for preliminary</p> <p>24 injunction?</p> <p>25 A. Because I was interested in hearing what the</p>	<p style="text-align: right;">Page 63</p> <p>1 outcome of the hearing would be.</p> <p>2 Q. As a creditor?</p> <p>3 A. As a creditor.</p> <p>4 Q. And you heard the order issued by Judge Allf at</p> <p>5 that hearing?</p> <p>6 A. I heard the order.</p> <p>7 Q. And did you understand the order to be that most</p> <p>8 of the equipment would remain at Euphoria -- in Euphoria's</p> <p>9 possession?</p> <p>10 A. I did.</p> <p>11 Q. Do you have any knowledge while -- why Valjo's</p> <p>12 loan and security interest wasn't part of the motion for</p> <p>13 protective order?</p> <p>14 MR. STIPP: Objection; speculation.</p> <p>15 He wouldn't know the answer to that question.</p> <p>16 MS. LOVELOCK: I said, "Do you know why?"</p> <p>17 THE WITNESS: I do not.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. Why did you declare E&T in default the next day,</p> <p>20 the day after the hearing?</p> <p>21 MR. STIPP: I don't know if that's true or not.</p> <p>22 Assumes facts not in evidence.</p> <p>23 If you can identify the date of the order and the</p> <p>24 hearing and the default notice, it might help --</p> <p>25 MS. LOVELOCK: The date of the hearing was</p>
<p style="text-align: right;">Page 64</p> <p>1 July 11th, 2019. If you look at Valjo 0006, it's the notice</p> <p>2 of default, dated July 12th, 2019.</p> <p>3 MR. STIPP: Okay.</p> <p>4 THE WITNESS: Because as a consequence of that</p> <p>5 hearing, we realized they wouldn't be able to produce the</p> <p>6 collateral.</p> <p>7 BY MS. LOVELOCK:</p> <p>8 Q. When you made the loan, did you expect E&T to</p> <p>9 repay it with funds, or did you always expect to foreclose</p> <p>10 on the collateral?</p> <p>11 MR. STIPP: Objection; compound.</p> <p>12 THE WITNESS: Did not make the loan anticipating</p> <p>13 foreclosing on the collateral.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. When did you realize that you would likely need to</p> <p>16 foreclose on the collateral?</p> <p>17 A. When we realized that they would no longer have</p> <p>18 the income from E&T to -- to pay back the note.</p> <p>19 Q. And when did you learn that?</p> <p>20 A. At the hearing.</p> <p>21 Q. But before the hearing, you knew that Euphoria had</p> <p>22 terminated their agreement with E&T, correct?</p> <p>23 MR. STIPP: Objection; argumentative, misstates</p> <p>24 testimony of Mr. Kennedy.</p> <p>25 THE WITNESS: I know they had locked them out. I</p>	<p style="text-align: right;">Page 65</p> <p>1 didn't know they had terminated the agreement. There's a</p> <p>2 distinction between the two.</p> <p>3 BY MS. LOVELOCK:</p> <p>4 Q. And you didn't know that they had terminated the</p> <p>5 agreement prior to the litigation being filed?</p> <p>6 A. I can't recall if I knew.</p> <p>7 Q. Had you ever seen the notice of termination from</p> <p>8 Euphoria to E&T?</p> <p>9 MR. STIPP: If you don't know the answer to the</p> <p>10 question, say you don't know.</p> <p>11 THE WITNESS: Well, I -- I thought she was going</p> <p>12 to show me a copy of the notice so that I could see if it --</p> <p>13 if I recognized it.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. Well, do you know, just from your own memory, if</p> <p>16 you've ever seen it?</p> <p>17 A. No. I don't remember.</p> <p>18 MS. LOVELOCK: Let's have this item marked as</p> <p>19 Exhibit --</p> <p>20 THE COURT REPORTER: Four.</p> <p>21 (Defendant's Exhibit 4 was marked</p> <p>22 for identification.)</p> <p>23 BY MS. LOVELOCK:</p> <p>24 Q. This document is entitled "Notice of Termination,"</p> <p>25 and it's dated May 22nd, 2019.</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00817</p>

<p style="text-align: right;">Page 66</p> <p>1 Have you seen this document before?</p> <p>2 A. No.</p> <p>3 Q. Okay. At any time in April, May, or June of 2019,</p> <p>4 did Valjo learn that an employee of E&T had made a</p> <p>5 whistleblower complaint against them for lab results?</p> <p>6 MR. STIPP: Objection; argumentative, assumes</p> <p>7 facts not in evidence, and the question is compound.</p> <p>8 THE WITNESS: The first time I've heard about any</p> <p>9 dispute about lab results is today.</p> <p>10 BY MS. LOVELOCK:</p> <p>11 Q. E&T and the Tarackis never told Valjo or yourself</p> <p>12 or your wife about a whistleblower complaint by one of their</p> <p>13 own employees?</p> <p>14 MR. STIPP: Objection; asked and answered.</p> <p>15 He's already stated he wasn't aware of it until</p> <p>16 today.</p> <p>17 THE WITNESS: No.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. How does Valjo plan to get repaid on the</p> <p>20 outstanding balance on the promissory note?</p> <p>21 MR. STIPP: Objection; matters related to</p> <p>22 collection activity are subject to confidentiality agreement</p> <p>23 and a forbearance agreement entered into by the parties, and</p> <p>24 those matters are confidential and privileged.</p> <p>25 MS. LOVELOCK: There's a forbearance agreement</p>	<p style="text-align: right;">Page 67</p> <p>1 between you, Valjo, and E&T?</p> <p>2 MR. STIPP: What I said is there's an agreement</p> <p>3 regarding manner in which Valjo will exercise its rights</p> <p>4 under the note, and that's subject to confidentiality and</p> <p>5 privilege.</p> <p>6 And so I'm instructing Mr. Kennedy not to answer</p> <p>7 questions on behalf of Valjo concerning repayment collection</p> <p>8 activity and matters related to the same.</p> <p>9 MS. LOVELOCK: You're instructing -- I -- I just</p> <p>10 want to be clear so I understand this.</p> <p>11 There is an agreement out there that hasn't been</p> <p>12 referenced or produced in relation to this lawsuit regarding</p> <p>13 repayment of this loan, and you're claiming that he is not</p> <p>14 allowed to testify related to it?</p> <p>15 MR. STIPP: You haven't asked, to the best of my</p> <p>16 knowledge, whether or not such document should be produced.</p> <p>17 It was noted in the opposition to your motion to</p> <p>18 disqualify me as counsel that Valjo and E&T had reached an</p> <p>19 agreement regarding the default and matters related to</p> <p>20 collection activity.</p> <p>21 This matter is also subject to a stipulated</p> <p>22 judgment, which is referenced. So it's not as if this</p> <p>23 should come as a complete surprise to you, Ms. Lovelock.</p> <p>24 MS. LOVELOCK: It should when we requested all</p> <p>25 documents related to the note and collections on the note</p>
<p style="text-align: right;">Page 68</p> <p>1 and the security agreement and the --</p> <p>2 MR. STIPP: Can you show me that?</p> <p>3 MS. LOVELOCK: -- (inaudible) privilege in the</p> <p>4 document request.</p> <p>5 MR. STIPP: Can you show me which document</p> <p>6 request?</p> <p>7 MS. LOVELOCK: The games, Mitchell, are -- are</p> <p>8 becoming too much. We'll deal with it --</p> <p>9 MR. STIPP: It's not really a game.</p> <p>10 MS. LOVELOCK: -- in front of Judge --</p> <p>11 MR. STIPP: I'm just --</p> <p>12 MS. LOVELOCK: We'll deal with it in front of</p> <p>13 Judge Gonzalez.</p> <p>14 MR. STIPP: You're making a statement on the</p> <p>15 record that you specifically asked for a document we didn't</p> <p>16 produce. And I'm telling you, if you can point out to me</p> <p>17 what document request we would have included that document,</p> <p>18 then I can respond to you.</p> <p>19 MS. LOVELOCK: What's the title of the document?</p> <p>20 MR. STIPP: I don't know off the top of my head.</p> <p>21 I didn't bring a copy of it.</p> <p>22 MS. LOVELOCK: Okay.</p> <p>23 MR. STIPP: I mean, I will note for the record</p> <p>24 that Mr. Kennedy's presence here, both as the PMK for Valjo</p> <p>25 and Nye Natural, demonstrates his cooperation. You know,</p>	<p style="text-align: right;">Page 69</p> <p>1 and we've provided responses to the discovery requests. And</p> <p>2 neither of these parties are -- are -- are party to the</p> <p>3 litigation. These are nonparties --</p> <p>4 MS. LOVELOCK: You're allowed to subpoena</p> <p>5 nonparties --</p> <p>6 MR. STIPP: No one's saying that you're not.</p> <p>7 MS. LOVELOCK: -- and they're supposed to respond.</p> <p>8 Can you mark this as the next item? What exhibit</p> <p>9 number is this?</p> <p>10 THE COURT REPORTER: Five.</p> <p>11 (Defendant's Exhibit 5 was marked</p> <p>12 for identification.)</p> <p>13 BY MS. LOVELOCK:</p> <p>14 Q. You were just handed the document by the court</p> <p>15 reporter called "Opposition to motion to Disqualify and</p> <p>16 Related Relief" that was filed, on the top, the</p> <p>17 February 11th, 2021, by Mr. Stipp.</p> <p>18 Have you seen this document before?</p> <p>19 A. No.</p> <p>20 Q. Okay.</p> <p>21 MR. STIPP: And we were discussing this opposition</p> <p>22 before, and you'll note in footnote 2 --</p> <p>23 MS. LOVELOCK: Mr. Stipp, I'm going to ask -- I'm</p> <p>24 going to ask --</p> <p>25 MR. STIPP: -- the disclosure of that information.</p> <p>PETITIONER'S APPENDIX NO. 00818</p>

<p style="text-align: right;">Page 70</p> <p>1 MS. LOVELOCK: -- a quick question.</p> <p>2 Q (By Ms. Lovelock) If you'll look at page 4,</p> <p>3 footnote 2.</p> <p>4 A. Document.</p> <p>5 Q. It says, "As a condition to the undersigned,"</p> <p>6 which is Mr. Stipp's representation of E&T in this case,</p> <p>7 "Valjo agreed that it would not take any collection action</p> <p>8 on the judgment pending resolution of the dispute between</p> <p>9 E&T and Euphoria."</p> <p>10 Do you have information about that agreement?</p> <p>11 MR. STIPP: Objection; the footnote speaks for</p> <p>12 itself. The agreement is confidential and privileged.</p> <p>13 And I'm asking -- or instructing Mr. Kennedy not</p> <p>14 to answer your question.</p> <p>15 BY MS. LOVELOCK:</p> <p>16 Q. You put it in a public document.</p> <p>17 Do you have any knowledge as to that agreement?</p> <p>18 A. Yes.</p> <p>19 Q. And you've agreed to not have any collection</p> <p>20 efforts currently against E&T?</p> <p>21 MR. STIPP: Objection; the document speaks for</p> <p>22 itself.</p> <p>23 And I'm instructing Mr. Kennedy --</p> <p>24 THE WITNESS: Not to --</p> <p>25 MR. STIPP: -- not to answer as to those matters.</p>	<p style="text-align: right;">Page 71</p> <p>1 BY MS. LOVELOCK:</p> <p>2 Q. Is this litigation your only resources for</p> <p>3 collecting on this promissory note?</p> <p>4 MR. STIPP: Objection. Mr. Kennedy will not be</p> <p>5 answering that question as it relates to the agreement he</p> <p>6 has with E&T over collection action on this -- in this case.</p> <p>7 BY MS. LOVELOCK:</p> <p>8 Q. Is this litigation the main resource for repayment</p> <p>9 of the promissory note?</p> <p>10 MR. STIPP: Objection. You've asked that</p> <p>11 question, and I'm instructing Mr. Kennedy not to answer.</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. Is Valjo, Inc. the entity that's paying for E&T's</p> <p>14 attorney's fees?</p> <p>15 MR. STIPP: Objection. That's subject to the</p> <p>16 joint defense agreement, and the responsibility for payment</p> <p>17 is confidential and privileged.</p> <p>18 And I'm instructing Mr. Kennedy not to answer that</p> <p>19 question on the base of the privilege.</p> <p>20 MS. LOVELOCK: We disagree as to that, and we're</p> <p>21 not waiving our right as to any of your objections which we</p> <p>22 don't agree with.</p> <p>23 Q (By Ms. Lovelock) In line with being involved with</p> <p>24 this litigation, are you provided -- are you included in</p> <p>25 strategy decisions in this litigation on behalf of E&T?</p>
<p style="text-align: right;">Page 72</p> <p>1 MR. STIPP: Objection. Any participation in the</p> <p>2 strategy of the litigation would be privileged and</p> <p>3 confidential.</p> <p>4 And I'm instructing Mr. Kennedy not to respond to</p> <p>5 your question.</p> <p>6 MS. LOVELOCK: Can we have this item marked?</p> <p>7 (Defendant's Exhibit 6 was marked</p> <p>8 for identification.)</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. The court reporter just handed you a document</p> <p>11 saying "Defendant Euphoria Wellness, LLC's Motion for</p> <p>12 Protective Order." And if you look on the next page, it is</p> <p>13 dated February 22nd, 2021.</p> <p>14 Have you seen this document before?</p> <p>15 A. No.</p> <p>16 Q. Did you know that Darlene Purdy was going to be</p> <p>17 deposed on February 23rd, 2021?</p> <p>18 MR. STIPP: Objection. I'm not sure how that's</p> <p>19 relevant. It's beyond the scope of the subpoena. And your</p> <p>20 client's participation in a deposition --</p> <p>21 MS. LOVELOCK: I asked if he knew that she was</p> <p>22 going to be deposed.</p> <p>23 Q (By Ms. Lovelock) Did Valjo know that she was</p> <p>24 asked to be deposed --</p> <p>25 MR. STIPP: And I --</p>	<p style="text-align: right;">Page 73</p> <p>1 BY MS. LOVELOCK:</p> <p>2 Q. -- on that date?</p> <p>3 MR. STIPP: And I told you that it's beyond the</p> <p>4 scope of the subpoena --</p> <p>5 MS. LOVELOCK: You're instructing him not to</p> <p>6 respond?</p> <p>7 MR. STIPP: I'm not instructing him not to</p> <p>8 respond. He can make that decision for himself.</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. Mr. Kennedy.</p> <p>11 A. I knew that Darlene Purdy was going to be deposed.</p> <p>12 I didn't know what date.</p> <p>13 Q. Did you know that Ms. Purdy had a son that was</p> <p>14 sick in the ICU?</p> <p>15 MR. STIPP: Objection.</p> <p>16 MS. LOVELOCK: And I haven't finished my question.</p> <p>17 MR. STIPP: We're not going to address matters --</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. Did you know that Ms. Purdy asked for the</p> <p>20 deposition to be rescheduled based upon a son who is sick in</p> <p>21 the ICU? Were you aware of that?</p> <p>22 MR. STIPP: Objection.</p> <p>23 What's the point of your inquiry --</p> <p>24 MS. LOVELOCK: I don't have to tell you the point</p> <p>25 of my inquiry --</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00819</p>

<p style="text-align: right;">Page 74</p> <p>1 MR. STIPP: You do --</p> <p>2 BY MS. LOVELOCK:</p> <p>3 Q. Were you aware of that?</p> <p>4 MR. STIPP: Hold on a second. Just know this. If</p> <p>5 you're going to bring Ms. Purdy's son's medical condition</p> <p>6 into this case as relevant, then those medical records and</p> <p>7 the medical condition of her son are --</p> <p>8 MS. LOVELOCK: I'm not -- I have one -- I have one</p> <p>9 question related to this.</p> <p>10 MR. STIPP: We're not answering questions</p> <p>11 regarding that particular issue.</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. If you can, turn to the last page.</p> <p>14 After asking Mr. Stipp to move her deposition, we</p> <p>15 received an e-mail -- Mr. Jones received an e-mail</p> <p>16 suggesting, "I spoke to my clients. Please have your client</p> <p>17 withdraw the motion to disqualify. I will continue the</p> <p>18 deposition of Darlene Purdy," parentheses, "if the motion is</p> <p>19 withdrawn," closed parenthesis.</p> <p>20 Are you the clients? Is Valjo the clients that's</p> <p>21 referenced in this e-mail?</p> <p>22 MR. STIPP: Objection. It should be very clear</p> <p>23 who the client is in this particular matter, and if you</p> <p>24 don't know --</p> <p>25 MS. LOVELOCK: No. I'm having difficulty</p>	<p style="text-align: right;">Page 75</p> <p>1 determining who your clients are.</p> <p>2 Q (By Ms. Lovelock) Are you the client, Mr. Kennedy,</p> <p>3 that is referenced within this e-mail?</p> <p>4 MR. STIPP: Objection. It's -- has nothing to do</p> <p>5 with the scope of (inaudible) inquiry.</p> <p>6 I'm a little confused as to why you're even asking</p> <p>7 questions. But if you want to put Ms. Purdy's son's medical</p> <p>8 condition at issue, we can explore that.</p> <p>9 MS. LOVELOCK: We're not. I was asking if he was</p> <p>10 the client that was consulted on that e-mail.</p> <p>11 MR. STIPP: You're taking --</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. Yes or no?</p> <p>14 MR. STIPP: You're taking an e-mail that was sent</p> <p>15 to you confidentially by -- I might add. And you attached</p> <p>16 it to a motion, regardless of the nature of the</p> <p>17 confidentiality. And you're asking him if he's the client,</p> <p>18 when he's already told you, "I've never seen this before."</p> <p>19 Makes absolutely no sense, Nicole. He's already told you he</p> <p>20 didn't see it.</p> <p>21 MS. LOVELOCK: I can ask him if he was the client</p> <p>22 that you spoke to.</p> <p>23 MR. STIPP: How would he --</p> <p>24 MS. LOVELOCK: That's an improper -- proper</p> <p>25 question.</p>
<p style="text-align: right;">Page 76</p> <p>1 MR. STIPP: How would he be the client if he</p> <p>2 hasn't seen this document before? Joval was not a party to</p> <p>3 the case. How would he be the client? Answer that.</p> <p>4 MS. LOVELOCK: Let's go back to the promissory</p> <p>5 note.</p> <p>6 MR. STIPP: Waste more time. Unbelievable.</p> <p>7 THE WITNESS: I believe it's in Exhibit 2.</p> <p>8 BY MS. LOVELOCK:</p> <p>9 Q. Can you -- can you go back why you declared the</p> <p>10 promissory note in default on -- on the date you sent the</p> <p>11 letter, which was July 12th, 2019?</p> <p>12 MR. STIPP: Objection.</p> <p>13 What's he supposed to do in response to that</p> <p>14 question?</p> <p>15 BY MS. LOVELOCK:</p> <p>16 Q. Why did you declare the default?</p> <p>17 MR. STIPP: Asked and answered. He already</p> <p>18 testified.</p> <p>19 BY MS. LOVELOCK:</p> <p>20 Q. You can answer again.</p> <p>21 A. Okay.</p> <p>22 MR. STIPP: No. We'll have the court reporter</p> <p>23 refer to the -- to the answer.</p> <p>24 If you can, pull it up.</p> <p>25 MS. LOVELOCK: That's not the way it works.</p>	<p style="text-align: right;">Page 77</p> <p>1 MR. STIPP: Okay. Well, look, you can't ask --</p> <p>2 MS. LOVELOCK: Are you --</p> <p>3 MR. STIPP: -- the questions --</p> <p>4 MS. LOVELOCK: Yes, I can.</p> <p>5 MR. STIPP: -- over and over and over again.</p> <p>6 MS. LOVELOCK: I can ask different questions.</p> <p>7 It's in a different form.</p> <p>8 MR. STIPP: Ask him a different one then.</p> <p>9 MS. LOVELOCK: It's in a different form.</p> <p>10 Q (By Ms. Lovelock) Did you understand the question</p> <p>11 that was asked to you?</p> <p>12 Can you repeat the question that I asked him?</p> <p>13 THE WITNESS: Can I answer the question?</p> <p>14 MR. STIPP: No, you don't need to answer. You've</p> <p>15 already asked -- it's already been asked --</p> <p>16 MS. LOVELOCK: All right. You're directing him</p> <p>17 not to answer the question.</p> <p>18 MR. STIPP: He's already answered it. You can</p> <p>19 refer to the transcript, Ms. Lovelock.</p> <p>20 MS. LOVELOCK: Can you mark this as an exhibit?</p> <p>21 THE COURT REPORTER: Just try to speak one at a</p> <p>22 time.</p> <p>23 MR. STIPP: Understood. I apologize.</p> <p>24 (Defendant's Exhibit 7 was marked</p> <p>25 for identification.)</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00820</p>

<p style="text-align: right;">Page 78</p> <p>1 MR. STIPP: Is there a copy?</p> <p>2 BY MS. LOVELOCK:</p> <p>3 Q. The court reporter just handed you the Register of</p> <p>4 Actions for Case No. A-19-798647-C that has been disclosed</p> <p>5 in this litigation, which has Valjo, Inc. versus E&T</p> <p>6 Ventures, LLC.</p> <p>7 You were the plaintiff in this case, correct?</p> <p>8 A. Correct.</p> <p>9 Q. Okay. How did you determine to take a confession</p> <p>10 of judgment against E&T?</p> <p>11 MR. STIPP: Objection. Subject to attorney-client</p> <p>12 privilege, I'm instructing my client not to answer that</p> <p>13 question.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. When did you retain Counsel to help you in</p> <p>16 collections?</p> <p>17 MR. STIPP: Again, objection, subject to</p> <p>18 attorney-client privilege.</p> <p>19 MS. LOVELOCK: When he -- when he retained Counsel</p> <p>20 in this matter?</p> <p>21 MR. STIPP: Correct.</p> <p>22 BY MS. LOVELOCK:</p> <p>23 Q. Did you have any discussions with E&T regarding</p> <p>24 how to repay the promissory note prior to this lawsuit being</p> <p>25 filed?</p>	<p style="text-align: right;">Page 79</p> <p>1 MR. STIPP: Objection, subject to privilege and</p> <p>2 confidentiality as set forth in our joint defense agreement.</p> <p>3 MS. LOVELOCK: Are you going to allow him to</p> <p>4 answer any questions related to this lawsuit or collections</p> <p>5 on the promissory note?</p> <p>6 MR. STIPP: Yes, I -- I will if they're not</p> <p>7 privileged and subject to confidentiality --</p> <p>8 confidentiality.</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. Was E&T represented in this action by an attorney?</p> <p>11 MR. STIPP: Do you know the answer to that?</p> <p>12 THE WITNESS: I do.</p> <p>13 No.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. Did you do all the communications with E&T, then,</p> <p>16 on -- in relations to this action?</p> <p>17 MR. STIPP: Objection; ambiguous.</p> <p>18 Doing the communications is not -- is not clear.</p> <p>19 BY MS. LOVELOCK:</p> <p>20 Q. Were you the only one to communicate with E&T as</p> <p>21 it related to this action?</p> <p>22 A. As Valjo?</p> <p>23 MR. STIPP: Objection --</p> <p>24 BY MS. LOVELOCK:</p> <p>25 Q. As Valjo.</p>
<p style="text-align: right;">Page 80</p> <p>1 MR. STIPP: -- ambiguous.</p> <p>2 THE WITNESS: Both Valjo and I communicated with</p> <p>3 them.</p> <p>4 BY MS. LOVELOCK:</p> <p>5 Q. And how did you communicate? Was there text</p> <p>6 messages? E-mails?</p> <p>7 A. We met.</p> <p>8 Q. In person?</p> <p>9 A. Yes.</p> <p>10 Q. And was your counsel present?</p> <p>11 MR. STIPP: Objection. Subject to attorney-client</p> <p>12 privilege, I'm instructing Mr. Kennedy not to answer that</p> <p>13 question.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. Were there times that you met with E&T with</p> <p>16 regards to this action without your attorney present?</p> <p>17 MR. STIPP: Objection. Subject to the same</p> <p>18 privilege, I'm instructing Mr. Kennedy not to answer that</p> <p>19 question.</p> <p>20 MS. LOVELOCK: None of these items are actually</p> <p>21 privileges.</p> <p>22 Your privilege based upon the joint defense</p> <p>23 agreement?</p> <p>24 MR. STIPP: Ms. Lovelock, you just said that they</p> <p>25 weren't subject to privilege, and then you asked me a</p>	<p style="text-align: right;">Page 81</p> <p>1 question if --</p> <p>2 MS. LOVELOCK: When you were making your claim of</p> <p>3 privilege, are you basing the privilege upon that joint</p> <p>4 defense agreement? These aren't -- these aren't privileged</p> <p>5 communications, so is your --</p> <p>6 MR. STIPP: Yes, they are. They're subject to</p> <p>7 the -- the joint defense agreement. They're subject to the</p> <p>8 forbearance agreement between the parties, absolutely.</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. Who prepared the forbearance agreement between the</p> <p>11 parties?</p> <p>12 MR. STIPP: Objection, subject to the same</p> <p>13 privilege.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. Who prepared the joint defense agreement?</p> <p>16 MR. STIPP: Objection, subject to the same</p> <p>17 privilege.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. Who prepared the confession of judgment?</p> <p>20 MR. STIPP: Objection, subject to privilege.</p> <p>21 BY MS. LOVELOCK:</p> <p>22 Q. Who --</p> <p>23 A. Sorry.</p> <p>24 THE COURT REPORTER: It was confession of</p> <p>25 judgment?</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00821</p>

<p style="text-align: right;">Page 82</p> <p>1 MS. LOVELOCK: Yeah.</p> <p>2 Q (By Ms. Lovelock) Did E&T ever have issues with</p> <p>3 executing a confession of judgment?</p> <p>4 MR. STIPP: Objection. He can't speak for E&T.</p> <p>5 He's --</p> <p>6 BY MS. LOVELOCK:</p> <p>7 Q. In your opinion, did E&T have issues with --</p> <p>8 MR. STIPP: He's --</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. -- executing --</p> <p>11 MR. STIPP: He's not --</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. -- the confession of judgment?</p> <p>14 MR. STIPP: He's not in a position to give an</p> <p>15 opinion as to the conduct of E&T. That question should be</p> <p>16 directed to them. Mr. Kennedy cannot answer that question.</p> <p>17 BY MS. LOVELOCK:</p> <p>18 Q. Was it your idea for them to execute a confession</p> <p>19 of judgment?</p> <p>20 MR. STIPP: Objection, subject to attorney-client</p> <p>21 privilege.</p> <p>22 BY MS. LOVELOCK:</p> <p>23 Q. When did you retain an attorney to help you with</p> <p>24 the collections on the promissory note?</p> <p>25 MR. STIPP: Objection, subject to privilege.</p>	<p style="text-align: right;">Page 83</p> <p>1 BY MS. LOVELOCK:</p> <p>2 Q. When did you obtain an attorney to represent you</p> <p>3 in this action, Valjo versus E&T Ventures, LLC?</p> <p>4 MR. STIPP: Objection, subject to privilege.</p> <p>5 BY MS. LOVELOCK:</p> <p>6 Q. Does Valjo have a license to -- to lend money</p> <p>7 to -- such as the money that was lent to E&T?</p> <p>8 MR. STIPP: Objection, assumes facts not in</p> <p>9 evidence. Mr. Kennedy can answer if he wants to, but the</p> <p>10 license wouldn't be required.</p> <p>11 THE WITNESS: It's a private lender.</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. After Valjo received the subpoena, did they talk</p> <p>14 to anyone at E&T or the -- talk to any of the Tarackis?</p> <p>15 MR. STIPP: Objection, subject to privilege of the</p> <p>16 joint defense agreement.</p> <p>17 BY MS. LOVELOCK:</p> <p>18 Q. Have you seen a copy of the joint defense</p> <p>19 agreement?</p> <p>20 MR. STIPP: Objection. Subject to the same</p> <p>21 privilege, I'm instructing Mr. Kennedy not to answer.</p> <p>22 I know you want to say yes, but you're not</p> <p>23 answering any of these questions.</p> <p>24 BY MS. LOVELOCK:</p> <p>25 Q. Did you have any counsel besides Mr. Stipp look at</p>
<p style="text-align: right;">Page 84</p> <p>1 the joint defense agreement?</p> <p>2 MR. STIPP: Objection. Subject to the same</p> <p>3 privilege, I'm instructing Mr. Kennedy not to answer.</p> <p>4 BY MS. LOVELOCK:</p> <p>5 Q. Has Valjo seen the finances -- the financials of</p> <p>6 E&T in the last year?</p> <p>7 A. Has Valjo examined?</p> <p>8 Q. Have you seen any finances or financial documents</p> <p>9 from E&T?</p> <p>10 MR. STIPP: Objection; compound.</p> <p>11 THE WITNESS: I have not.</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. Have you asked for any financial documents from</p> <p>14 E&T since they went into the default?</p> <p>15 A. No.</p> <p>16 Q. Have you asked for any financials from any of the</p> <p>17 Tarackis since E&T went into default?</p> <p>18 A. No.</p> <p>19 Q. Do you know what the Tarackis currently do as a</p> <p>20 profession?</p> <p>21 MR. STIPP: Objection, subject to speculation.</p> <p>22 But if you know, you can answer.</p> <p>23 THE WITNESS: Yes.</p> <p>24 BY MS. LOVELOCK:</p> <p>25 Q. What do they do?</p>	<p style="text-align: right;">Page 85</p> <p>1 A. They're in Tennessee and doing extraction.</p> <p>2 Q. Do you know the name of the business that they're</p> <p>3 doing it under?</p> <p>4 MR. STIPP: Objection; outside the scope of the</p> <p>5 subpoena.</p> <p>6 THE WITNESS: I'm not sure.</p> <p>7 BY MS. LOVELOCK:</p> <p>8 Q. Are all three Tarackis in Tennessee, from your</p> <p>9 understanding?</p> <p>10 A. No.</p> <p>11 Q. Which Taracki still live -- do any of them still</p> <p>12 live in Las Vegas?</p> <p>13 A. Yes.</p> <p>14 Q. Which one?</p> <p>15 A. Miroslav.</p> <p>16 THE COURT REPORTER: What is that?</p> <p>17 THE WITNESS: Miroslav.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. Do you know where he -- what he currently does for</p> <p>20 a living?</p> <p>21 A. I do not.</p> <p>22 Q. Did you ever talk to Euphoria's landlords at the</p> <p>23 production facility?</p> <p>24 A. Yes.</p> <p>25 Q. When?</p>

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<p style="text-align: right;">Page 86</p> <p>1 A. The date we were there to pick up the equipment --</p> <p>2 we made the attempt to pick up the equipment, and we spoke</p> <p>3 with him the day before.</p> <p>4 Q. When you say you made an attempt to pick up the</p> <p>5 equipment, can you explain what you're talking about?</p> <p>6 A. Sure.</p> <p>7 Joval showed up and told Darlene that we were --</p> <p>8 we wanted to -- we had a court order -- we had a court order</p> <p>9 and that we wanted to pick up the equipment based on the</p> <p>10 court order. And --</p> <p>11 Q. I'm sorry. You -- you went there?</p> <p>12 A. I went there.</p> <p>13 Q. Okay. Who were you with?</p> <p>14 A. I was with myself.</p> <p>15 Q. Okay. And you spoke to Ms. Purdy?</p> <p>16 A. Yes.</p> <p>17 Q. Okay. And you showed her the court order?</p> <p>18 A. I showed her, gave her a copy of the court order,</p> <p>19 yes.</p> <p>20 Q. And then did you make any other attempts to</p> <p>21 retrieve your equipment after that -- or retrieve that</p> <p>22 equipment after that?</p> <p>23 A. No.</p> <p>24 Q. Were you there that following Sunday?</p> <p>25 A. I was.</p>	<p style="text-align: right;">Page 87</p> <p>1 Q. Were you part of that group that appeared at the</p> <p>2 production facility --</p> <p>3 MR. STIPP: Wait until she finishes asking the</p> <p>4 question.</p> <p>5 BY MS. LOVELOCK:</p> <p>6 Q. -- with Metro?</p> <p>7 A. Yes.</p> <p>8 Q. Who else was there?</p> <p>9 A. We had like 25 people there.</p> <p>10 Q. And why did you go there that day with 25 people?</p> <p>11 A. Because I thought we were going to be picking up</p> <p>12 the equipment, and it wasn't -- we wanted to not take</p> <p>13 forever to do it. It had to be uninstalled and put into the</p> <p>14 trucks.</p> <p>15 Q. Why did you think that you'd be able to pick up</p> <p>16 the equipment on that day?</p> <p>17 A. Because I thought they would obey the court order.</p> <p>18 Q. And why did you believe --</p> <p>19 A. We had -- we had landlord, we had Metro, we had</p> <p>20 our court order. We felt that -- I was told that that's</p> <p>21 what was required to be able to pick up the equipment.</p> <p>22 Q. Who told you that?</p> <p>23 MR. STIPP: Objection; attorney-client privilege.</p> <p>24 I'm instructing him not to answer that question.</p> <p>25 THE WITNESS: Okay.</p>
<p style="text-align: right;">Page 88</p> <p>1 BY MS. LOVELOCK:</p> <p>2 Q. But that didn't happen that day, did it?</p> <p>3 A. Did not.</p> <p>4 Q. Do you know who called Metro?</p> <p>5 MR. STIPP: Objection; calls for speculation.</p> <p>6 THE WITNESS: Yes. My wife.</p> <p>7 BY MS. LOVELOCK:</p> <p>8 Q. Was your wife there as well?</p> <p>9 A. She was.</p> <p>10 Q. And can you tell me, out of the 25, who else was</p> <p>11 there that you can remember?</p> <p>12 A. I know Miro Taracki was there, but I don't</p> <p>13 remember -- you know, basically, it was labor.</p> <p>14 Q. At that time, you knew about the order in -- that</p> <p>15 was issued by Judge Allf regarding that equipment?</p> <p>16 A. I believe that was before that order was issued by</p> <p>17 Judge Allf.</p> <p>18 Q. It was not. She made an oral ruling prior to your</p> <p>19 litigation being started.</p> <p>20 MR. STIPP: So the -- is the answer to your</p> <p>21 question you don't recall?</p> <p>22 THE WITNESS: I don't agree.</p> <p>23 MR. STIPP: Fair enough.</p> <p>24 MS. LOVELOCK: Can we take a five-minute break?</p> <p>25 Go off record for five minutes.</p>	<p style="text-align: right;">Page 89</p> <p>1 (Off the record.)</p> <p>2 MS. LOVELOCK: If I can get this item marked as</p> <p>3 the next exhibit.</p> <p>4 THE WITNESS: Exhibit 8?</p> <p>5 THE COURT REPORTER: Yeah.</p> <p>6 THE WITNESS: Okay.</p> <p>7 (Defendant's Exhibit 8 was marked</p> <p>8 for identification.)</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. The court reporter just handed you a document that</p> <p>11 was electronically filed on July 17th, 2019, and it is Re:</p> <p>12 Motion for Preliminary Injunction and Application for Order</p> <p>13 Shortening Time, Transcript of Proceedings.</p> <p>14 Do you see the date is July 11th, 2019?</p> <p>15 A. I do.</p> <p>16 Q. So that was the date of the hearing where</p> <p>17 Judge Allf made her oral ruling, which is found within this</p> <p>18 transcript.</p> <p>19 And you were present that day, correct?</p> <p>20 A. I was.</p> <p>21 Q. And if you can, go back to Exhibit 7.</p> <p>22 This shows that after the judge's oral ruling, the</p> <p>23 action Valjo versus E&T Ventures, LLC was filed.</p> <p>24 Do you see that?</p> <p>25 A. I -- I see 7/17. And this is -- yes, I see it.</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00823</p>

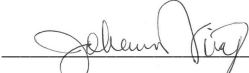
<p style="text-align: right;">Page 90</p> <p>1 Q. Okay.</p> <p>2 A. The dates -- the dates are -- Register of Actions.</p> <p>3 Okay.</p> <p>4 Q. So Valjo had heard the judge's oral order prior to</p> <p>5 the date that it started the action against E&T, correct?</p> <p>6 A. Yeah. My testimony was that was one of the</p> <p>7 influencing factors.</p> <p>8 Q. Okay. So when you and 25 other people showed up</p> <p>9 at Euphoria Wellness' production facility, it was after</p> <p>10 Valjo had heard the Judge Allf's oral order?</p> <p>11 A. I don't think so.</p> <p>12 What day do you think we showed up?</p> <p>13 Q. July 28th.</p> <p>14 MR. STIPP: Objection. I just want some clarity</p> <p>15 here because you guys are communicating back and forth not</p> <p>16 in connection within -- of the specific question, so I want</p> <p>17 to make sure we can --</p> <p>18 MS. LOVELOCK: I'll clean it up.</p> <p>19 THE WITNESS: Can we take a two-minute break?</p> <p>20 MS. LOVELOCK: Yes.</p> <p>21 (Off the record.)</p> <p>22 BY MS. LOVELOCK:</p> <p>23 Q. If you go back to Exhibit 7 --</p> <p>24 A. Got it.</p> <p>25 Q. -- it says "Stipulation Order" twice. The first</p>	<p style="text-align: right;">Page 91</p> <p>1 date is 7/24/2019.</p> <p>2 Did you have this order in hand when you went to</p> <p>3 Euphoria with Metro to try to recover the equipment?</p> <p>4 MR. STIPP: Objection.</p> <p>5 Is there a best evidence? I mean, don't you have</p> <p>6 a copy of that?</p> <p>7 MS. LOVELOCK: Yeah. That's good.</p> <p>8 MR. STIPP: Okay.</p> <p>9 (Defendant's Exhibit 9 was marked</p> <p>10 for identification.)</p> <p>11 BY MS. LOVELOCK:</p> <p>12 Q. We just handed you Stipulation and Order Regarding</p> <p>13 Repossession of Collateral in Case No. A-19-798647-C, which</p> <p>14 is Valjo, Inc. versus E&T Ventures, LLC, which, on the front</p> <p>15 page, was electronically filed July 24, 2019, and on the</p> <p>16 second page, signed by the district court judge on</p> <p>17 July 23rd, 2019.</p> <p>18 Do you see the date by the judge on the second</p> <p>19 page?</p> <p>20 A. I do.</p> <p>21 Q. And is this the order that you had when you went</p> <p>22 to Euphoria's production facility on the Sunday morning?</p> <p>23 A. It is.</p> <p>24 Q. Okay. And so you'll agree that this date is after</p> <p>25 Judge Allf gave her oral ruling in court?</p>
<p style="text-align: right;">Page 92</p> <p>1 A. You got me. I agree.</p> <p>2 Q. Thank you.</p> <p>3 And did you personally think -- in your personal</p> <p>4 opinion, Valjo's -- that this order was not in -- strike</p> <p>5 that.</p> <p>6 In your opinion, why did you think that this</p> <p>7 opinion was enforceable over the order of Judge Allf?</p> <p>8 MR. STIPP: Objection.</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. In your personal opinion.</p> <p>11 MR. STIPP: Objection; form, calls for legal</p> <p>12 conclusion.</p> <p>13 He's not an attorney.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. You can still answer.</p> <p>16 A. Because I didn't think Judge Allf's order covered</p> <p>17 the material I was trying to remove, because it was covered</p> <p>18 by a UCC-1, and that was one of the exceptions that she made</p> <p>19 in her order.</p> <p>20 Q. Why didn't you go before Judge Allf with your UCC?</p> <p>21 A. They already had the judgment in hand, and in</p> <p>22 order to -- I didn't think I had to go before anyone else.</p> <p>23 Q. You made a decision on July 17th, 2019, to start a</p> <p>24 new case.</p> <p>25 Why did you start a new case versus going into the</p>	<p style="text-align: right;">Page 93</p> <p>1 pending case?</p> <p>2 MR. STIPP: Objection. That's attorney-client</p> <p>3 privilege, and I'm instructing him not to answer the</p> <p>4 question.</p> <p>5 MS. LOVELOCK: So it was on advice of counsel.</p> <p>6 Okay.</p> <p>7 MR. STIPP: That's not what I said. I said I'm</p> <p>8 instructing him not to answer that question because it's</p> <p>9 subject to attorney-client privilege.</p> <p>10 BY MS. LOVELOCK:</p> <p>11 Q. Does Valjo have any relationship or business</p> <p>12 dealings with Miral Consulting, LLC?</p> <p>13 A. No.</p> <p>14 Q. Does Valjo have any relationship or business</p> <p>15 dealings with the principals of Miral Consulting, LLC?</p> <p>16 MR. STIPP: Objection; assumes facts not in</p> <p>17 evidence.</p> <p>18 THE WITNESS: I don't know who the principals are.</p> <p>19 BY MS. LOVELOCK:</p> <p>20 Q. Okay. Does Valjo have any relationship and</p> <p>21 business dealings with Happy Campers, LLC?</p> <p>22 A. No.</p> <p>23 Q. Wasn't Happy Campers the entity that received loan</p> <p>24 proceeds from Valjo?</p> <p>25 A. Valjo --</p> <p>PETITIONER'S APPENDIX NO. 00824</p>

<p style="text-align: right;">Page 94</p> <p>1 MR. STIPP: Objection; misstates testimony.</p> <p>2 Mr. -- Mr. Kennedy testified that the funds were</p> <p>3 provided in the name of Happy Campers at the direction of</p> <p>4 Alex and Kristin.</p> <p>5 THE WITNESS: E&T, actually.</p> <p>6 BY MS. LOVELOCK:</p> <p>7 Q. So it's your testimony today that Valjo has no</p> <p>8 relationship or business dealings with Happy Campers, LLC?</p> <p>9 A. Other than providing -- making that one deposit,</p> <p>10 no.</p> <p>11 Q. And you're talking about Valjo the entity, but not</p> <p>12 anyone involved with Valjo?</p> <p>13 A. Correct.</p> <p>14 Q. And does Valjo have any relationship or business</p> <p>15 dealings with CBD Supply Company, LLC?</p> <p>16 MR. STIPP: You can answer.</p> <p>17 THE WITNESS: No.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. And you're talking about Valjo the entity, not the</p> <p>20 individuals who are part of Valjo?</p> <p>21 A. Yeah. I'm taking the position it's a non-natural</p> <p>22 person.</p> <p>23 Q. Did you meet with Joe Lamarca this week?</p> <p>24 A. I was.</p> <p>25 THE COURT REPORTER: With who?</p>	<p style="text-align: right;">Page 95</p> <p>1 MS. LOVELOCK: Joe Lamarca, L-a-m-a-r-c-a.</p> <p>2 Q (By Ms. Lovelock) Did you meet with him as a</p> <p>3 representative of Valjo?</p> <p>4 A. No. No.</p> <p>5 MR. STIPP: I'm not sure -- maybe you can clarify.</p> <p>6 Was there a -- I mean, I don't think you announced</p> <p>7 a capacity, right?</p> <p>8 Both parties met this week.</p> <p>9 THE WITNESS: I received a -- a text message and a</p> <p>10 call from Joe, and he asked me to meet him, and I met him at</p> <p>11 Starbucks in Southern Highlands.</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. Okay. And did you tell Joe --</p> <p>14 A. But I thought I was showing up in my capacity as</p> <p>15 an individual.</p> <p>16 THE COURT REPORTER: I'm sorry. Can you repeat</p> <p>17 that?</p> <p>18 THE WITNESS: But I thought I was showing up in my</p> <p>19 capacity as an individual.</p> <p>20 BY MS. LOVELOCK:</p> <p>21 Q. Okay.</p> <p>22 A. I met with him before, and we -- it was congenial</p> <p>23 enough. I mean, we get along quite well.</p> <p>24 Q. I believe that.</p> <p>25 A. Yeah.</p>
<p style="text-align: right;">Page 96</p> <p>1 Q. Did you tell Joe Lamarca that you're paying E&T's</p> <p>2 attorney's fees?</p> <p>3 MR. STIPP: Objection. The meeting was a</p> <p>4 settlement conference between parties or related to parties.</p> <p>5 And so I would ask him not to reveal the nature of the</p> <p>6 conversations that they had.</p> <p>7 THE WITNESS: That's exactly what I said to Joe</p> <p>8 when we met. "If you want to talk settlement, then it" --</p> <p>9 "it will be just simply what we discuss here has to stay</p> <p>10 here."</p> <p>11 BY MS. LOVELOCK:</p> <p>12 Q. But you and Valjo aren't parties to this case,</p> <p>13 correct?</p> <p>14 A. Excuse me?</p> <p>15 Q. You are -- Valjo and you are not parties to this</p> <p>16 case?</p> <p>17 A. I don't know who I was at that time. I was just</p> <p>18 simply showing up as I was requested to.</p> <p>19 Q. Does Valjo receive copies of the pleadings in this</p> <p>20 matter? And when I say "this matter," I'm talking about the</p> <p>21 litigation where you're being deposed.</p> <p>22 A. No.</p> <p>23 Q. Does Valjo receive copies of discovery that's</p> <p>24 exchanged in this matter?</p> <p>25 MR. STIPP: I'm going to object to -- to the</p>	<p style="text-align: right;">Page 97</p> <p>1 extent that items are provided to Mr. Kennedy as the</p> <p>2 representative of Joval, and that would be communication</p> <p>3 between the client and his attorney. So the answers with</p> <p>4 respect to those questions are privileged, and I'm</p> <p>5 instructing him not to answer.</p> <p>6 BY MS. LOVELOCK:</p> <p>7 Q. Does Valjo feel that he understands the facts of</p> <p>8 this litigation?</p> <p>9 MR. STIPP: Objection. The feelings of a</p> <p>10 corporation are not particularly relevant and understood for</p> <p>11 purposes of your question. So I don't think it's something</p> <p>12 that could be answered.</p> <p>13 Do you want to rephrase?</p> <p>14 MS. LOVELOCK: I'll rephrase it.</p> <p>15 Q (By Ms. Lovelock) Is Valjo interested in the</p> <p>16 outcome of this litigation based upon its security interest,</p> <p>17 the security that secures the promissory note?</p> <p>18 MR. STIPP: Objection. It's -- the question is</p> <p>19 ambiguous as to the term "interested."</p> <p>20 BY MS. LOVELOCK:</p> <p>21 Q. Does Valjo care about the outcome of this</p> <p>22 litigation based upon the amounts that are due and owing by</p> <p>23 E&T to Valjo?</p> <p>24 A. Yes.</p> <p>25 Q. But Valjo isn't getting up-to-date information as</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00825</p>

<p style="text-align: right;">Page 98</p> <p>1 to the facts that are being exchanged in the case, correct?</p> <p>2 MR. STIPP: Objection. The question is</p> <p>3 argumentative, and we would ask you to rephrase for purposes</p> <p>4 of Mr. Kennedy's response.</p> <p>5 MS. LOVELOCK: Can you repeat the question?</p> <p>6 (Record read.)</p> <p>7 MR. STIPP: So we objected.</p> <p>8 Are you going to rephrase?</p> <p>9 MS. LOVELOCK: Are you instructing him not to</p> <p>10 answer?</p> <p>11 MR. STIPP: I'm saying that that question can't be</p> <p>12 answered.</p> <p>13 BY MS. LOVELOCK:</p> <p>14 Q. Can you -- do you understand the question?</p> <p>15 MR. STIPP: Well, if he receives information from</p> <p>16 his attorney regarding an update --</p> <p>17 BY MS. LOVELOCK:</p> <p>18 Q. Do you understand the question?</p> <p>19 MR. STIPP: -- it's privileged. So I would say</p> <p>20 don't answer the question. It's attorney-client privileged.</p> <p>21 THE WITNESS: I've been instructed not to answer.</p> <p>22 BY MS. LOVELOCK:</p> <p>23 Q. Have you -- has Valjo read the opposition to the</p> <p>24 motion for preliminary injunction that was filed by Euphoria</p> <p>25 approximately two years ago?</p>	<p style="text-align: right;">Page 99</p> <p>1 A. You have to say that Valjo, as a non-natural</p> <p>2 person, can't read. But -- but the management of Valjo,</p> <p>3 yes, we've read what has crossed our -- our desks in one</p> <p>4 manner or another and have corresponded with the Tarackis</p> <p>5 on -- on their progress in the litigation to the exact</p> <p>6 reason you asked. We're interested in the outcome.</p> <p>7 Q. Why are you interested in the outcome?</p> <p>8 A. Because our note was dependent upon collateral</p> <p>9 that is involved in this litigation.</p> <p>10 Q. Have you heard of the term "turnkey," having a</p> <p>11 turnkey facility?</p> <p>12 A. Yes.</p> <p>13 Q. And what do you understand that to mean?</p> <p>14 A. A facility that is ready to operate upon entrance</p> <p>15 of the tenant.</p> <p>16 Q. And if it was a turnkey production facility, would</p> <p>17 it be your understanding that it would include equipment?</p> <p>18 MR. STIPP: Objection. That question exceeds the</p> <p>19 scope of the deposition subpoena.</p> <p>20 Mr. Kennedy's knowledge through Valjo as to</p> <p>21 turnkey marijuana production facility is -- hasn't been</p> <p>22 established, and he's not required to answer that.</p> <p>23 MS. LOVELOCK: Under 8 and 9, we talked about</p> <p>24 security interests in any assets belonging to E&T and</p> <p>25 Valjo's security interests in any assets --</p>
<p style="text-align: right;">Page 100</p> <p>1 THE COURT REPORTER: I'm sorry. Can you slow</p> <p>2 down?</p> <p>3 MS. LOVELOCK: Sorry.</p> <p>4 In 8 and 9, we talk about deposing Valjo as to</p> <p>5 Valjo's asserted security interest in any assets belonging</p> <p>6 to E&T, Valjo's asserted -- asserted security interest in</p> <p>7 any assets belonging to Euphoria.</p> <p>8 MR. STIPP: And I believe we've answered those</p> <p>9 questions.</p> <p>10 MS. LOVELOCK: And also, it discusses the</p> <p>11 collateral described in Valjo's confession of judgment in</p> <p>12 the Valjo case. Therefore, talking about turnkey is</p> <p>13 relevant, and I'm going to ask you to answer the last</p> <p>14 question that I asked.</p> <p>15 Can you repeat the last question that's pending?</p> <p>16 MR. STIPP: He doesn't have knowledge to answer</p> <p>17 that question.</p> <p>18 MS. LOVELOCK: I understand your objection.</p> <p>19 Can you repeat the question?</p> <p>20 (Record read.)</p> <p>21 MR. STIPP: Objection. Every facility is -- I</p> <p>22 mean, the issue of -- of turnkey --</p> <p>23 MS. LOVELOCK: I'm not asking for a speaking</p> <p>24 objection.</p> <p>25 Q (By Ms. Lovelock) Do you understand the question?</p>	<p style="text-align: right;">Page 101</p> <p>1 Can you answer it?</p> <p>2 MR. STIPP: Mr. Kennedy, I would say if you're</p> <p>3 going to answer that question, be careful --</p> <p>4 MS. LOVELOCK: I'm not asking you to instruct the</p> <p>5 client --</p> <p>6 MR. STIPP: No, I'm not. I'm just telling him if</p> <p>7 the question is ambiguous, it depends on a deal by deal --</p> <p>8 MS. LOVELOCK: I'm not asking for a speaking</p> <p>9 objection.</p> <p>10 THE WITNESS: If it was a turnkey facility, it</p> <p>11 would include the equipment.</p> <p>12 BY MS. LOVELOCK:</p> <p>13 Q. Thank you.</p> <p>14 Could you look back to Exhibit No. 5?</p> <p>15 A. Okay.</p> <p>16 Q. This, again, is an opposition that was filed by</p> <p>17 E&T Ventures, LLC on February 11th, 2021.</p> <p>18 And if you look at page 3 --</p> <p>19 A. Page 3?</p> <p>20 Q. Page 3.</p> <p>21 A. Got it.</p> <p>22 Q. I'm going to read line 4, which is from E&T, so</p> <p>23 E&T provides, "Under the E&T agreement, E&T was designated</p> <p>24 to receive all of the profits from the joint venture with</p> <p>25 Euphoria. In exchange, Euphoria wanted a turnkey production</p>

<p style="text-align: right;">Page 102</p> <p>1 facility after five years which it could sell," period.</p> <p>2 Have you heard that E&T had agreed to provide</p> <p>3 Euphoria a turnkey production facility prior to issuing the</p> <p>4 promissory note?</p> <p>5 MR. STIPP: Objection; ambiguous.</p> <p>6 I mean, it's call- -- you're asking for something</p> <p>7 that -- and calling for speculation as to statements made in</p> <p>8 the filing.</p> <p>9 MS. LOVELOCK: That -- that's not what I asked.</p> <p>10 Can you repeat my question?</p> <p>11 (Record read.)</p> <p>12 THE WITNESS: No.</p> <p>13 BY MS. LOVELOCK:</p> <p>14 Q. As of today, had you heard that Eu- -- E&T had</p> <p>15 agreed to provide Euphoria a turnkey production facility?</p> <p>16 MR. STIPP: Same objection.</p> <p>17 BY MS. LOVELOCK:</p> <p>18 Q. Yes or no, sir?</p> <p>19 MR. STIPP: Ambiguous.</p> <p>20 THE WITNESS: I'm a little confused as to the</p> <p>21 question.</p> <p>22 "In exchange, Euphoria wanted a turnkey production</p> <p>23 facility after five years."</p> <p>24 BY MS. LOVELOCK:</p> <p>25 Q. Have you heard, as of today, E&T provide that it</p>	<p style="text-align: right;">Page 103</p> <p>1 was to give Euphoria a turnkey production facility?</p> <p>2 A. No, I haven't heard that.</p> <p>3 Q. When do you expect to be paid anything on the</p> <p>4 promissory note?</p> <p>5 MR. STIPP: Objection; calls for speculation and</p> <p>6 also is subject to the forbearance agreement between the</p> <p>7 parties, so it's a confidential privilege, and I'm</p> <p>8 instructing Mr. Kennedy not to answer.</p> <p>9 BY MS. LOVELOCK:</p> <p>10 Q. Valjo's electronic files -- is there electronic</p> <p>11 files on a computer, or when you said "electronic files,"</p> <p>12 are you talking solely about e-mail?</p> <p>13 MR. STIPP: Objection; compound.</p> <p>14 THE WITNESS: Valjo does not have its own e-mail</p> <p>15 account. But when I talk about "electronic files," I'm</p> <p>16 talking about storing PDF files, primarily, maybe Excel</p> <p>17 tables and that type of a file.</p> <p>18 BY MS. LOVELOCK:</p> <p>19 Q. And does Valjo have a separate folder from all the</p> <p>20 other entities?</p> <p>21 A. More than one.</p> <p>22 Q. And who has access to Valjo's electronic files?</p> <p>23 A. My wife, Valerie, and I.</p> <p>24 Q. Are you the only two that have access?</p> <p>25 A. Shane has access.</p>
<p style="text-align: right;">Page 104</p> <p>1 Q. And what about Sarah Kennedy?</p> <p>2 A. No.</p> <p>3 Q. What about Benjamin Teramoto?</p> <p>4 A. No.</p> <p>5 Q. Are these electronic files on a server?</p> <p>6 A. Yes.</p> <p>7 Q. A personal server or a cloud-based server?</p> <p>8 A. A cloud-based server.</p> <p>9 Q. Like a Dropbox?</p> <p>10 A. Something like that.</p> <p>11 Q. Do you know what it's called?</p> <p>12 A. I do.</p> <p>13 Q. Can you tell me what it's called?</p> <p>14 A. No.</p> <p>15 Q. Is there a reason you can't tell me what it's</p> <p>16 called?</p> <p>17 MR. STIPP: We would object as to the</p> <p>18 identification of the cloud-based server because it's not</p> <p>19 particularly relevant where the information is stored, and</p> <p>20 so Mr. Kennedy doesn't feel -- feel like he should answer</p> <p>21 that question, so he's declined.</p> <p>22 BY MS. LOVELOCK:</p> <p>23 Q. Is it backed up on any hard drive?</p> <p>24 A. Yes.</p> <p>25 Q. And with regards to Valjo's electronic files, is</p>	<p style="text-align: right;">Page 105</p> <p>1 there any method or procedure for deleting files, like once</p> <p>2 a month or any -- anything?</p> <p>3 A. Not for Valjo.</p> <p>4 MR. STIPP: Objection.</p> <p>5 BY MS. LOVELOCK:</p> <p>6 Q. So anything electronically created, as it related</p> <p>7 to this loan, should still be in the files of the electronic</p> <p>8 files of Valjo, right?</p> <p>9 A. Yes. Yes.</p> <p>10 Q. And you and your wife looked through those</p> <p>11 electronic files when you were responding to the subpoena?</p> <p>12 A. When we produced what we had.</p> <p>13 Q. You produced those to counsel?</p> <p>14 A. Yes.</p> <p>15 Q. And you said it was more than the 16 documents</p> <p>16 attached to your subpoena response?</p> <p>17 A. Yes.</p> <p>18 Q. In your opinion -- opinion as a private lender,</p> <p>19 now in hindsight, do you think you did enough due diligence</p> <p>20 in regards to securing the promissory loan to E&T for half a</p> <p>21 million dollars?</p> <p>22 MR. STIPP: Objection; speculation.</p> <p>23 THE WITNESS: Probably not.</p> <p>24 BY MS. LOVELOCK:</p> <p>25 Q. In your opinion, as a lender and speaking with E&T</p>

<p style="text-align: right;">Page 106</p> <p>1 and its principals, do you believe they told you incorrect</p> <p>2 information in obtaining this loan?</p> <p>3 MR. STIPP: Objection.</p> <p>4 THE WITNESS: No, I don't think so.</p> <p>5 BY MS. LOVELOCK:</p> <p>6 Q. It's your opinion that they only gave you true and</p> <p>7 accurate information in -- in obtaining this loan?</p> <p>8 A. To the best of their knowledge at the time they</p> <p>9 provided it, yes.</p> <p>10 Q. Did you ask for information related to E&T and</p> <p>11 Euphoria as to correspondence regarding their default prior</p> <p>12 to -- strike that.</p> <p>13 So prior to having E&T execute the promissory</p> <p>14 note --</p> <p>15 A. Right.</p> <p>16 Q. -- and funding the loan, had you ever asked for</p> <p>17 communication between Euphoria and E&T related to E&T's</p> <p>18 default of the agreement between the two parties?</p> <p>19 MR. STIPP: Objection; assumes facts not in</p> <p>20 evidence.</p> <p>21 BY MS. LOVELOCK:</p> <p>22 Q. Do you need the court reporter to repeat the</p> <p>23 question?</p> <p>24 A. No. I -- I'm thinking about what the correct</p> <p>25 answer is.</p>	<p style="text-align: right;">Page 107</p> <p>1 Valjo simply was providing funds and expected to</p> <p>2 receive interest and repayment of the funds. So we, as the</p> <p>3 management, made the decision to make the loan.</p> <p>4 I don't know how much more due diligence we could</p> <p>5 have done, but my experience with loans that don't get</p> <p>6 repaid is it didn't matter what you were doing before the</p> <p>7 loan was made if you had the expectation of being repaid</p> <p>8 because you thought the collateral was secure. Then -- and</p> <p>9 if it goes bad, it goes bad. It wouldn't have mattered if</p> <p>10 we had done more due diligence. You know what I mean?</p> <p>11 Q. Due diligence as to the security?</p> <p>12 A. As to the security, we did. We checked and made</p> <p>13 sure there were no UCC-1s against it. We had a list of</p> <p>14 equipment. We looked at some of the larger pieces'</p> <p>15 receipts, and made sure that they had -- had been paid for.</p> <p>16 And we issued the loan.</p> <p>17 Q. Are you still friends with the Tarackis?</p> <p>18 A. I'm sorry. Do I feel?</p> <p>19 Q. Are you still friends with them?</p> <p>20 MR. STIPP: I would object. You know, Mr. --</p> <p>21 Mr. Kennedy's relationship -- Mr. Kennedy's personal</p> <p>22 relationship, if any, with -- with either of the principals</p> <p>23 of E&T is not relevant to the matters that are before the</p> <p>24 Court, and he's not obligated to answer that question if he</p> <p>25 doesn't want to.</p>
<p style="text-align: right;">Page 108</p> <p>1 MS. LOVELOCK: Are you instructing him not to</p> <p>2 answer?</p> <p>3 MR. STIPP: No. But I'm telling him he doesn't --</p> <p>4 BY MS. LOVELOCK:</p> <p>5 Q. Then you can answer the question.</p> <p>6 MR. STIPP: -- he doesn't need to answer that</p> <p>7 question if he doesn't want to.</p> <p>8 THE WITNESS: Yeah. No.</p> <p>9 Still --</p> <p>10 MR. STIPP: And this --</p> <p>11 THE WITNESS: I still have -- yeah. I -- I would</p> <p>12 say so. I mean, we're not close friends or anything, but we</p> <p>13 still have a cordial relationship.</p> <p>14 BY MS. LOVELOCK:</p> <p>15 Q. Understood.</p> <p>16 THE WITNESS: Saved you the trouble.</p> <p>17 MR. STIPP: What a nice guy you are.</p> <p>18 Are we almost finished, Ms. Lovelock?</p> <p>19 MS. LOVELOCK: We can go off the record for</p> <p>20 five minutes and just let me make sure.</p> <p>21 (Off the record.)</p> <p>22 BY MS. LOVELOCK:</p> <p>23 Q. All right. I'm back on the record.</p> <p>24 What is Valjo's relationship and business dealings</p> <p>25 with Kristin Taracki?</p>	<p style="text-align: right;">Page 109</p> <p>1 A. None.</p> <p>2 Q. Nothing outside of this loan?</p> <p>3 A. Nothing outside of this loan.</p> <p>4 Q. And what about with Alexander Taracki?</p> <p>5 A. Nothing outside of this loan.</p> <p>6 MS. LOVELOCK: Okay. I have no more questions for</p> <p>7 today.</p> <p>8 MR. STIPP: You made it, man. You made it.</p> <p>9 THE WITNESS: Do you want to go through the</p> <p>10 packaging stuff?</p> <p>11 MR. STIPP: You made it.</p> <p>12 MS. LOVELOCK: Are we off record?</p> <p>13 MR. STIPP: Yeah.</p> <p>14 Are we?</p> <p>15 THE COURT REPORTER: I wasn't sure if you're going</p> <p>16 to ask questions, so I'm --</p> <p>17 MR. STIPP: I have no questions for Mr. Kennedy.</p> <p>18 I just want to note for the record that he did an excellent</p> <p>19 job today, very cooperative.</p> <p>20 (The deposition was concluded at</p> <p>21 4:21 p.m.)</p> <p>22 ////</p> <p>23 ////</p> <p>24 ////</p> <p>25 ////</p> <p style="text-align: right;">PETITIONER'S APPENDIX NO. 00828</p>

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<p>1 REPORTER'S CERTIFICATE</p> <p>2 STATE OF NEVADA)</p> <p>3) SS</p> <p>4 COUNTY OF CLARK)</p> <p>5 I, Johanna Vorce, Certified Court Reporter, do</p> <p>6 hereby certify:</p> <p>7 That I reported the taking of the deposition of</p> <p>8 the witness, JOSEPH E. KENNEDY, commencing on Friday, April</p> <p>9 16, 2021, at 1:30 p.m.</p> <p>10 That prior to being examined, the witness was by</p> <p>11 me duly sworn to testify to the truth.</p> <p>12 That I thereafter transcribed my shorthand notes,</p> <p>13 and the typewritten transcript of said deposition is a</p> <p>14 complete, true, and accurate transcription of said shorthand</p> <p>15 notes.</p> <p>16 That a request has not been made to review the</p> <p>17 transcript.</p> <p>18 I further certify that I am not a relative or</p> <p>19 employee of an attorney or counsel of any party involved in</p> <p>20 said action, nor a relative or employee of the parties</p> <p>21 involved, nor a person financially interested in said</p> <p>22 action.</p> <p>23 Dated this 4th day of May, 2021.</p> <p>24 </p> <p>25 Johanna Vorce, CCR No. 913</p>	<p>1 HEALTH INFORMATION PRIVACY & SECURITY: CAUTIONARY NOTICE</p> <p>2 Litigation Services is committed to compliance with applicable federal</p> <p>3 and state laws and regulations ("Privacy Laws") governing the</p> <p>4 protection and security of patient health information. Notice is</p> <p>5 hereby given to all parties that transcripts of depositions and legal</p> <p>6 proceedings, and transcript exhibits, may contain patient health</p> <p>7 information that is protected from unauthorized access, use and</p> <p>8 disclosure by Privacy Laws. Litigation Services requires that access,</p> <p>9 maintenance, use, and disclosure (including but not limited to</p> <p>10 electronic database maintenance and access, storage, distribution/</p> <p>11 dissemination and communication) of transcripts/exhibits containing</p> <p>12 patient information be performed in compliance with Privacy Laws.</p> <p>13 No transcript or exhibit containing protected patient health</p> <p>14 information may be further disclosed except as permitted by Privacy</p> <p>15 Laws. Litigation Services expects that all parties, parties'</p> <p>16 attorneys, and their HIPAA Business Associates and Subcontractors will</p> <p>17 make every reasonable effort to protect and secure patient health</p> <p>18 information, and to comply with applicable Privacy Law mandates,</p> <p>19 including but not limited to restrictions on access, storage, use, and</p> <p>20 disclosure (sharing) of transcripts and transcript exhibits, and</p> <p>21 applying "minimum necessary" standards where appropriate. It is</p> <p>22 recommended that your office review its policies regarding sharing of</p> <p>23 transcripts and exhibits - including access, storage, use, and</p> <p>24 disclosure - for compliance with Privacy Laws.</p> <p>25 © All Rights Reserved. Litigation Services (rev. 6/1/2019)</p>

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PETITIONER'S APPENDIX NO. 00856

EXHIBIT 11

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

**DISTRICT COURT
CLARK COUNTY**

E&T VENTURES, LLC, a Nevada limited liability company,

Plaintiff,

v.

EUPHORIA WELLNESS, LLC, a Nevada limited liability company; DOE Individuals I-X, inclusive; and ROE ENTITIES 1-10, inclusive;

Defendants.

**CASE NO.: A-19-796919-B
DEPT. NO.: XI**

**RESPONSE BY VALJO, INC. TO AMENDED
SUBPOENA OF EUPHORIA WELLNESS, LLC**

AND RELATED MATTERS

TO: EUPHORIA WELLNESS, LLC

TO: NICOLE LOVELOCK, ESQ., JONES LOVELOCK, attorney

Valjo, Inc., a Nevada corporation ("Valjo"), a non-party to the above-referenced action, by and through Mitchell Stipp, Esq., of the Law Office of Mitchel Stipp, provides the following response to the amended subpoena, served on Joseph Kennedy on behalf of Valjo on or about January 2, 2021 ("Valjo Subpoena"), by Euphoria Wellness, LLC, a Nevada limited liability company ("Defendant").

///

///

PETITIONER'S APPENDIX NO. 00858

PRELIMINARY STATEMENT

1
2
3 1. Valjo incorporates herein by reference its objection letter dated January 4, 2021, which is
4 attached hereto as **Exhibit A**.

5 2. Valjo's investigation and development of all facts and circumstances relating to the Valjo
6 Subpoena is ongoing. These responses and objections are made without prejudice to, and are not a
7 waiver of, Valjo's rights set forth in paragraph 4 below.

8
9 3. By making the accompanying responses and objections to Defendant's requests for production of
10 documents contained within the Valjo Subpoena, Valjo does not waive, and hereby expressly reserves,
11 its right to assert any and all objections as to the admissibility of such responses into evidence in this
12 action (assuming Valjo is joined as a party), or in any other proceedings, on any and all grounds
13 including, but not limited to, competency, relevancy, materiality, and privilege. Further, Valjo makes
14 the responses and objections herein without in any way implying that it considers the requests, and
15 responses to the requests, to be relevant or material to the subject matter of the above-referenced action.
16

17 4. Valjo expressly reserves the right to supplement, clarify, revise, or correct any or all of the
18 responses and objections herein, and to assert additional objections or privileges, in one or more
19 subsequent supplemental response(s).
20

GENERAL OBJECTIONS

21
22
23 1. Valjo objects to the definition of "you" to the extent that "you" includes any person or entity
24 other than Valjo.

25 2. Valjo objects to each request that is overly broad, unduly burdensome, or not reasonably
26 calculated to lead to the discovery of admissible evidence if the response sought is unlimited as to time
27 and scope.
28

1 3. Valjo objects to each request that requires the production of any documents in the care, custody,
2 or control of the parties to the above-referenced action.

4 **DOCUMENT REQUESTS AND RESPONSES**

5 **DOCUMENT REQUEST NO. 1:**

6 Produce any Document in Your possession, custody, or control regarding Valjo's asserted security
7 interest in any assets belonging to E&T, including, but not limited to, all loan documents, loan
8 communications, loan drafts, loan demands, loan defaults, and loan negotiations.
9

10 **RESPONSE TO REQUEST NO. 1:**

11 Valjo offers for production in response Bates Nos. 000001-000016 attached hereto as **Exhibit B.**
12
13

14 **DOCUMENT REQUEST NO. 2:**

15 Produce any Document in Your possession, custody, or control regarding E&T's promissory note dated
16 April 1, 2019 in favor of Valjo, including, but not limited to, all loan communications, loan documents,
17 loan drafts, loan demands, loan defaults, and loan negotiations
18

19 **RESPONSE TO REQUEST NO. 2:**

20 Valjo offers for production in response Bates Nos. 000001-000016 attached hereto as **Exhibit B.**
21
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24 **DOCUMENT REQUEST NO. 3:**

25 Produce any Document in Your possession, custody, or control regarding Valjo's confession of
26 judgment in the Valjo Case, including, but not limited to, all communications, demands, and
27 negotiations.
28

RESPONSE TO REQUEST NO. 3:

Valjo offers for production in response Bates Nos. 000001-000016 attached hereto as **Exhibit B**.

DOCUMENT REQUEST NO. 4:

Produce any Document in Your possession, custody, or control regarding the collateral described in Valjo's filed Confession of Judgment in the Valjo Case.

RESPONSE TO REQUEST NO. 4:

Valjo offers for production in response Bates Nos. 000001-000016 attached hereto as **Exhibit B**.

DOCUMENT REQUEST NO. 5:

Produce any Document in Your possession, custody, or control regarding Valjo's attempt to obtain the collateral identified in the Valjo Case, including, but not limited to, all attempts to access to the premises located at 5900 Emerald Avenue, Las Vegas, Nevada 89122.

RESPONSE TO REQUEST NO. 5:

Valjo offers for production in response Bates Nos. 000001-000016 attached hereto as **Exhibit B**.

DOCUMENT REQUEST NO. 6:

Produce any Document in Your possession, custody, or control regarding E&T, including any contracts, memoranda, reports, text messages, e-mail communications, deposit receipts, and transfer receipts.

RESPONSE TO REQUEST NO. 6:

Joal confirms there are no documents which it has identified as responsive to this request.

1 **DOCUMENT REQUEST NO. 7:**

2 Produce any Document in Your possession, custody, or control regarding Euphoria, including any
3 contracts, memoranda, reports, text messages, e-mail communications, deposit receipts, and transfer
4 receipts.

5 **RESPONSE TO REQUEST NO. 7:**

6 Joval confirms there are no documents which it has identified as responsive to this request.
7
8
9

10 DATED this 14th day of January, 2021.

11 LAW OFFICE OF MITCHELL STIPP

12
13 */s/ Mitchell Stipp*

14

MITCHELL STIPP, ESQ.
15 Nevada Bar. No. 7531
16 1180 N. Town Center Drive, Suite 100
17 Las Vegas, Nevada 89144
18 Telephone: 702.602.1242
19 mstipp@stipplaw.com
20 *Attorneys Joval, Inc.*
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EXHIBIT A

PETITIONER'S APPENDIX NO. 00863



Mitchell Stipp
Law Office of Mitchell Stipp
T: 702.602.1242 | M: 702.378.1907
E: mstipp@stipplaw.com | www.stipplaw.com

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

January 4, 2021

VIA EMAIL

Nicole E. Lovelock, Esq.
Jones Lovelock
6675 S. Tenaya Way, Ste. 200
Las Vegas, NV 89113
E: nlovelock@joneslovelock.com

RE: E&T Ventures vs. Euphoria Wellness (CASE NO.: A-19-796919-B)

Dear Nicole:

This firm represents Valjo, Inc., Nye Natural Medicinal Solutions, LLC, and Joseph Kennedy ("Third-Parties") with respect to the subpoenas to testify (the "Depositions") and the requests to produce documents ("Requests for Production," and together with the Depositions, the "Subpoenas"), which were purportedly served upon Mr. Kennedy on January 2, 2021 in the above-referenced case ("E&T Litigation") before the Eighth Judicial District Court, State of Nevada (the "Court"). Pursuant to Nevada Rule of Civil Procedure ("NRCP") 45(c)(2)(B), this letter constitutes the Third-Parties' written objections to the Subpoenas. Specifically, the Third-Parties object as follows:

1. Third-Parties object to the Subpoenas because good cause has not been shown by your client to subject them to discovery pursuant to the Subpoenas in the E&T Litigation. The Subpoenas do not indicate any connection between the Third-Parties and the acts or conduct of the parties to the E&T Litigation.
2. Third-Parties object to the Subpoenas to the extent they purport to impose obligations or require production beyond or different from those imposed or required by the NRCP, the individual rules or rulings of the Court, and applicable case law (collectively, the "Applicable Rules"). Such Applicable Rules specifically include any rulings of the Court now on appeal in connection with discovery matters involving the parties to the E&T Litigation.
3. Third-Parties object to the Subpoenas because the Subpoenas fails to comply with NRCP 45(c)(1). It is an undue burden and expense to require production of documents on or before January 6, 2021—four (4) days after the Subpoenas were served. Therefore, production of any documents pursuant to the Subpoenas are not required.
4. Third-Parties object to the Subpoenas to the extent that they seek the production of documents and communications that are not in the possession, custody, or control of the Third-

PETITIONER'S APPENDIX NO. 00864

Parties.

5. Third-Parties object to the Subpoenas to the extent they seek, directly or indirectly, information or documents protected by the attorney-client privilege, the work product doctrine, the physician-patient privilege, the accountant-client privilege, the marital privacy privilege, the common interest doctrine, or any other applicable privilege, rule, law and/or protection from disclosure and/or discovery. Documents subject to a privilege or otherwise protected from discovery will not be produced.
6. Third-Parties object to the Subpoenas to the extent they seek documents or testimony containing confidential or proprietary information and/or trade secrets. Such materials are not proper subjects for production in the E&T Litigation and will not be produced.
7. Third-Parties object to the Subpoenas to the extent they have been asked to produce documents or provide testimony that are equally available to your client from parties to the E&T Litigation, including from the record in the E&T Litigation.
8. Third-Parties object to the Subpoenas to the extent they seek electronic or other data that is not reasonably accessible.
9. Third-Parties will require payment in advance for expenses in connection with any discovery requests. Reasonable assurances have not been provided that your client will pay for the expense associated with responding to the Subpoenas if they are required to do so.
10. Third-Parties reserve the right to amend, correct or supplement their objections.

If you have any questions, please do not hesitate to contact the undersigned.

Best Regards,

A handwritten signature in black ink, appearing to read "Mitchell Stipp", written in a cursive, stylized font.

Mitchell D. Stipp

EXHIBIT B

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PETITIONER'S APPENDIX NO. 00866

STRAIGHT NOTE

\$500,000.00

April 1, 2019

Las Vegas, Nevada

For VALUE RECEIVED, the undersigned E & T VENTURES, LLC a Nevada Limited Liability Company, promises to pay to VALJO, INC hereinafter the Holder of the Note, the principal sum of FIVE HUNDRED THOUSAND DOLLARS, (\$500,000.00) including interest from APRIL 1, 2019. The said note repayment shall be payable in lawful money of the United States of America at 11166 Villa Bellagio Drive, Las Vegas, Nevada 89141 or at such place as may hereafter be designated by written notice from the holder to the maker hereof, on the date and in the manner following:

Commencing on the MAY 1, 2019, and continuing monthly on the 1ST day of each and every month thereafter for SIX (6) continuous consecutive monthly payments of THREE THOUSAND SEVEN HUNDRED FIFTY DOLLARS (\$3,750.00.) INTEREST ONLY PAYMENTS at 9.0% per annum until OCTOBER 1ST, 2019, at which time the entire principal balance, including unpaid interest due thereon shall be paid in full to the Beneficiary of the Promissory Note.

Upon a default by the Borrower in payment of any indebtedness secured hereby or in performance of any agreement hereunder, the Beneficiary may declare all sums secured hereby immediately due and payable by delivery to the Borrower written declaration of default and demand for possession of the collateral pledged for the sums advanced under this note.

The collateral for this note is all of the Equipment, Furnitures, Fixtures, Machinery, Finished Product Inventory and Raw Material, as inventory assets, itemized and evidenced as an attachment hereto, as Exhibit "B"; which is now pledged, transferred and collateralized by VALJO, INC., for the Promissory Note and Loan to E & T VENTURES, LLC, and including and not limited to those assets itemized on Exhibit "B", attached hereto and made a part hereof.

The undersigned promises to pay all reasonable attorney's fees incurred by the holder hereof in enforcing any right or remedy hereunder. All sums remaining unpaid on the agreed date of the maturity of the last installment shall thereafter bear interest at the rate of FIFTEEN (15%)percent per annum.

The Holder of the Note reserves the right, if any, to the benefit, or to direct the application of, any security hypothecated to the holder, until all indebtedness of the maker to the holder, howsoever arising shall have been paid;

The Holder of the Note reserves the right to proceed against the maker, and maker's assets or to pursue any other remedy in the holder's power; and agrees that the holder may proceed against the assets of the undersigned, directly and independently of the maker and that the cessation of the liability of the maker for any reason other than full payment, or any extension, forbearance acceptance, release, substitution of security, or any impairment or suspension of the holder's remedies or rights against the maker, shall not in anywise affect the liability of any of the undersigned hereunder.

Signed By:

E & T VENTURES, LLC

By: Alex Taracki
Alex Taracki, Managing Member

By: Kristin Ehasz
Kristin Ehasz, Managing Member

Date: April 1, 2019

CONFIDENTIAL TREATMENT REQUESTED

Inst #: 20190604-0003122

Fees: \$90.00

06/04/2019 03:02:20 PM

Receipt #: 3728663

Requestor:

VALJO INC

Recorded By: ANI Pgs: 3

DEBBIE CONWAY

CLARK COUNTY RECORDER

Src: FRONT COUNTER

Ofc: MAIN OFFICE

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) VALERIE M. KENNEDY
B. E-MAIL CONTACT AT FILER (optional) VALKENEDY@COX.NET
C. SEND ACKNOWLEDGMENT TO: (Name and Address) VALJO, INC. 11166 VILLA BELLAGIO DRIVE LAS VEGAS, NV 89141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME E & T VENTURES, LLC.			
OR 1b. INDIVIDUAL'S SURNAME ALEX	FIRST PERSONAL NAME TARACKI	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
1c. MAILING ADDRESS 5900 EMERALD AVENUE	CITY LAS VEGAS	STATE NV	POSTAL CODE 89122
			COUNTRY US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME			
OR 2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
2c. MAILING ADDRESS	CITY	STATE	POSTAL CODE
			COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME VALJO, INC.			
OR 3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S)	SUFFIX
3c. MAILING ADDRESS 11166 VILLA BELLAGIO DRIVE	CITY LAS VEGAS	STATE NV	POSTAL CODE 89141
			COUNTRY US

4. COLLATERAL: This financing statement covers the following collateral:

FOR VALUE RECEIVED, E & T VENTURES, LLC, AND ALEX TARACKI, as the Managing Member of E&T VENTURES, LLC., does hereby convey and transfer all the ownership of the personal property, machinery, equipment, business assets and inventory of E&T VENTURES, LLC, as collateral for a Promissory Note, dated April 1, 2019 evidencing a loan favor of VALJO, INC., AS BENEFICIARY OF THE LOAN. for the principal loan amount of \$500,000.00. This loan is fully due and repayable with six months from the date of this note. This note shall carry interest at the rate of 9.0%. The interest amount is payable monthly in interest only payments of \$3,750.00 until the due date of the loan, at which time the entire principal balance including unpaid interest due thereon shall be paid in full to the Beneficiary of the Promissory Note.

FOR FURTHER TERMS, AGREEMENTS AND CONDITIONS REGARDING THIS PROMISSORY NOTE AND LOAN, SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF, AS ADDITIONAL TERMS, AGREEMENTS AND CONDITIONS REGARDING THIS LOAN.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

NON-PAYMENT PAGE 56003

International Association of Commercial Administrators (IACA)

EXHIBIT 'A':

ADDITIONAL TERMS, AGREEMENTS AND CONDITIONS TO PROMISSORY NOTE AND LOAN DATED APRIL 1, 2019:

Attached to this UCC Financing Statement is an Itemized List of the Equipment, Furnitures, Fixtures, Machinery, Finished Product Inventory and Raw Material Inventory assets of E&T VENTURES, LLC which is wholly and solely owned by E&T VENTURES, LLC., AS **EXHIBIT 'B'**: attached hereto and made a part hereof.

Said Equipment, Furnitures, Fixtures, Machinery, Finished Product Inventory and Raw Material Said Inventory assets, itemized and evidenced as an attachment hereto, is now pledged, transferred and collateralized by VALJO, INC. for the Promissory Note and Loan to E & T VENTURES, LLC, AND ALEX TARACKI, as the Managing Member.

In the event of default of this Promissory Note and Loan by non-payment without a mutual signed modification of the Promissory Note, Beneficiary, at its option, will have the right to immediately demand the full payment of the Promissory Note, without notice. Beneficiary shall have the right to collect the pledged collateralized items on the inventory list, attached hereto and made a part hereof, to re-coop the loan valuation under the Promissory Note, including entering and removing all items on the inventory list of Equipment, Furnitures, Fixtures, Machinery, Finished Product Inventory and Raw Material Inventory assets of E&T VENTURES, LLC as necessary to satisfy this Promissory Note and Loan as agreed.

CONFIDENTIAL TREATMENT REQUESTED

EXHIBIT "B"

E&T Ventures Equipment Itemization			
Equipment	Vendor	Total Cost	Owned By
AccuTemp Vacuum Oven	Across International	\$ 3,742.50	E&T Ventures, LLC
Edwards Vacuum Pump	Across International	\$ 2,286.50	E&T Ventures, LLC
Rotary Evaporator	Across International	\$ 4,867.50	E&T Ventures, LLC
AI Recirculating Chiller	Across International	\$ 4,267.50	E&T Ventures, LLC
Dual-Stage Diaphragm Pump	Across International	\$ 1,691.50	E&T Ventures, LLC
Oil Mist Filter, Magnetic Stirrer, Flask & Stand	Across International	\$ 995.75	E&T Ventures, LLC
G2 Short Path Distillation Kit	Lab Society	\$ 10,065.25	E&T Ventures, LLC
Welch Vacuum Pump	Lab Society	\$ 2,845.25	E&T Ventures, LLC
PolyScience Immersion Chiller	Lab Society	\$ 1,619.75	E&T Ventures, LLC
Recirculating Heater, Vacuum Trap Kit, Exhaust Filter	Lab Society	\$ 1,209.35	E&T Ventures, LLC
10 HP Air Compressor	Blackhawk Equipment	\$ 8,180.00	E&T Ventures, LLC
Eye/Face Wash, Wall Mount	HAL Extraction	\$ 500.00	E&T Ventures, LLC
HAL Extraction Booth	HAL Extraction	\$ 36,880.00	E&T Ventures, LLC
3 Compartment Sink	Standard Rest. Equip.	\$ 529.00	E&T Ventures, LLC
3 Compartment Sink Faucet	Standard Rest. Equip.	\$ 69.99	E&T Ventures, LLC
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A&D FX-1200iN Precision Lab Balance - Qty 11	Amazon	\$ 7,758.40	E&T Ventures, LLC
Optima OP-915-1616 NTEP Bench Scale	Amazon	\$ 292.38	E&T Ventures, LLC
Dual-Stage Exhaust Filter, Bellow, 3-Way Tee Flange	Across International	\$ 641.62	E&T Ventures, LLC
Bottler/Inline Labeler 6 Head	Meheen	\$ 86,000.00	E&T Ventures, LLC
30bbl Fermenter/Uni Tank Qty:2	CCC Ltd	\$ 29,600.00	E&T Ventures, LLC
Reverse Osmosis 1000 gpd & 500 Gallon Tank	CCC Ltd	\$ 1,875.00	E&T Ventures, LLC
Soda Chiller	CCC Ltd	\$ 11,500.00	E&T Ventures, LLC
Bottle Line Compressor & Labeler	CCC Ltd	\$ 2,389.00	E&T Ventures, LLC
Emulsifier	CCC Ltd	\$ 31,000.00	E&T Ventures, LLC
Homogenizer - Qty 2	CCC Ltd	\$ 7,000.00	E&T Ventures, LLC
Double Headed Piston Filler	JDA Packaging	\$ 11,500.00	E&T Ventures, LLC
MCF1 Semi-Automatic Filling Machine	CCC Ltd	\$ 8,800.00	E&T Ventures, LLC
Capper	CCC Ltd	\$ 1,500.00	E&T Ventures, LLC
Agers Conicals - Qty 2	CCC Ltd	\$ 16,000.00	E&T Ventures, LLC
Soda Line Air Compressor	CCC LTD	\$ 900.00	E&T Ventures, LLC
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Julabo Chiller	ETS	\$ 8,000.00	E&T Ventures, LLC
iBalance 601 Precision Scale Qty:2	Amazon	\$ 399.90	E&T Ventures, LLC
Mini Split System	M&K Heating and Cooling	\$ 7,850.00	E&T Ventures, LLC
Security System, Door Access Panels, Server	Las Vegas Pro Electric	\$ 27,000.00	E&T Ventures, LLC
Gummy Molds	The Cima Group	\$ 6,000.00	E&T Ventures, LLC
Gummy Processing Equipment	Amazon	\$ 22,000.00	E&T Ventures, LLC
Gummy Storage Shelves Qty: 16	Amazon	\$ 2,560.00	E&T Ventures, LLC
		\$ 423,988.92	

NOTICE OF DEFAULT

July 12, 2019

To: E & T Ventures, LLC

5900 E. Emerald Avenue

Las Vegas, NV 89122

Please be advised that I, VALERIE M. KENNEDY, Secretary/Treasurer of VALJO, INC., the holder of a certain promissory note dated April 1, 2019, made by E&T VENTURES, LLC in favor of VALJO, INC. in the original principal amount of \$500,000.00.

You are hereby notified that you have defaulted to pay the installment amount of \$3,750.00 due on May 1, 2019; \$3,750.00 due on June 1, 2019 and \$3,750.00 due on July 1, 2019.

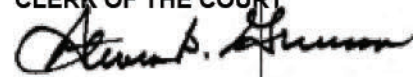
I hereby make demand on E&T VENTURES, LLC for full payment of the entire balance due on said note, including interest accrued until the payment is received. If the entire amount due is not received on or before July 16, 2019, I shall commence legal proceedings against E&T VENTURES, LLC. In which case, E&T VENTURES, LLC will be liable to pay costs of collection, including attorney's fees.

Very truly yours,

VALJO, INC.

BY: 

Valerie M. Kennedy, Secretary/Treasurer



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

CASE NO: A-19-798647-C
Department 25

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

VALJO, INC., a Nevada corporation,

Plaintiff,

v.

E & T VENTURES, LLC, a Nevada limited
liability company;

Defendant.

CONFESION OF JUDGMENT

VALJO, INC., a Nevada corporation, by and through its counsel of record ("Plaintiff"), Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced Confession of Judgment. Plaintiff and E & T Ventures, LLC, a Nevada limited liability company ("Defendant"), hereby agree and stipulate as follows:

1. Defendant executed a promissory note in favor of Plaintiff on or about April 1, 2019 in the principal amount of \$500,000.00 with interest due monthly beginning on May 1, 2019 in the amount of \$3,750.00 (the "Promissory Note").

2. Defendant failed to pay monthly payments of interest due on May 1, 2019, June 1, 2019 and July 1, 2019.

3. The payments due under the Promissory Note are secured by the collateral described in the UCC-1 filed in the Official Records of Clark County, a copy of which is attached hereto as Exhibit 1 ("Plaintiff's Collateral").

1 4. Plaintiff declared a default under the Promissory Note on or about July 12, 2019 because
2 Defendant failed to make required monthly payments of interest.

3 5. As a result of the Defendant's default, Defendant confesses and authorizes the entry of
4 judgment against Defendant in the amount of \$521,250.00 (which includes Plaintiff's attorney's fees
5 and costs of \$10,000.00). Interest on the judgment amount plus the cost and expense of further
6 collection (including the cost and expense of repossession described in paragraph 6 below) shall accrue
7 at eighteen percent (18%) per year.

8 6. Defendant stipulates and agrees to deliver Plaintiff's Collateral to Plaintiff. Plaintiff
9 shall have un-restricted access to the premises addressed as 5900 Emerald Avenue, Las Vegas
10 Nevada 89122, in order to remove Plaintiff's Collateral.

11 7. Defendant agrees to indemnify, defend and hold Plaintiff harmless from any claims,
12 damages and/or liability in connection with or arising from any and all actions taken by Plaintiff as
13 described in paragraph 6 above.

14 8. Plaintiff shall have the right in its sole and absolute discretion to retain Plaintiff's
15 Collateral and to credit the judgment amount for the liquidation value thereof determined by Plaintiff
16 after repossession in accordance with paragraph 6 above or to sell Plaintiff's Collateral at a private or
17 public auction pursuant to the terms and conditions set by Plaintiff (notwithstanding the provisions of
18 Article 9 of the Nevada Uniform Commercial Code, as amended).

19 9. Defendant expressly agrees that upon the filing of this Confession of Judgment with the
20 above Court, judgment is automatically entered against Defendant by the Clerk of this Court as
21 outlined above, and that execution upon this judgment may be commenced immediately (including
22 repossession of Plaintiff's Collateral as described in paragraph 6 above).

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24 ///

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1
2 DATED this 17th day of July, 2019.
3

4 **LAW OFFICE OF MITCHELL STIPP**

5 
6

7 MITCHELL STIPP, ESQ.
8 Nevada Bar No. 7531
9 LAW OFFICE OF MITCHELL STIPP
10 1180 N. Town Center Drive, Suite 100
11 Las Vegas, Nevada 89144
12 Telephone: 702.602.1242
13 mstipp@stipplaw.com
14 Attorneys for Valjo, Inc., Plaintiff
15

12 Agreed to and Accepted by:

13 E & T VENTURES, LLC

14 By: 
15 Alex Taracki, Managing Member

16 By: 
17 Kristin Ehasz, Managing Member
18

CONFIDENTIAL TREATMENT REQUESTED

CONFIDENTIAL TREATMENT REQUESTED

EXHIBIT 1

PETITIONER'S APPENDIX NO. 00876

Inst #: 20190604-0003122

Fees: \$90.00

06/04/2019 03:02:20 PM

Receipt #: 3728663

Requestor:

VALJO INC

Recorded By: ANI Pgs: 3

DEBBIE CONWAY

CLARK COUNTY RECORDER

Src: FRONT COUNTER

Ofc: MAIN OFFICE

UCC FINANCING STATEMENT

FOLLOW INSTRUCTIONS

A. NAME & PHONE OF CONTACT AT FILER (optional) VALERIE M. KENNEDY
B. E-MAIL CONTACT AT FILER (optional) VALKENEDY@COX.NET
C. SEND ACKNOWLEDGMENT TO: (Name and Address) VALJO, INC. 11166 VILLA BELLAGIO DRIVE LAS VEGAS, NV 89141

THE ABOVE SPACE IS FOR FILING OFFICE USE ONLY

1. DEBTOR'S NAME: Provide only one Debtor name (1a or 1b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 1b, leave all of item 1 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

1a. ORGANIZATION'S NAME E & T VENTURES, LLC.			
OR	1b. INDIVIDUAL'S SURNAME ALEX	FIRST PERSONAL NAME TARACKI	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
1c. MAILING ADDRESS 5900 EMERALD AVENUE		CITY LAS VEGAS	STATE NV POSTAL CODE 89122 COUNTRY US

2. DEBTOR'S NAME: Provide only one Debtor name (2a or 2b) (use exact, full name; do not omit, modify, or abbreviate any part of the Debtor's name); if any part of the Individual Debtor's name will not fit in line 2b, leave all of item 2 blank, check here ☐ and provide the Individual Debtor information in item 10 of the Financing Statement Addendum (Form UCC1Ad)

2a. ORGANIZATION'S NAME			
OR	2b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
2c. MAILING ADDRESS		STATE	POSTAL CODE COUNTRY

3. SECURED PARTY'S NAME (or NAME of ASSIGNEE of ASSIGNOR SECURED PARTY): Provide only one Secured Party name (3a or 3b)

3a. ORGANIZATION'S NAME VALJO, INC.			
OR	3b. INDIVIDUAL'S SURNAME	FIRST PERSONAL NAME	ADDITIONAL NAME(S)/INITIAL(S) SUFFIX
3c. MAILING ADDRESS 11166 VILLA BELLAGIO DRIVE		CITY LAS VEGAS	STATE NV POSTAL CODE 89141 COUNTRY US

4. COLLATERAL: This financing statement covers the following collateral:

FOR VALUE RECEIVED, E & T VENTURES, LLC, AND ALEX TARACKI, as the Managing Member of E&T VENTURES, LLC., does hereby convey and transfer all the ownership of the personal property, machinery, equipment, business assets and inventory of E&T VENTURES, LLC, as collateral for a Promissory Note, dated April 1, 2019 evidencing a loan favor of VALJO, INC., AS BENEFICIARY OF THE LOAN. for the principal loan amount of \$500,000.00. This loan is fully due and repayable with six months from the date of this note. This note shall carry interest at the rate of 9.0%. The interest amount is payable monthly in interest only payments of \$3,750.00 until the due date of the loan, at which time the entire principal balance including unpaid interest due thereon shall be paid in full to the Beneficiary of the Promissory Note.

FOR FURTHER TERMS, AGREEMENTS AND CONDITIONS REGARDING THIS PROMISSORY NOTE AND LOAN, SEE EXHIBIT 'A', ATTACHED HERETO AND MADE A PART HEREOF, AS ADDITIONAL TERMS, AGREEMENTS AND CONDITIONS REGARDING THIS LOAN.

5. Check only if applicable and check only one box: Collateral is ☐ held in a Trust (see UCC1Ad, Item 17 and Instructions) ☐ being administered by a Decedent's Personal Representative

6a. Check only if applicable and check only one box:

☐ Public-Finance Transaction ☐ Manufactured-Home Transaction ☐ A Debtor is a Transmitting Utility

6b. Check only if applicable and check only one box:

☐ Agricultural Lien ☐ Non-UCC Filing

7. ALTERNATIVE DESIGNATION (if applicable): ☐ Lessee/Lessor ☐ Consignee/Consignor ☐ Seller/Buyer ☐ Bailee/Bailor ☐ Licensee/Licensor

8. OPTIONAL FILER REFERENCE DATA:

NONAPPENDIX PAGE 56011

EXHIBIT 'A':

ADDITIONAL TERMS, AGREEMENTS AND CONDITIONS TO PROMISSORY NOTE AND LOAN DATED APRIL 1, 2019:

Attached to this UCC Financing Statement is an Itemized List of the Equipment, Furnitures, Fixtures, Machinery, Finished Product Inventory and Raw Material Inventory assets of E&T VENTURES, LLC which is wholly and solely owned by E&T VENTURES, LLC., AS **EXHIBIT 'B'**: attached hereto and made a part hereof.

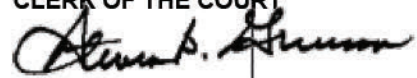
Said Equipment, Furnitures, Fixtures, Machinery, Finished Product Inventory and Raw Material Said Inventory assets, itemized and evidenced as an attachment hereto, is now pledged, transferred and collateralized by VALJO, INC. for the Promissory Note and Loan to E & T VENTURES, LLC, AND ALEX TARACKI, as the Managing Member.

In the event of default of this Promissory Note and Loan by non-payment without a mutual signed modification of the Promissory Note, Beneficiary, at its option, will have the right to immediately demand the full payment of the Promissory Note, without notice. Beneficiary shall have the right to collect the pledged collateralized items on the inventory list, attached hereto and made a part hereof, to re-coop the loan valuation under the Promissory Note, including entering and removing all items on the inventory list of Equipment, Furnitures, Fixtures, Machinery, Finished Product Inventory and Raw Material Inventory assets of E&T VENTURES, LLC as necessary to satisfy this Promissory Note and Loan as agreed.

CONFIDENTIAL TREATMENT REQUESTED

EXHIBIT "B"

E&T Ventures Equipment Itemization			
Equipment	Vendor	Total Cost	Owned By
AccuTemp Vacuum Oven	Across International	\$ 3,742.50	E&T Ventures, LLC
Edwards Vacuum Pump	Across International	\$ 2,286.50	E&T Ventures, LLC
Rotary Evaporator	Across International	\$ 4,867.50	E&T Ventures, LLC
AI Recirculating Chiller	Across International	\$ 4,267.50	E&T Ventures, LLC
Dual-Stage Diaphragm Pump	Across International	\$ 1,691.50	E&T Ventures, LLC
Oil Mist Filter, Magnetic Stirrer, Flask & Stand	Across International	\$ 995.75	E&T Ventures, LLC
G2 Short Path Distillation Kit	Lab Society	\$ 10,065.25	E&T Ventures, LLC
Welch Vacuum Pump	Lab Society	\$ 2,845.25	E&T Ventures, LLC
PolyScience Immersion Chiller	Lab Society	\$ 1,619.75	E&T Ventures, LLC
Recirculating Heater, Vacuum Trap Kit, Exhaust Filter	Lab Society	\$ 1,209.35	E&T Ventures, LLC
10 HP Air Compressor	Blackhawk Equipment	\$ 8,180.00	E&T Ventures, LLC
Eye/Face Wash, Wall Mount	HAL Extraction	\$ 500.00	E&T Ventures, LLC
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Optima OP-915-1616 NTEP Bench Scale	Amazon	\$ 292.38	E&T Ventures, LLC
Dual-Stage Exhaust Filter, Bellow, 3-Way Tee Flange	Across International	\$ 641.62	E&T Ventures, LLC
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Gummy Storage Shelves Qty: 16	Amazon	\$ 2,560.00	E&T Ventures, LLC
		\$ 423,988.92	



1 MITCHELL D. STIPP, ESQ.
Nevada Bar No. 7531
2 **LAW OFFICE OF MITCHELL STIPP**
1180 N. Town Center Drive, Suite 100
3 Las Vegas, Nevada 89144
Telephone: 702.602.1242
4 mstipp@stippilaw.com
Attorneys for Valjo, Inc., Plaintiff
5

6
7 **IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA**
8 **IN AND FOR THE COUNTY OF CLARK**

9 VALJO, INC., a Nevada corporation,
10 Plaintiff,

11 v.

12 E & T VENTURES, LLC, a Nevada limited
liability company;
13 Defendant.
14

Case No. A-19-798647-C

Department 25

**STIPULATION AND ORDER
REGARDING REPOSSESSION
OF COLLATERAL**

15
16
17 VALJO, INC., a Nevada corporation, by and through its counsel of record ("Plaintiff"),
18 Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby submits the above-referenced
19 stipulation and order. Plaintiff and E & T Ventures, LLC, a Nevada limited liability company
20 ("Defendant"), hereby agree and stipulate as follows:

21 1. Defendant stipulates and agrees to deliver the collateral described in the Confession of
22 Judgment filed with the Court on July 17, 2019 ("Plaintiff's Collateral").

23 2. Plaintiff shall have access to the premises addressed as 5900 Emerald Avenue, Las
24 Vegas Nevada 89122, in order to remove Plaintiff's Collateral ("Leased Premises").

25 3. Leases Premises is owned by Nick George Poulos and Landale US Holdings Limited
26 Partnership ("Landlord"), which has agreed at the request of Defendant to allow Plaintiff access to the
27 Leased Premises for the business purpose set forth in paragraph 2 above.

28 ///

PETITIONER'S APPENDIX NO. 00880

1 DATED this 22th day of July, 2019.

2 **PLAINTIFF:**

3 **LAW OFFICE OF MITCHELL STIPP**

4 

5 _____
6 MITCHELL STIPP, ESQ.
7 Nevada Bar No. 7531
8 LAW OFFICE OF MITCHELL STIPP
9 1180 N. Town Center Drive, Suite 100
10 Las Vegas, Nevada 89144
11 Telephone: 702.602.1242
12 mstipp@stippplaw.com
13 *Attorneys for Valjo, Inc., Plaintiff*

11 **DEFENDANT:**

12 **E & T VENTURES, LLC**

13
14 By: 
15 Alex Taracki, Managing Member

16 By: 
17 Kristin Ehasz, Managing Member

CONFIDENTIAL TREATMENT REQUESTED

21 For good cause shown, the relief requested by the parties above is GRANTED.

23 IT IS SO ORDERED.

24
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DISTRICT COURT JUDGE 

///

PETITIONER'S APPENDIX NO. 00881

1
2 SUBMITTED BY:

3 LAW OFFICE OF MITCHELL STIPP

4 

5 MITCHELL STIPP, ESQ.

6 Nevada Bar No. 7531

7 LAW OFFICE OF MITCHELL STIPP

8 1180 N. Town Center Drive, Suite 100

9 Las Vegas, Nevada 89144

Telephone: 702.602.1242

mstipp@stipplaw.com

Attorneys for Valjo, Inc., Plaintiff

CONFIDENTIAL TREATMENT REQUESTED

PETITIONER'S APPENDIX NO. 00882