

IN THE SUPREME COURT OF THE

STATE OF NEVADA

CLARK NMSD, LLC,
Appellant,

vs

JENNIFER GOLDSTEIN,
Respondent.

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Elizabeth A. Brown
Clerk of Supreme Court

Supreme Court Case No. 84623

District Court Case No. A-15-728510-B

Volume IV

**APPENDIX OF EXHIBITS IN SUPPORT OF APPELLANT'S
EMERGENCY MOTION FOR STAY OR INJUNCTION**

LAW OFFICE OF MITCHELL STIPP
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1180 N. Town Center Drive, Suite 100
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Counsel for Appellant

3. Further, upon entry by the United States Bankruptcy Judge of the associated Order approving this Stipulation, the CCB and the DOT stipulate and agree not to file an opposition in this case to the Debtor's position that Debtor does not own any interest in any cannabis establishments including, without, limitation, Clark NMSD and Nye Natural. However, the CCB reserves all rights and remedies to take any action regarding any transfers by Debtor in Clark NMSD and Nye Natural that violated Nevada laws and regulations which governed the same. Similarly, the DOT reserves all rights and remedies to take any action regarding any tax liabilities within the DOT's jurisdiction and collection of the same from any and all persons liable including, but not limited to, responsible persons pursuant to NRS 360.297 and successors pursuant to NRS 360.525.

DATED this 23rd day of August, 2022.

LAW OFFICE OF MITCHELL STIPP,
P.C.

/s/ Mitchell Stipp

MITCHELL STIPP, ESQ.
Nevada Bar No. 7531
1180 N. Town Center Drive, #100
Las Vegas, Nevada 89144

*Co-Counsel for Debtor
and Debtor In Possession*

DATED this 23rd day of August, 2022

AARON D. FORD
Attorney General

Emily N. Bordelove (Bar No. 13202)
Senior Deputy Attorney General
Ashley A. Balducci (Bar No. 12687)
Senior Deputy Attorney General

*Attorneys for State of Nevada, ex rel.
Cannabis Compliance Board and
Department of Taxation.*

EXHIBIT 8 CONTINUED

EXHIBIT E

1 MITCHELL D. STIPP, ESQ.
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Attorneys for NuVeda, LLC
5

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

9
10 CWNEVADA, LLC, a Nevada limited liability
company; NUVEDA, LLC, a Nevada limited
11 liability company,

12 Plaintiffs,

13 v.

14 4FRONT ADVISORS, LLC;

15 Defendant.

16
17 HIGHLAND PARTNERS NV LLC; MI-CW
HOLDINGS FUND 2 LLC; MI-CW
18 HOLDINGS LLC; GREEN PASTURES FUND,
LLC SERIES 1 (CWNEVADA, LLC); JAKAL
19 INVESTMENTS, LLC; GREEN PASTURES
GROUP, LLC; JONATHAN S. FENN
20 REVOCABLE TRUST; AND GROWTH
OPPORTUNITIES, LLC,

21 Plaintiffs-in-intervention,

22 v.

23 CWNEVADA, LLC, A Nevada limited liability
company; NUVEDA, LLC, a Nevada limited
24 liability company; 4FRONT ADVISORS, LLC,

25 Defendants.
26
27
28

Case No.: A-17-755479-C

Dept. No.: 11

NOTICE OF PROOF OF CLAIM

1 NUVEDA, LLC, a Nevada limited liability company, by and through its co-counsel of record,
2 Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced notice.

3
4 DATED this 6th day of March, 2020.

5
6 **LAW OFFICE OF MITCHELL STIPP**

7
8 /s/ Mitchell Stipp, Esq.

9 MITCHELL STIPP, ESQ.

10 Nevada Bar No. 7531

11 LAW OFFICE OF MITCHELL STIPP

12 1180 N. Town Center Drive, Suite 100

13 Las Vegas, Nevada 89144

14 Telephone: 702.602.1242

15 mstipp@stipplaw.com

16 Attorneys for NuVeda, LLC

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on the 6th day of May, 2020, I served the foregoing using the Court's E-filing system, which provided notice to the e-service participants registered in this case.

By: */s/ Amy Hernandez*

An employee of the Law Office of Mitchell Stipp

PROF
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Attorneys for Dotan Y. Melech, Receiver

DISTRICT COURT
CLARK COUNTY, NEVADA

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

Plaintiffs,

v.

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

Defendants.

Case No.: A-17-755479-B
Dept. No.: 11

PROOF OF CLAIM

See below _____, a creditor of CWNevada, LLC,
hereby submits the following claim as an [X] unsecured claim or [] secured claim [check a box]
and provides the basis for the claim as follows:

Claim #1: See attached memorandum from Jason Wiley and Exhibits 1-12 included therewith.

Claim #1 is asserted by NuVeda, LLC, a Nevada limited liability company, Clark NMSD,
LLC, a Nevada limited liability company, and Nye Natural Medicinal Solutions, LLC, a
Nevada limited liability company. CWNV consents to the payment of Claim #1

Claim #2: See attached Indemnification Agreement. Judgment in favor of Jennifer Goldstein
should be paid by CWNevada, LLC. Claim #2 is asserted by NuVeda, LLC, a Nevada limited
liability company. Protective claims by NuVeda, LLC, a Nevada limited liability company,
Dr. Pejman Bady and Dr. Pouya Mohajer are also submitted for future indemnification.
including, without limitation, for claims to set aside settlement by BCP 7, LLC and Shane
Terry.

+/- \$45,000,000.00

The total claim amount as of March 6, 2020, is \$, with interest continuing to accrue at the rate of \$ TBD per day, plus legal fees and costs in the amount of \$ TBD.

State of Nevada

County of Clark

Mitchell Stipp, Esq., attorney for Claimants [name], being duly sworn states: that he/she is the duly authorized agent of Claimants identified above who has submitted the foregoing claim against CWNevada, LLC; that the amount of the claim is justly due or is a just demand and will become due on the date set forth above; that all payments have been credited; that there are no offsets known to affiant which have not been credited; and (complete if applicable) affiant rather than the creditor has submitted this claim for the following reason:

Receiver of CWNevada, LLC is represented by counsel.

Mitchell Stipp

Creditor: Claimants identified above

By: Mitchell Stipp (Attorney for Claimants)

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

Phone - 702-602-1242

Fax - 866-220-5332

Signed and sworn (or affirmed) to before me this 6th day of March, 2020, by
Mitchell Stipp (Attorney) (name of person making statement).

Sandra Kinder
NOTARY PUBLIC



MEMO

To: Mitchell Stipp, Esq. and File
From: Jason M. Wiley, Esq.
Date: June 30, 2019
Re: NuVeda, et al. v. CWNevada, et. Al

The following is an overview and summary of *NuVeda, LLC et al. v. CWNevada, LLC et al.*, commonly referred to as Case No. A-19-791405-C currently pending before the Eighth Judicial District Court in and for Clark County, Nevada.

1. The Parties

- NuVeda, LLC (“NuVeda”), a Nevada limited liability company (Plaintiff)
- Clark NMSD, LLC (“Clark NMSD”), a Nevada limited liability company (Plaintiff)
- Nye Natural Medicinal Solutions (“Nye Natural”), a Nevada limited liability company (Plaintiff)
- CWNevada, LLC (“CWNevada”), a Nevada limited liability company (Defendant)
- CWNV, LLC (“CWNV”), a Nevada limited liability company (Defendant)
- Brian C. Padgett (“Padgett”), a Nevada resident (Defendant)

2. Background

NuVeda operates and serves as the parent company owing a 100% interest in Clark NMSD and Nye Natural (hereinafter, NuVeda, Clark NMSD, and Nye Natural shall be referred to, collectively, as “the NuVeda Parties”). On November 3, 2014, Clark NMSD was awarded two provisions licenses for marijuana dispensaries located at (a) 2113 North Las Vegas Boulevard, North Las Vegas, Nevada (the “North Las Vegas Dispensary”); and (b) 1320 South Third Street, Las Vegas, Nevada (the “City of Las Vegas Dispensary”).

Also on November 3, 2014, Nye Natural was awarded one provisional license for marijuana cultivation in Nye County, Nevada and one provisional license for marijuana production in Nye County, Nevada (hereinafter, references pertaining to all four licenses shall be referred to, collectively, as the “Licenses”).

Throughout 2015, the NuVeda Parties sought an infusion of capital to assist with their business operations. On November 17, 2015, CWNevada, through its member and representative Padgett, provided NuVeda with a Letter of Intent setting forth the general terms and conditions of a proposed joint venture between CWNevada and the NuVeda Parties involving the Licenses.

On December 6, 2015, CWNevada, CWNV, and the NuVeda Parties executed the Membership Interest Purchase Agreement (“MIPA”) formally memorializing the parties’ obligations as initially provided in the Letter of Intent. The MIPA provided that the NuVeda Parties were to transfer the Licenses to a newly formed company – CWNV – and that CWNevada would own a 65% membership in CWNV with NuVeda retaining a 35% ownership in CWNV.

In exchange for the transfer, CWNevada was “to commence funding, and paying for, one hundred percent (100%) of: (a) all necessary tenant improvements, furniture, fixtures, equipment, and fees and expenses related thereto, for the development of the facilities on the [Clark NMSD and Nye Natural] properties, and all matters relating [to the schedule appended to the MIPA]; (b) all fees and expenses to effectuate the transfer and obtain transfer approvals; and (c) sufficient working capital for the operation of the businesses of [Clark NMSD and Nye Natural].

The MIPA further expressly provided that CWNV was to pay or reimburse the NuVeda Parties for certain costs and expenses incurred after execution of the agreement and that, upon execution of the MIPA, CWNV and CWNevada

would develop, manage, operate, and promote the facilities and were charged with the duties to protect the Licenses and maximize profits and the overall value and goodwill of the Clark NMSD and Nye Natural facilities.

Through the MIPA, cultivation and production operations were to “be up and running by the end of December 2016” and if CWNevada failed to meet the December 2016 deadline, that CWNevada was to provide lost profits to CWNV based on the number of months the facilities were tardy in opening and based on the profits those facilities actually made for that same number of months upon opening.

In December 2016, the City of Las Vegas dispensary opened, with the North Las Vegas dispensary opening the following month. In June 2017, Nye Natural was issued its cultivation license. From the issuance of the cultivation license moving forward, CWNevada and CWNV failed to construct a large-scale cultivation facility and, instead, kept the license in good standing through the use of a portable pod which yielded a small crop and did not generate any sizable revenues. A production facility was also constructed, however, until just recently, no business operations were conducted out of the facility.

From the opening of the dispensaries to just recently, CWNevada and CWNV – through Padgett – managed the North Las Vegas Dispensary and City of Las Vegas Dispensary, and they collected all revenue generated out of the dispensaries and failed to provide any disbursements to the NuVeda Parties.

Also, during CWNevada and CWNV’s management of the Licenses, those entities undertook a number of actions which jeopardized NuVeda’s licenses. These actions included:

- Failure to pay business license fees/operate with expired license at the North Las Vegas Dispensary
- Allowing unauthorized personnel to handle product and hamper a Dept. of Taxation investigation
- Failure to comply and assist in a business license division audit
- Failure to remit payment for business license
- Unauthorized change of business name at the City of Las Vegas Dispensary
- Failure to remit payment for inspection at the City of Las Vegas Dispensary
- Underreporting of gross revenues and procedural issues
- Failure to pay requisite taxes
- Failure to pay dispensary staff
- Employment of agents possessing expired credentials

As a result of CWNevada’s actions, on January 31, 2019, the NuVeda Parties provided CWNevada notice of formal breach of the MIPA and request for turnover of the management of the dispensaries and request to cure all monetary defaults per the terms and conditions of the MIPA. On April 15, 2019, the NuVeda Parties formally terminated the MIPA due to the breach of the covenants and agreements set forth in the January correspondence as provided pursuant to the provisions of the MIPA (specifically, Section 8.1).

3. Litigation

Based upon the foregoing, on March 19, 2019, the NuVeda Parties commenced litigation against CWNevada, CWNV, and Padgett alleging causes of action for (a) breach of contract; (b) breach of the implied covenant of good faith and fair dealing; (c) unjust enrichment (plead in the alternative); (d) preliminary and permanent injunctive relief; and (e) declaratory relief.

In conjunction with the filing of the complaint, the NuVeda Parties also filed an ex parte application for temporary restraining order and motion for preliminary injunction seeking relief from the court (a) enjoining CWNevada, CWNV, and Padgett from continuing to operate the North Las Vegas Dispensary and City of Las Vegas Dispensary; (b) ceasing all business operations at the dispensaries until the NuVeda Parties could take possession of the dispensaries and operate and manage those dispensaries.

As a result of a judgment unrelated to the NuVeda Parties litigation, CWNevada has had a receiver appointed over its business operations and affairs.

4. Future Proceedings

If the case is not settled with the receiver, the NuVeda Parties intend to amend their pleading to focus on the monetary damages arising from CWNevada and CWNV's breach of the terms and conditions of the MIPA. Specifically, as noted, CWNevada has realized all revenues generated from the Licenses and have failed to provide the NuVeda with full transparency of the accountings related to the dispensaries' operations. In addition, CWNevada has breached a number of the duties required of it pursuant to Section 9.1 of the MIPA relating to the management of the dispensaries, the obligations required pursuant to the MIPA.

The NuVeda Parties find themselves in a strong litigation position. Both due to the events and circumstances related to and arising from the MIPA executed with CWNevada, but also the appointment of a receiver of CWNevada's affairs. CWNevada has a number of obligations and judgments that the receiver will have to address including the instant litigation. It is clear and unequivocal, that CWNevada breached the requirements and obligations to the NuVeda Parties pursuant to the MIPA.

The MIPA clearly and unequivocally provides that a 25,000 square foot greenhouse was to be built by December 2016. That did not occur as CWNevada failed to construct the greenhouse. Also, the MIPA provides if the cultivation and production are not "up and running in earnest by the end of 2016" that CWNevada "shall provide lost profits based on the number of months the facilities are tardy in opening and based on the profits those facilities actually make for that same number of months upon opening."

The NuVeda Parties believe they have damages in excess of \$40,000,000.

EXHIBIT 1

DEC

JASON M. WILEY, ESQ.

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RYAN S. PETERSEN, ESQ.

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Attorneys for NuVeda, LLC, Clark NMSD, LLC,

and Nye Natural Medicinal Solutions, LLC

IN THE EIGHTH JUDICIAL DISTRICT COURT OF THE STATE OF NEVADA

IN AND FOR THE COUNTY OF CLARK

NUVEDA, LLC, a Nevada limited liability company; CLARK NMSD, LLC, a Nevada limited liability company; and NYE NATURAL MEDICINAL SOLUTIONS, LLC, a Nevada limited liability company

Plaintiffs,

v.

CWNEVADA, LLC, a Nevada limited liability company; CWNV, LLC, a Nevada limited liability company; BRIAN C. PADGETT, a Nevada resident; DOES I to X, inclusive; and ROES I to X, inclusive,

Defendants.

Case No.: A-19-791405-C

Dept. No.: 4

**DECLARATION OF DR. PEJMAN BADY
IN SUPPORT OF EX PARTE
APPLICATION FOR TEMPORARY
RESTRAINING ORDER AND MOTION
FOR PRELIMINARY INJUNCTION ON
ORDER SHORTENING TIME**

**[Exempt from Arbitration Pursuant to NAR
3(A) – Declaratory Relief Requested]**

I, Dr. Pejman Bady, do hereby declare:

1. I am over the age of eighteen years old, of sound mind, and have never been convicted of a felony or any crime involving moral turpitude.

2. I have personal knowledge of all events set forth herein, unless stated upon information and belief, as to those statements, I believe them to be true.

///

1 3. I am the majority member of NuVeda, LLC ("NuVeda") and serve as that company's
2 President.

3 4. NuVeda operates and serves as the parent company owning a 100% interest in Clark
4 NMSD, LLC ("Clark NMSD") and Nye Natural Medicinal Solutions, LLC ("Nye Natural")
5 (hereinafter, NuVeda, Clark NMSD, and Nye Natural, shall be referred to collectively as "the NuVeda
6 Parties").

7 5. On November 3, 2014, Clark NMSD was awarded two provisional licenses for
8 marijuana dispensaries located at (a) 2113 North Las Vegas Boulevard, North Las Vegas, Nevada
9 (Reference Number 94090342955467020377) (the "North Las Vegas Dispensary"); and (b) 1320
10 South Third Street, Las Vegas, Nevada (Reference Number 25025985357868237824) (the "City of
11 Las Vegas Dispensary").

12 6. Also, on November 3, 2014, Nye Natural was awarded one provisional license for
13 marijuana cultivation in Nye County, Nevada (Reference Number 40733091629454751109) and one
14 provisional license for marijuana production in Nye County, Nevada (Reference
15 91604693916166507699) (hereinafter, allegations pertaining to all four licenses shall be referred to
16 collectively as the "Licenses").

17 7. Throughout 2015, the NuVeda Parties sought an infusion of capital to assist with their
18 business operations.

19 8. On November 17, 2015, CWNEVADA, LLC ("CWNeveda") provided NuVeda with a
20 Letter of Intent setting forth the general terms and conditions of a proposed joint venture between
21 CWNeveda, and the NuVeda Parties involving the Licenses.

22 9. On December 6, 2015, CWNeveda, CWNV and the NuVeda Parties executed the
23 Membership Interest Purchase Agreement ("MIPA") formally memorializing the parties' obligations
24 as initially provided in the Letter of Intent.

25 10. In December 2016, the City of Las Vegas dispensary began its business operations, and
26 one month later in January 2017, the North Las Vegas dispensary began its business operations.

27 11. CWNeveda and/or CWNV representatives have managed both dispensary locations
28 since their respective openings to present date pursuant to the provisions of the MIPA.

1 12. In June 2017, Nye Natural was issued a cultivation license and from the issuance of that
2 license to present, CWNevada and CWNV failed to construct a large-scale cultivation facility and,
3 instead, keeps the license in good standing through use of a portable pod which yields a small crop and
4 does not generate sizable revenues.

5 13. After issuance of a production license to Nye Natural, a production facility was
6 constructed however, CWNevada nor CWNV have conducted any business operations out of said
7 facility.

8 14. From the onset of CWNevada and CWNV's management of North Las Vegas
9 Dispensary and City of Las Vegas Dispensary they have collected all revenues generated and have not
10 made any disbursements to the NuVeda Parties.

11 15. CWNevada, CWNV, and Padgett have engaged in conduct that subjects the NuVeda
12 Parties to disciplinary proceedings.

13 16. On March 7, 2019, a City of Las Vegas Business Licensing Auditor provided
14 CWNevada and CWNV with correspondence requesting information to assist the Department of
15 Planning, Business License Division ("City of Las Vegas Business License Division") with an audit
16 pertaining to the City of Las Vegas Dispensary. The correspondence requests that CWNevada and
17 CWNV provide seventeen categories of information related to the organizational and ownership
18 structure of the dispensary and accounting information. NuVeda complied with the request but, upon
19 information and belief, CWNevada and CWNV have failed to produce any document in response to
20 the request.

21 17. On March 13, 2019, NuVeda representatives received telephonic notice from the City
22 of Las Vegas Department of Planning Business Licensing Division ("Las Vegas Business Licensing
23 Division") that the City of Las Vegas Dispensary license was going to be revoked due to non-payment
24 of business license fees and accrued interest.

25 18. The Las Vegas Business Licensing Division representative states that the entity had
26 extended the deadline eleven days based upon CWNevada and CWNV's statements and
27 representations which never materialized.

19. On March 14, 2019, CWNevada had to remit payment in the amount of \$28,205 to the Las Vegas Business Licensing Division to prevent revocation.

20. In February 2019, CWNevada and CWNV representatives changed the City of Las Vegas Dispensary business name from "Canopi" to "Flower Depot" without governmental approval or authorization.

21. On February 28, 2019, CWNevada and CWNV were provided a 15 Day Notice by the Las Vegas Business Licensing Division for failure to remit payment for an inspection that occurred at the City of Las Vegas Dispensary. CWNevada and CWNV's continued to ignore and/or refuse to remit payment as requested, even though CWNevada and CWNV were obligated to remit payment pursuant to the terms and conditions of the MIPA.

22. The NuVeda Parties remitted payment for the inspection fee to avoid suspension or revocation of the license.

23. Upon information and belief, the tax arrearages directly and fatally affected the Nu Veda Parties' chances in being awarded additional dispensary licenses during the Department of Taxation's issuance of new dispensary licenses in December 2018.

24. CWNevada and CWNV, upon information and belief, have also failed to pay the dispensaries' staff in a timely manner.

25. Upon information and belief, CWNevada and CWNV employed individuals who, at the time, did not possess a current agent card.

Pursuant to NRS 53.045, I declare under penalty of perjury under the laws of Nevada that the foregoing is true and correct.

Executed this 21 day of March, 2019.

~~DR. PEJMAN BADY~~

EXHIBIT 2

MEMBERSHIP INTEREST PURCHASE AGREEMENT

THIS MEMBERSHIP INTEREST PURCHASE AGREEMENT (this "Agreement") is made as of December 6, 2015 (the "Effective Date"), by and among CWNEVADA, LLC, a Nevada limited liability company (the "Transferee" or "CW"), CWNV, LLC, a to-be-formed Nevada limited liability company ("CWNV"), NuVeda LLC, a Nevada limited liability company (the "Transferor" or "NuVeda"), Clark NMSD LLC, a Nevada limited liability company ("Clark"), and Nye Natural Medicinal Solutions LLC, a Nevada limited liability company ("Nye").

RECITALS:

WHEREAS, NuVeda owns One Hundred Percent (100%) of the membership interests in Clark; and

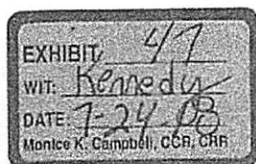
WHEREAS, NuVeda owns One Hundred Percent (100%) of the membership interests in Nye, subject to the disclosure set forth in Section 2.1 below; and

WHEREAS, Clark has been issued the following provisional Medical Marijuana Establishment Certificates (as such term is defined in Nevada Revised Statutes ("NRS"), Chapter 453A):

- (i) Application Identifier No. D186, Reference #: 25025985357868237824 ("Dispensary 1") and issued by the State of Nevada Division of Public and Behavioral Health (the "Division"), for the dispensing of medical marijuana at a dispensary located at 1320 S. 3rd Street, Las Vegas, NV 89104 and more particularly described as Assessor's Parcel Number 162-03-110-137 (the "Dispensary 1 Property"); and
- (ii) Application Identifier No. D187, Reference #: 94090342955467020377 ("Dispensary 2") and issued by the Division for the dispensing of medical marijuana at a dispensary located at 2113 N. Las Vegas Blvd., North Las Vegas, NV 89030 and more particularly described as Assessor's Parcel Number 139-23-201-006 (the "Dispensary 2 Property"); and

WHEREAS, Nye has been issued the following provisional Medical Marijuana Establishment Certificates (as such term is defined in Nevada Revised Statutes ("NRS"), Chapter 453A):

- (i) Application Identifier No. C166, Reference #: 40733091629454751109 ("Cultivation") and issued by the Division, for the cultivation of medical marijuana at a cultivation facility at 2801 E. Thousandaire Blvd., Pahrump, NV 89048 and more particularly described as Assessor's Parcel Number 044-561-16 (the "C&P Property" and, collectively with the Dispensary 1 Property and the Dispensary 2 Property, the "Properties" and, each individually, a "Property"); and



[Handwritten signatures: JRM, PBM, and another signature]

- (ii) Application Identifier No. P107, Reference #: 91604693916166507699 ("Production") and issued by the Division, for the production of medical marijuana products at a production facility located at the C&P Property (all of the foregoing listed Medical Marijuana Certificates shall be collectively referred to herein as the "Certificates" or the "Licenses"); and

WHEREAS, specifically subject to all required state and local approvals from the State of Nevada, Clark County, and Nye County (collectively, the "Transfer Approvals"), Transferee desires to purchase and NuVeda desires to sell to Transferee 100% of the membership interests in Clark and Nye, on the terms and conditions set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged and agreed, the parties hereby agree as follows:

SECTION 1

Purchase and Sale of Interests

1.1 Purchase and Sale of Interests. Subject to the terms and conditions of this Agreement, the Transferee shall purchase, and Transferor shall sell, 100% of the membership interests owned by Transferor in Clark and Nye, for the following consideration:

(a) Transferee shall cause to be formed a new manager-managed Nevada limited liability company, defined as "CWNV" herein, pursuant to the filing of Articles of Organization with the Nevada Secretary of State in a form mutually acceptable to NuVeda and CW (the "Articles"). Upon the formation of CWNV, Transferee shall designate CWNV as its nominee hereunder and, despite such designation of CWNV as nominee hereunder, CW and CWNV shall thereafter be jointly and severally responsible for all obligations of CWNV under this Agreement;

(b) Upon the formation of CWNV, CWNV shall be owned as follows: (i) thirty-five percent (35%) of the issued and outstanding membership interests in CWNV shall be issued and owned by NuVeda; and (ii) sixty-five percent (65%) of the issued and outstanding membership interests in CWNV shall be issued and owned by CW. Upon the formation of CWNV, a membership interest/manager ledger for CWNV shall be duly executed by both NuVeda and CW as members of CWNV and setting forth the membership interests and managers of CWNV (the "Ledger").

(c) Upon the formation of CWNV and to be further described in the operating agreement for CWNV (the "Operating Agreement"), CWNV shall have a Board of Managers consisting of three (3) individuals (the "Board"). For so long as NuVeda or its permitted assignee under the terms of the Operating Agreement is a member of CWNV, NuVeda shall be entitled to select one (1) individual to serve as a member of the Board. In the event the Board is increased in accordance with the terms of the Operating Agreement in the future, and which can only be increased to an odd number of managers and never decreased below three (3) managers, NuVeda shall have the right to

appoint the requisite number of managers constituting just less than a majority of the managers for so long as NuVeda or its permitted assignee is a member of CWNV.

(d) Immediately after the formation of CWNV and execution of the Ledger, NuVeda and CW shall commence good faith negotiations and use each of their best efforts to finalize and execute a mutually agreeable Operating Agreement with terms and provisions customary to an operating agreement of a limited liability company and which will include, without limitation, the following provisions:

(i) The unanimous approval of all members for the admission of a new member to CWNV; the sale of all or substantially all of the assets of CWNV; and the dissolution of CWNV.

(ii) Restrictions on transfer of membership interests in CWNV, including, without limitation, rights of first refusal to CWNV and the members but subject to customary permitted transfers;

(iii) The approval of a majority of the members in CWNV to authorize and effectuate customary "major decisions" including, without limitation, mergers, conversions, exchanges or similar reorganizations that are in the best interest of CWNV;

(iv) The requirement to provide monthly financial statements to the members of CWNV; and

(v) The requirement to obtain and maintain necessary insurance policies, including, without limitation, general liability covering the operations of CWNV.

(e) Commencing as of the Effective Date, CW shall commence funding, and paying for, one hundred percent (100%) of: (i) all necessary tenant improvements, furniture, fixtures, equipment, and fees and expenses relating thereto, for the development of the facilities on the Properties and all matters relating thereto in the manner and as further described on Schedule 1 attached hereto and incorporated herein by this reference (collectively, the "Tenant Improvements"), (ii) all fees and expenses to effectuate the transfer and obtain the Transfer Approvals, and (iii) sufficient working capital for the operation of the businesses of Clark and Nye.

SECTION 2

State and Local Approvals; Cooperation; Coordination; Requirements

2.1 State and Local Approval. CWNV shall use its best efforts to obtain all Transfer Approvals, including from the Division and from Clark County and Nye County (collectively, the "Counties" and, each individually, a "County"). At the direction of CW and as soon as is practicable after the Effective Date, CWNV shall submit to the Division and the Counties all applications, supporting materials, fees and other documents which are necessary for consideration by the applicable Governmental Authority. If either (i) the Division or a County denies CWNV's request for approval of the transfer of the membership interests to CWNV pursuant to the terms herein, then the parties hereto shall continue to work together in good faith to obtain the Transfer Approvals in accordance with all applicable legal requirements, and, upon CWNV obtaining same, the parties agree to reasonably work together to negotiate in good faith and execute any required assignment or



redemption documents or amendments to the Operating Agreement necessary to effectuate the transactions contemplated herein, if any, but continuing to preserve the material terms and proposed economics herein. Notwithstanding anything contained herein to the contrary, CW acknowledges and understands that at the time of the filing of the initial applications with the applicable Governmental Authorities by NuVeda in an effort to obtain approval for the licenses and certificates of Nye, Mr. Phil Ivey, individually ("Ivey"), was listed as a three percent (3%) owner of Nye. In the event of any issues with respect to any alleged ownership interest in Nye by Ivey, including, without limitation, obtaining the Transfer Approvals, NuVeda and CW shall use best efforts to remedy such issues with Ivey and the applicable Governmental Authorities in order to effectuate the transactions described herein.

2.2 **Cooperation; Coordination of Tenant Improvements.** NuVeda will, whenever and as often as it shall be requested to do so by CWNV, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, any and all such further conveyances, assignments, approvals, consents and any and all other documents and do any and all other acts as may be necessary to carry out the intent and purpose of this Agreement or as necessary to construct the Tenant Improvements. In connection with the above, as time is of the essence, immediately following the execution and delivery of this Agreement by the parties hereto, and subject to the reasonable notice and approval by NuVeda of all plans and contracts (approval of which shall not be unreasonably withheld), CWNV hereby covenants and agrees, at no cost to NuVeda, to hire qualified contractors and other professionals and procure and maintain the necessary insurance policies in connection with the Tenant Improvements and to prepare plans, submit plans to the Government Authorities for approvals and permitting and to diligently proceed with construction of all Tenant Improvements necessary to open for business in accordance with the timeline described in Schedule 1 and incorporated herein by this reference (the "Timeline"). CWNV further covenants and agrees that it will take all such action as is necessary via best efforts to maintain the Licenses in good standing at all times.

2.3 **NRS Chapter 453A Changes.** The parties acknowledge that revisions to NRS Chapter 453A have been adopted by the Nevada legislature and that new Administrative Regulations have been promulgated in connection therewith. The parties also acknowledge that the Division promulgated a Policy, effective on November 11, 2015, that provides specific procedures for the transfer of ownership interests in an entity with a Medical Marijuana Establishment Certificate. Accordingly, the parties agree to cooperate as the legislative and regulatory changes go into effect and agree to work together in good faith to restructure the transactions contemplated herein, if necessary, but continuing to preserve the material terms and proposed economics herein, as the changes go into effect and new regulations or policies are promulgated in connection therewith.

2.4 **NRS Sections 108.2403 and 108.2407.** Pursuant to NRS Section 108.234, NuVeda hereby informs CWNV that when CWNV undertakes the Tenant Improvements, CWNV must comply with the requirements of NRS Sections 108.2403 and 108.2407. CWNV shall take all actions necessary under Nevada law to ensure that no liens encumbering Clark's and Nye's interest in each's respective facilities arise as a result of the construction of the Tenant Improvements.

2.5 **No Liens.** CWNV shall not permit mechanic's or other liens to be placed upon Clark's or Nye's facilities in connection with any work or service done or purportedly done by or for the benefit of CWNV, including, without limitation, the construction of the Tenant Improvements. If a lien is so placed, CWNV shall, within ten (10) days of notice from Clark or Nye of the filing of the



lien, fully discharge the lien by settling the claim which resulted in the lien or by bonding or insuring over the lien in the manner prescribed by the applicable lien law.

2.6 **Indemnity.** CWNV shall indemnify and hold NuVeda, its trustees, affiliates, subsidiaries, members, managers, principals, beneficiaries, partners, officers, directors, shareholders, employees, agents, successors and assigns (collectively, "NuVeda Parties") harmless from, and indemnify and defend such parties against, all liabilities, obligations, damages, penalties, claims, actions, costs, charges and expenses, including reasonable attorneys' fees and other professional fees that may be imposed upon, incurred by or asserted against any of the NuVeda Parties (each a "Claim" and collectively "Claims") that arise out of the presence, use, construction or repair of the Tenant Improvements and the Clark or Nyc facilities by CWNV or any of CWNV's employees, agents or invitees or any act or omission of CWNV or any of CWNV's employees, agents or invitees in those facilities.

2.7 **Assumption of Risk.** CWNV hereby acknowledges and agrees that it assumes all risk by entering the Clark and Nyc facilities and hereby fully releases NuVeda of all Claims arising under or relating to the presence of CWNV or any of its officers, managers, members, agents, representatives, or contractors at those facilities and on the Properties.

SECTION 3

Payment of Contractual Costs

3.1 **Operating and Improvement Costs.** As of the Effective Date, and not including the Debt of NuVeda under and defined in Section 9.1(q) below, CWNV shall pay, or reimburse NuVeda for, as applicable, all costs and expenses incurred by NuVeda on and after the Effective Date under contracts in effect as of the Effective Date; provided, however, that CWNV shall have the right to reject any such contracts at no cost to CWNV, but not including any contract with 4Front Consultants existing as of the Effective Date which is not subject to rejection by CWNV, by written notice to NuVeda, Clark and Nye on or before the thirtieth (30th) business day following the Effective Date, and NuVeda shall satisfy any remaining obligations under such rejected contracts, if any, and CWNV shall have no liability therefor.

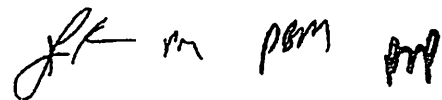
SECTION 4

General Representations and Warranties of NuVeda

NuVeda hereby represents and warrants to CWNV as follows:

4.1 **Organization and Standing.** NuVeda is a limited liability company duly organized, validly existing under and in good standing under the Laws of the State of Nevada.

4.2 **Legal Power.** NuVeda has the limited liability company power and authority to execute and deliver this Agreement and to carry out and perform its obligations under the terms of this Agreement.



4.3 **Unencumbered Member Interests.** The membership interests in Clark and Nye are owned by NuVeda free of any claims, liens and encumbrances and there are no options, warrants or other rights to purchase any of NuVeda's membership interests in Clark and Nye, other than pursuant to the transactions contemplated herein.

4.4 **License.** NuVeda has delivered to CWNV a true, correct and complete copy of the Licenses and all applications relating thereto. NuVeda has not received any written notice that NuVeda, Clark or Nye are in default under any of the licenses.

4.5 **Real Property Rights.** NuVeda has delivered true, correct and complete copies of all deeds, documents, leases (including all addendums and amendments thereof), relating to the rights of Clark and Nye to occupy its respective Property and operate its businesses to CWNV. Those rights are in full force and effect, without any default thereunder.

4.6 **Authorization.** All limited liability actions on the part of NuVeda, its managers and its members necessary for the authorization, execution, delivery and performance of this Agreement by NuVeda, and the performance of all of NuVeda's obligations under this Agreement have been taken. This Agreement, when executed and delivered by NuVeda, shall constitute the valid and binding obligation of NuVeda, enforceable in accordance with its terms.

4.7 **Compliance with Other Instruments.** NuVeda is not in violation of any material term of its Articles of Organization or NuVeda's Operating Agreement, each as executed and amended on or before the Effective Date. The execution, delivery and performance of and compliance with this Agreement, and the issuance of membership interests to CWNV will not result in any material violation of, or conflict with, or constitute a default under, NuVeda's Articles of Organization, NuVeda's Operating Agreement, or any contracts under which it is bound.

4.8 **Governmental Consent.** No consent, approval, authorization, order, filing, registration or qualification of or with any court, Governmental Authority or third person, other than the Division and the Counties, on the part of NuVeda is required in connection with the execution and delivery of this Agreement, the performance of NuVeda's obligations hereunder, or the consummation of any other transaction contemplated by this Agreement, except for the approvals required under applicable state and local Laws, including, without limitation, the approval of any provisions License extensions, the applications of which are due to the applicable Governmental Authorities no later than December 15, 2015.

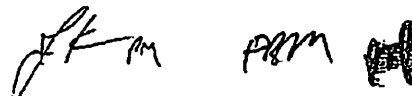
4.9 **Adoption of Recitals.** NuVeda adopts and incorporates by reference herein all of the recitals to this Agreement, insofar as those recitals apply to it and the membership interests in Clark and Nye.

SECTION 5

General Representations and Warranties of CWNV

CW and CWNV hereby represent and warrant to NuVeda as follows:

5.1 **Formation.** CW is, and CWNV will be, duly formed, validly existing and in good standing under the Laws of the State of Nevada.



5.2 Legal Power and Capacity. CW and CWNV have the power and authority and, as applicable, the legal capacity to execute and deliver this Agreement and to carry out and perform its obligations under the terms of this Agreement.

5.3 Authorization. All actions on the part of CW and CWNV necessary for the authorization, execution, delivery and performance of this Agreement by each of them, and the performance of all of CW and CWNV's obligations under this Agreement have been taken. This Agreement, when executed and delivered by CW and CWNV, shall constitute the valid and binding obligation of each of them enforceable in accordance with its terms.

5.4 Compliance with Other Instruments. The execution, delivery and performance by CW and CWNV of this Agreement, and the consummation of the transactions contemplated hereby do not and will not: (a) conflict with or result in a violation or breach of, or default under, any provision of the articles, operating agreement or other organizational documents of CW or CWNV; (b) conflict with or result in a violation or breach of any provision of any Law or governmental order applicable to CW or CWNV; or (c) require the consent, notice or other action by any person under any agreement to which CW or CWNV is a party.

5.5 Governmental Consent. No consent, approval, authorization, order, filing, registration or qualification of or with any court, Governmental Authority or third person on the part of CW or CWNV is required in connection with the execution and delivery of this Agreement, the performance of CW and CWNV's obligations hereunder, or the consummation of any other transaction contemplated by this Agreement, except for the approvals required under applicable state and local Laws.

5.6 Adoption of Recitals. CW and CWNV adopt and incorporate by reference herein all of the recitals to this Agreement, insofar as those recitals apply to them.

SECTION 6

Survival; Indemnification

6.1 Survival. The representations and warranties of NuVeda, CW and CWNV contained in this Agreement will survive the Closing until the date that is twelve (12) months following the date upon which the Transfer Approvals are obtained.

6.2 NuVeda Indemnification. NuVeda indemnifies CW and CWNV in respect of, and holds each of them harmless from and against, any and all losses, damages, liabilities and expenses suffered, incurred or sustained by any of them or to which any of them becomes subject, resulting from, arising out of or relating to any breach of representation or warranty by NuVeda or nonfulfillment of failure to perform any covenant or agreement by NuVeda contained in this Agreement (determined in all cases as if the terms "material" or "materially" were not included therein).

6.3 CW and CWNV Indemnification. CW and CWNV, jointly and severally, indemnify NuVeda in respect of, and hold it harmless from and against, any and all losses suffered, incurred or sustained by it or to which it becomes subject, resulting from, arising out of or relating to



any breach of representation or warranty of CW or CWNV or nonfulfillment of or failure to perform any covenant or agreement by CW or CWNV contained in this Agreement (determined in all cases as if the terms "material" or "materially" were not included therein).

6.4 The indemnity provisions contained in Sections 6.2 and 6.3 shall survive for a period of twelve (12) months following the date upon which the Transfer Approvals are obtained.

SECTION 7

Conditions to Closing

7.1 Conditions to Obligations of NuVeda. The obligations of NuVeda to consummate any of the transactions contemplated in this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing (such date being referred to, respectively, as the "Closing Date" or "Closing"), of each of the following conditions:

(a) The representations and warranties of CW and CWNV contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects on the Closing Date with the same effect as though made at and as of such date.

(b) CWNV shall have obtained all required Transfer Approvals, including from the Division and, to the extent required, the Counties.

(c) CW and CWNV shall have duly performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(d) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(e) CWNV shall have delivered to NuVeda such other documents or instruments as NuVeda reasonably requests.

7.2 Conditions to Obligations of CW and CWNV. The obligations of CW and CWNV to consummate any of the transactions contemplated in this Agreement shall be subject to the fulfillment or waiver, at or prior to the Closing (such date being referred to, respectively, as the "Closing Date"), of each of the following conditions:

(a) The representations and warranties of NuVeda contained in this Agreement and any certificate or other writing delivered pursuant hereto shall be true and correct in all material respects on the Closing Date with the same effect as though made at and as of such date.

(b) CWNV shall have obtained all required Transfer Approvals, including from the Division and, to the extent required, the Counties.

(c) NuVeda shall have duly performed and complied with all agreements, covenants and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date.

(d) No injunction or restraining order shall have been issued by any Governmental Authority, and be in effect, which restrains or prohibits any material transaction contemplated hereby.

(e) NuVeda shall have delivered to CW and CWNV such other documents or instruments as CW and CWNV reasonably request.

SECTION 8

Termination

8.1 **Termination Events.** The parties hereby agree that this Agreement may be terminated upon the earliest to occur of the following:

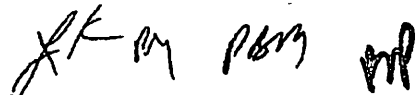
(a) The mutual written agreement of NuVeda and CWNV;

(b) By NuVeda upon the material breach by CW or CWNV of any covenant or agreement contained herein, provided that such breach is not cured within thirty (30) days of written notice by NuVeda that such a breach has occurred, or if such breach is not capable of cure within such thirty (30) day period, that CW and CWNV have taken action to commence a cure by such date and is diligently pursuing the same; or

(c) By CW or CWNV upon the material breach by NuVeda of any covenant or agreement contained herein, provided that such breach is not cured within thirty (30) days of written notice by CWNV that such a breach has occurred, or if such breach is not capable of cure within such thirty (30) day period, that NuVeda has taken action to commence a cure by such date and is diligently pursuing the same.

8.2 **CWNV Remedies for NuVeda Default.** Notwithstanding any other provision in this Agreement to the contrary, upon the occurrence of a material breach or default of this Agreement by, NuVeda, CW and/or CWNV shall be entitled to any and all rights and remedies in law or in equity including, but not limited to, return of all CW capital investments at a rate of 16% interest per annum should the NuVeda majority owners lose control of NuVeda to NuVeda minority owners.

8.3 **NuVeda Remedies for CW and CWNV Breach or Default.** Notwithstanding any other provision in this Agreement to the contrary, upon the occurrence of a material breach or default of this Agreement by CW and/or CWNV, NuVeda shall be entitled to any and all rights and remedies in law or in equity.



SECTION 9

OPERATIONS COMMENCING ON THE EFFECTIVE DATE

9.1 **CWNV Duties.** Commencing on the Effective Date, CWNV will develop, manage, operate and promote the facilities and shall be charged with the duties to protect the licenses and maximize profits and the overall value and goodwill of the facilities. The management of the facilities will include, but not necessarily be limited to, the following services absent any management fee paid to CWNV or its managers:

- a. Oversight and management of the day-to-day commercial operations of the facilities;
- b. Oversight and management of the development, interior design and construction of the facilities;
- c. Implementation, oversight and management of SOPs, aesthetics, and general practices consistent with the other facilities of CW and CWNV;
- d. Hiring and management of all facilities personnel and management of all HR matters;
- e. Procurement of all inventories, supplies and services;
- f. Identification, procurement, installation and operation of all operating systems (e.g., inventory management, POS, security, regulatory compliance, HR, etc.);
- g. Advertising, marketing, signage and promotion;
- h. Risk-mitigation, and oversight and management of third-party security and regulatory compliance companies;
- i. Consumer and product-preference tracking and analysis;
- j. Establishment and management of a customer loyalty and/or membership program;
- k. Development and management of a delivery service program;
- l. Development and implementation of an annual business plan and budget, which shall serve as the basis for mutually agreed-upon performance goals and targets;
- m. Reporting, and records management and retention;
- n. Procurement and management of insurance;
- o. General maintenance, upkeep, and improvement of the subject property, as applicable; and
- p. Oversight and management of any other responsibilities appurtenant to the successful operation of the facilities.
- q. The debt of NuVeda due and outstanding as of the Effective Date is not more than \$2,182,130.00. CW shall be responsible for resolving up to \$1,500,000.00 of this debt and the parties shall work together diligently to negotiate resolutions of this debt.

9.2 **CWNV Inventory Obligations.** CWNV shall be responsible for obtaining the inventories for Clark on a consignment basis with the same or similar inventories as that of CW's other dispensaries, and CWNV shall ensure that Clark has priority to receive all wholesale inventories on the same basis as any other wholesale purchaser. The wholesale price for all inventories shall be mutually agreed upon up by representatives of CWNV and NuVeda, subject to periodic adjustment as necessary. CWNV guarantees that the wholesale price paid by Clark shall never exceed the lowest price paid for the same or similar inventories as other CW dispensaries. Upon the retail sale of the



inventories by Clark, CWNV will be reimbursed for said inventories based on the agreed-upon wholesale pricing.

9.3 **Priority of Dispensaries.** CW, CWNV and NuVeda agree that the build-out of the facilities and dispensaries licensed to Clark is of paramount importance and shall be the first priority for CW and CWNV. CW and CWNV shall use their best efforts to fully stock the Clark dispensaries with its existing facilities and those scheduled to come online on or before May 3, 2016 and in accordance with the Timeline.

9.4 **Cultivation and Production Facilities.** CW, CWNV and NuVeda representatives shall discuss and develop in good faith a business plan for the timing and placement of the Nye cultivation and production licenses, with set milestones and in accordance with the Timeline.

9.5 **Building Insurance Claim.** NuVeda and Clark shall use their best efforts to pursue and resolve the building insurance claim relating to the Third Street dispensary. Any and all proceeds from the resolution of such claim shall be delivered to CWNV (or otherwise used solely to pay costs of the build-out of the Clark dispensaries).

SECTION 10

Definitions

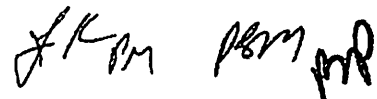
For purposes of this Agreement, the following definitions shall apply:

"**Action**" means any claim, action, cause of action, demand, lawsuit, arbitration, inquiry, audit, notice of violation, proceeding, litigation, citation, summons, subpoena or investigation of any nature, civil, criminal, administrative, regulatory or otherwise, whether at law or in equity.

"**Articles of Organization**" shall mean the Articles of Organization of NuVeda, Clark and Nye, filed with the Nevada Secretary of State.

"**Governmental Authority**" means any court, tribunal, arbitrator, authority, agency, commission, official or other instrumentality of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision.

"**Law**" or "**Laws**" means all laws, statutes, rules, regulations, ordinances and other pronouncements having the effect of law of the United States, any foreign country or any domestic or foreign state, county, city or other political subdivision or of any Governmental Authority, including all common laws.



SECTION 11

Miscellaneous

11.1 **Amendment.** Except as expressly provided herein, neither this Agreement nor any term hereof may be amended, waived, discharged or terminated other than by a written instrument referencing this Agreement and signed by each party hereto.

11.2 **Notices.** All notices required or permitted hereunder shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified, (b) when sent by confirmed electronic mail (with read receipt) or facsimile (with confirmation of delivery) during normal business hours of the recipient; if not, then on the next business day, (c) five days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the party to be notified at the address, facsimile or electronic mail address as set forth on the signature page of this Agreement, or at such other address or electronic mail address as such party may designate by advance written notice complying with this Section to the other parties hereto.

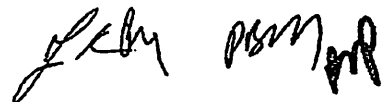
11.3 **Governing Law.** THIS AGREEMENT WILL BE DEEMED TO BE A CONTRACT MADE UNDER THE LAWS OF THE STATE OF NEVADA AND FOR ALL PURPOSES WILL BE GOVERNED BY AND INTERPRETED IN ACCORDANCE WITH THE LAWS PREVAILING IN THE STATE OF NEVADA, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

11.4 **Jury Trial.** EACH OF THE PARTIES HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, ANY AND ALL RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER SOUNDING IN CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATED TO ANY OF THE AGREEMENTS.

11.5 **Jurisdiction.** The parties agree that any action brought by either party under or in relation to the Agreement, including, without limitation, to interpret or enforce any provision of the Agreement, shall be brought in, and each party agrees to and does hereby submit to the exclusive jurisdiction and venue of, the Eighth Judicial District Court located in Clark County, Nevada.

11.6 **Representation.** BY EXECUTING THIS AGREEMENT, EACH PARTY ACKNOWLEDGES THAT IT HAS HAD THE ABILITY AND OPPORTUNITY (WHETHER OR NOT TAKEN) TO SECURE THE ADVICE OF INDEPENDENT LEGAL COUNSEL OF ITS OWN CHOOSING WITH RESPECT TO THE ADVISABILITY OF EXECUTING AND ENTERING INTO THE AGREEMENTS AND THE LEGAL EFFECT OF ANY PROVISION OF THE AGREEMENTS. The parties hereto therefore stipulate and agree that the rule of construction to the effect that any ambiguities are to be or may be resolved against the drafting party shall not be employed in the interpretation of this Agreement to favor any party against another.

11.7 **Transaction Expenses.** Each party shall pay their own legal fees and other incidental expenses incurred in connection with transactions contemplated herein; provided, however,



that CWNV shall pay all costs and expenses incurred by either party in connection with obtaining the Transfer Approvals.

11.8 **Successors and Assigns.** Except as otherwise provided herein, the provisions of this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, heirs, executors and administrators of the parties.

11.9 **Entire Agreement.** This Agreement and related exhibits and schedules constitute the full and entire understanding and agreement among the parties with regard to the subject matter hereof.

11.10 **Severability.** If any provision of the Agreements becomes or is declared by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from the Agreement, and such court will replace such illegal, void or unenforceable provision of the Agreement with a valid and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of such Agreement shall be enforceable in accordance with its terms.

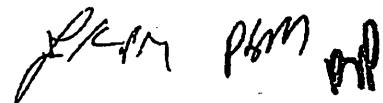
11.11 **Titles and Subtitles.** The titles and subtitles used in this Agreement are used for convenience only and are not to be considered in construing or interpreting this Agreement. All references in this Agreement to sections, paragraphs, exhibits and schedules shall, unless otherwise provided, refer to sections and paragraphs hereof and exhibits and schedules attached hereto.

11.12 **Counterparts.** This Agreement may be executed in any number of counterparts, and delivered by facsimile or electronic transmission, all of which together shall constitute one instrument.

11.13 **Further Assurances.** Each party hereto agrees to execute and deliver all such other and additional instruments and documents and do all such other acts and things as may be necessary or desirable to more fully effectuate the Agreements or transactions contemplated herein or therein. This provision shall survive the termination of this Agreement.

11.14 **Confidentiality.** The parties acknowledge that each has received, and may hereafter receive, from the other information relating to the licenses and its business activities (collectively, "**Confidential Information**"). CW, CWNV and NuVeda agree to hold all Confidential Information, including but not limited to the terms and conditions of this Agreement and all documents relating thereto, in the strictest confidence and shall be treated by both parties on a confidential basis, provided that NuVeda and CWNV may disclose the terms and conditions of this Agreement to their attorneys, advisors and employees and to any Governmental Authority, and as otherwise may be required by law.

11.15 **Waiver of Defenses.** The parties acknowledge that the cultivation, production, and dispensing of medical marijuana is in violation of federal law, including, without limitation, the Controlled Substances Act, 21 U.S.C. §801 *et seq.* To the extent permitted by law, the parties hereby waive the right to assert any defense in any proceeding relating to the enforcement of this Agreement, including, without limitation, the defense of illegality.



(signatures follow)

JK m psm ml

This Membership Interest Purchase Agreement is executed as of the date first written above.

NUVEDA LLC, a Nevada limited liability company

By: [Signature]
Name: Pejman Bady 12/6/15
Its: President and Managing Member Joseph F. Kennedy
Address: P.O. Box 6255
Pahrump NV 89048
Email: Pbady@me.com
Facsimile: _____

CLARK NMSD LLC, a Nevada limited liability company

By: NUVEDA LLC, a Nevada limited liability company
Its: Manager

By: [Signature]
Name: Pejman Bady 12/6/15
Its: President Managing Member Joseph F. Kennedy
Address: P.O. Box 6255
Pahrump NV 89048
Email: Pbady@me.com
Facsimile: _____

NYE NATURAL MEDICINAL SOLUTIONS LLC, a Nevada limited liability company


By: NUVEDA LLC, a Nevada limited liability company
Its: Manager

By: [Signature]
Name: Pejman Bady 12/6/15
Its: President Managing Member Joseph F. Kennedy
Address: P.O. Box 6255
Pahrump NV 89048
Email: Pbady@me.com
Facsimile: _____

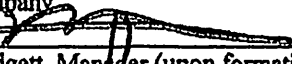
(Signatures continue on following page)

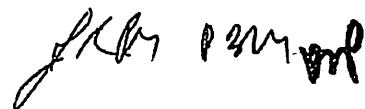
[Signature] [Signature] [Signature]

CWNEVADA, LLC,
a Nevada limited liability company

By: 
Brian C. Padgett, Manager
Address: 611 S. 6TH ST.
LAS VEGAS, NV 89101
Email: BRIAN.PADGETT@CWNEVADA.COM
Facsimile: (702) 368-0123

CWNV, LLC, a to-be-formed Nevada limited
liability company

By: 
Brian C. Padgett, Manager (upon formation)
Address: 611 S. 6TH ST.
LAS VEGAS, NV 89101
Email: BRIAN.PADGETT@CWNEVADA.COM
Facsimile: (702) 368-0123



Schedule 1

Tenant Improvements and Timeline

SEE TIMELINE IN OPERATING AGREEMENT
AS SET FORTH IN "ADDITIONS TO
OPERATING AGREEMENT" ATTACHED HERETO.

JKM *RM* *vil*

Additions to Operating Agreement

Budget: A budget of all operational expenses for the upcoming year will be presented to the Board for approval at the end of the prior year. Budget vs. actuals will be presented at each quarterly meeting of the Board to ensure that the company is operating within the annual budget approved by the Board. This will ensure that funds are being allocated and spent prudently.

Marketing: All of the dispensaries will be under The Green House umbrella, so a lot of the general marketing/branding costs can be shared (i.e website, social media, management staff) through a pro rata allocation between CW and CWNV. Individual advertising costs for each dispensary (directive billboards for example) will be borne by the company who owns the dispensary.

Inventory Control: Each CW and CWNV dispensary shall have access to equal stock and equal pricing (this is covered already in the agreement). This is only subject to shelf space constraints based on the size of the dispensary. For example: The 2,500 sf dispensary on 3rd St won't be able to carry every product the larger Blue Diamond dispensary will carry.

Delivery: Each dispensary gets credit for deliveries made within its municipality – regardless of which store makes the delivery.

Disbursements: Pete and Joe can work together to add standard language found in Operating Agreements covering profits, payment of debt, allocations for expansion and disbursement but payment to debt and expansion should consist of not less than 50% of net income.

Timeline: Dispensaries to be complete on or about April 16, 2016. The only caveat to this depends on the construction status/timing of the City of Las Vegas location which has been destroyed. Cultivation and production shall be up and running by the end of December 2016.

All licenses shall be safeguarded to meet the May 2016 State of Nevada compliance cut-off. If a CWNV license is lost due to being unable to meet the May 2016 compliance date then CW shall provide an extra license of the same type to CWNV at its cost and build to a similar standard as originally planned.

The first greenhouse built on CWNV Nye cultivation license shall be approximately 25,000/sf with a completion date of 12/2016. Construction shall commence thereafter on phase 2 (an additional approximate 25,000/sf) as determined by market demand.

Lost Profits: If Cultivation and Production are not up and running in earnest by the end of 2016, CW shall provide lost profits to CWNV based on the number of months the facilities are tardy in opening and based on the profits those facilities actually make for that same number of months upon opening.

12/6/15
RM

12/6/15
RBM

12/6/15
JFK
12/6/15
MP

NuVeda48164

Schedule 2

Debt

..ODMA\PCDOCS\RQ\NDOCS\1004981\1

-4

JKM *PRM ml*

NuVeda48165

EXHIBIT 3

<i>Category</i>	<i>1 Violation in a 2-year period</i>	<i>2 Violations in a 2-year period</i>	<i>3 Violations in a 2-year period</i>	<i>4 Violations in a 2-year period</i>	<i>5 Violations in a 2-year period</i>	<i>6 or more Violations in a 2-year period</i>
<i>I</i>	<i>30 Days and \$35,000 or Revoke</i>	<i>Revoke</i>				
<i>II</i>	<i>Up to 20 Days and \$10,000</i>	<i>Up to 30 days and \$20,000</i>	<i>Revoke</i>			
<i>II(b)</i>	<i>\$5,000</i>	<i>Up to 20 days or \$10,000</i>	<i>Up to 30 days</i>	<i>Revoke</i>		
<i>III</i>	<i>\$2,500</i>	<i>Up to 10 days or \$5,000</i>	<i>Up to 20 days or \$10,000</i>	<i>Up to 30 Days</i>	<i>Revoke</i>	
<i>IV</i>	<i>\$1,250</i>	<i>Up to 7 days or \$2,500</i>	<i>Up to 10 days or \$5,000</i>	<i>Up to 20 days or \$10,000</i>	<i>Up to 30 Days</i>	<i>Revoke</i>
<i>V</i>	<i>Warning</i>	<i>\$750</i>	<i>Up to 3 days or \$1,250</i>	<i>Up to 7 days or \$2,500</i>	<i>Up to 10 days or \$5,000</i>	<i>Up to 20 days or \$10,000</i>

<i>Category</i>	<i>Violation</i>
<i>I</i>	<i>Conviction of an excluded felony offense (owner, officer or board member)</i>
	<i>Operating without all required permits, certificates and licenses</i>
	<i>Making an intentional false statement to the Department</i>
	<i>Intentionally destroying or concealing evidence</i>
	<i>Intentionally failing to pay taxes to Department of Taxation</i>
	<i>Allowing noisy, disorderly or unlawful activity that results in death or serious physical injury, or that involves unlawful use or attempted use of a deadly weapon against another person, or that results in a sexual offense which is a Class A felony, such as first degree rape, sodomy, or unlawful sexual penetration</i>
	<i>Operating a licensed business while suspended</i>
	<i>Transporting marijuana outside of Nevada state boundaries, except where authorized by agreement between the Governor of Nevada and participating sovereign tribes.</i>
<i>Category</i>	<i>Violation</i>

II	<i>Making a false statement or representation of fact to the Department (other than intentional)</i>
	<i>Failing to verify the age of a minor. Selling or otherwise providing marijuana and/or marijuana paraphernalia to a person less than twenty-one years of age.</i>
	<i>Failing to promptly admit regulatory personnel or law enforcement into licensed premises</i>
	<i>Destroying or concealing evidence (other than intentionally)</i>
	<i>Failing to notify the Department of a change of ownership</i>
	<i>Denying access by law enforcement or regulatory personnel to the licensed premises during regular business hours</i>
	<i>Allowing noisy, disorderly or unlawful activity that involves use of a dangerous weapon against another person with intent to cause death or serious physical injury.</i>
	<i>Allowing a person under the age of 21 to work at the establishment</i>
	<i>Refusing to allow an inspection and/or obstructing a law enforcement officer from performing his/her official duties</i>
	<i>Failing to cease operation and notify Department during an imminent health hazard</i>
	<i>Purchasing marijuana from unapproved source</i>
	<i>Purchasing or selling marijuana without passing required marijuana testing facility analysis or receiving written approval from the Department</i>
	<i>Operating an unapproved extraction unit</i>
	<i>Selling an amount of marijuana in excess of transaction limits</i>
	<i>Failing to maintain required security alarm and surveillance systems</i>
Category	Violation
III	<i>Allowing a minor to enter or remain in a marijuana establishment or transport vehicle (except that a medical marijuana patient under the age of 21 may enter a dispensary)</i>
	<i>Permitting sales by an employee without a marijuana agent card unless that employee is deemed to be temporarily registered pursuant to NRS 453A.332</i>
	<i>Allowing consumption (by employees, customers or the public) of alcohol, marijuana or other intoxicants on the licensed premises or in areas adjacent to the licensed premises under licensee's control (such as parking lots)</i>
	<i>Failing to keep required records, including seed to sale tracking requirements</i>
	<i>Failing to tag all plants as required</i>
	<i>Failing to follow an approved security plan</i>
	<i>Allowing disorderly activity</i>
	<i>Allowing unlawful (under state law) activity</i>
	<i>Failing to notify Department within 24 hours of a serious incident/criminal activity on the premises of the establishment</i>
	<i>Failing to pay taxes to the Department of Taxation (not intentionally)</i>

	<i>Selling unauthorized products</i>
	<i>Failing to notify department of facility modification or expansion or a change in equipment or menu</i>
	<i>Violating packaging and/or labeling requirements</i>
	<i>Storing or delivering an unapproved product</i>
	<i>Failing to meet marijuana waste disposal requirements</i>
	<i>Using unauthorized pesticides, soil amendments, fertilizers, other crop production aids</i>
	<i>Exceeding maximum serving requirements for marijuana products</i>
	<i>Exceeding reasonable delivery time frame without approval from the Department</i>
	<i>Transporting or storing marijuana from an unlicensed source and/or diversion of product</i>
	<i>Picking up, unloading, or delivering marijuana at an unauthorized location</i>
	<i>Handwashing and employee hygiene violations, including bare hand contact on products</i>
	<i>Failing to maintain proper temperature of potentially hazardous food or marijuana items</i>
	<i>Failing to comply with water temperature requirements</i>
	<i>Failing to prevent backflow (plumbing)</i>
	<i>Marijuana and food items spoiled or contaminated</i>
Category	Violation
IV	<i>Failing to display or have in immediate possession an agent card or proof of temporary registration</i>
	<i>Removing, altering or covering license suspension or other required notice sign</i>
	<i>Violating advertising requirements</i>
	<i>Retailer displaying products in a manner visible to the general public from a public right of way.</i>
	<i>Failing to respond to administrative violation notice and/or failing to pay fines</i>
	<i>Violating sampling restrictions</i>
	<i>Failing to maintain standardized scale requirements</i>
	<i>Transporting marijuana in an unauthorized vehicle</i>
	<i>Improper storing of foods or marijuana</i>
	<i>Failing to properly wash, rinse and sanitize product contact surfaces as required</i>
	<i>Handwashing facilities not stocked, accessible, and limited to handwashing only</i>
	<i>Minor pest infestation (pests are not multigenerational or on contact surfaces)</i>
	<i>Failing to properly use sanitizer as required</i>
	<i>Violating transportation or delivery requirements not otherwise mentioned</i>
Category	Violation

V	<i>Failing to submit monthly tax/sales reports and/or payments.</i>
	<i>Failing to notify the Department of a temporary closure of the licensed business</i>
	<i>Failing to post required signs</i>
	<i>Failing to notify the Department of a change in business name</i>
	<i>Making payment with NSF (insufficient funds) check</i>
	<i>Failing to comply with any other requirements not otherwise mentioned</i>

Sec. 118. Reporting. (NRS 453D.200) *Each marijuana establishment shall submit a report to the Department that includes the following information, reported separately for each calendar month included in the report.*

1. Each marijuana cultivation facility shall submit:

- (a) The current production of the marijuana cultivation facility;*
- (b) Sales by product type;*
- (c) Prices by product type; and*
- (d) Such other information as the Department may require.*

2. Each marijuana product manufacturing facility shall submit:

- (a) The amount of marijuana purchased;*
- (b) The amount of edible marijuana products and marijuana products produced;*
- (c) Sales by product type;*
- (d) Prices by product type; and*
- (e) Such other information as the Department may require.*

3. Each retail marijuana store shall submit:

- (a) The amount of marijuana purchased by the retail marijuana store from other retail marijuana stores, marijuana cultivation facilities, and marijuana product manufacturing facilities;*
- (b) Sales to consumers by product type;*

EXHIBIT 4

3/16/2019

Gmail - Clark NMSD LLC dba Canopi



Maggie Presley <maggie.presley1@gmail.com>

Clark NMSD LLC dba Canopi

2 messages

Mary Aldava <aldavam@cityofnorthlasvegas.com>
To: mpresley@nuveda.org

Tue, Feb 19, 2019 at 11:08 AM

Maggie.

As I indicated in our conversation, the City of North Las Vegas Business License Division has not received the renewal notices and fees for business license #105722, #111262 and #105723.

All licenses are currently expired. All fees are due by the close of business today. Please note the \$60,000 origination fee to convert the Temporary Retail licenses to a permanent license is also due today.

It is my understanding the Department of Taxation is aware Canopi is operating with expired licenses and will shutdown the facility if the licenses are not renewed.

I have attached copies of the renewal notices.

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

Thank you.

Mary Aldava
Business License Manager
Land Development & Community Services
City of North Las Vegas
(702) 633-1905

3 attachments

BL #105722.pdf
64K

BL #111262.pdf
67K

BL #105723.pdf
117K

Maggie Presley <mpresley@nuveda.org>

Tue, Feb 19, 2019 at 11:31 AM

To: Joe Kennedy <joe80275@gmail.com>, pejman bady <pbady@me.com>

We need the last three months of revenue for 2018 as well as the \$60,000 for origination fees. The city of North Las Vegas and the Partman of taxation will shut down Canopi today at end of business if this bill is not paid.

Thank you,

[Quoted text hidden]

Maggie Presley

A close up of a logo Description automatically generated

Director of Operations

(M)702-465-8545

mpresley@nuveda.org

Disclaimer This message contains confidential information and is intended only for the

3/16/2019


Gmail - Clark NMSD LLC dba Canopi

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4 attachments

 **D3F1DA0A09E41628722B28DFAA9BC67.jpg**
4K

 **BL #105722.pdf**
64K

 **BL #111262.pdf**
67K

 **BL #105723.pdf**
117K

EXHIBIT 5

AT&T LTE

12:51 AM

34%



North Las Vegas
February 19 12:53 PM

Edit

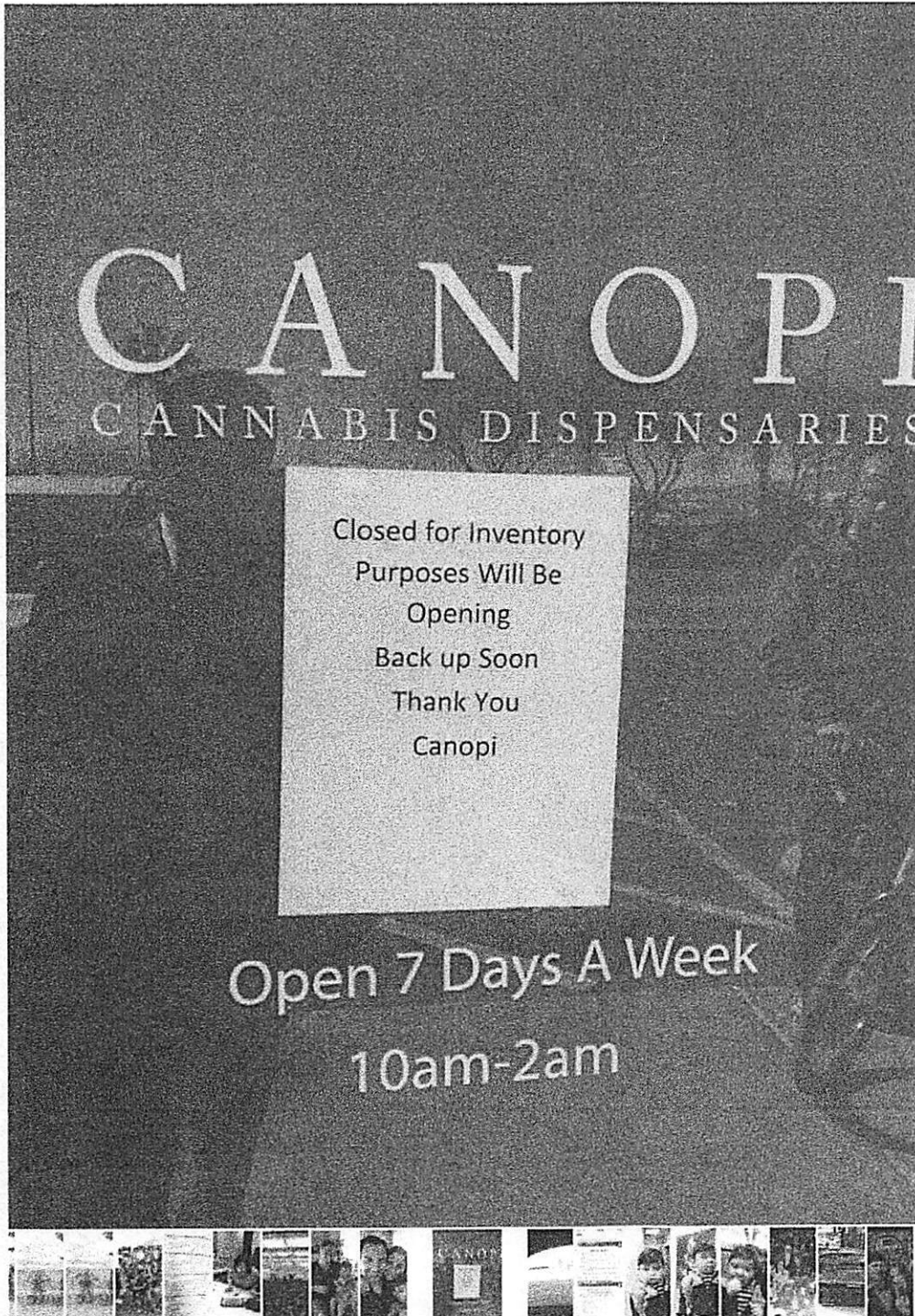


EXHIBIT 6

ibautista@wileypetersenlaw.com

From: Dell Hyland <Dell.Hyland@cwnevada.com>
Sent: Thursday, March 14, 2019 7:07 PM
To: Elizabeth Perez; Martin Romley
Cc: Amy Sugden; Brian Padgett; Brian Schwager; Connie Little; Noemie Derval; Karalin Cronkhite; Kimberly L. Wayman; Damon Hernandez; pbady nuveda.org
Subject: Re: Improper Handling of Product- Canopi 3rd St.

Elizabeth,

I have recieved your emailed instructions and will comply immediately to the letter. We are now and will continue to provide all information requested in a timely fashion.

Dell Hyland
Director of Security/ Surveillance
C W Nevada / Canopy
4145 W. Ali Baba LN
Las Vegas, NV 89118
dell.hyland@cwnevada.com
Office 702-420-7550 ext. 9018
Mobile 504-296-9187
Mobile 702-406-1180

From: Elizabeth Perez <eperez@tax.state.nv.us>
Sent: Thursday, March 14, 2019 5:31:13 PM
To: Martin Romley
Cc: Dell Hyland; Amy Sugden; Brian Padgett; Brian Schwager; Connie Little; Noemie Derval; Karalin Cronkhite; Kimberly L. Wayman; Damon Hernandez; pbady nuveda.org
Subject: RE: Improper Handling of Product- Canopi 3rd St.

Martin,

Per our conversation today at your CW Nevada facility at 4145 W. Ali Baba, to confirm, you are directed to:

- Leave the quarantine container we examined today in its exact current location in the back of the cultivation room with quarantine stickers intact
- Locate and deliver to me video of the product we originally quarantined on the top shelf of the inventory room of the dispensary on 1324 S. 3rd street, this includes:
 - Footage of the original eighths from the four different vendors and the dime bags created from the eighths that we originally told you on 3/8/19 to put on the top shelf and to leave there, footage of the original eighths that were anywhere else they may have been stored in the dispensary
 - Footage of everywhere the quarantined items moved from the dispensary to any of the other locations they moved (Pahrump, Ali Baba, etc)
 - Every time it moved you must provide video footage, no exceptions
 - Provide the current exact location of all the original eighths, and provide manifests and video for all movements of these
 - Do not move the original eighths from where they are currently at. Do not sell or alter them in any way.
- Locate the manifests for all the original eighths that were originally purchased by the dispensary before the breaking down in to dime bags occurred

Thank you,

Elizabeth Perez
Inspector II
Marijuana Enforcement Division
Nevada Department of Taxation
555 E. Washington Ave. Suite 4100
Las Vegas, NV 89101-1046
Phone 702.486.5784
eperez@tax.state.nv.us



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From: Martin Romley [mailto:Martin.Romley@cwnevada.com]
Sent: Wednesday, March 13, 2019 5:04 PM
To: Elizabeth Perez <eperez@tax.state.nv.us>
Cc: Dell Hyland <Dell.Hyland@cwnevada.com>; Amy Sugden <amy@briancpadgett.com>; Brian Padgett <Brian.Padgett@cwnevada.com>; Brian Schwager <brian.schwager@cwnevada.com>; Connie Little <connie.little@cwnevada.com>; Noemie Derval <noemie.derval@cwnevada.com>; Karalin Cronkhite <kcronkhite@tax.state.nv.us>; Kimberly L. Wayman <kwayman@tax.state.nv.us>; Damon Hernandez <drhernandez@tax.state.nv.us>; pbady@nuveda.com
Subject: RE: Improper Handling of Product- Canopi 3rd St.

Hello Elizabeth, I understand your instructions. Sorry for my confusion.
Thank you.

Martin Romley
CWNeVada Compliance Officer
(702) 420-7550 ext 9009
(702) 420-7384 (fax)



From: Elizabeth Perez <eperez@tax.state.nv.us>
Sent: Wednesday, March 13, 2019 4:53:07 PM
To: Martin Romley
Cc: Dell Hyland; Amy Sugden; Brian Padgett; Brian Schwager; Connie Little; Noemie Derval; Karalin Cronkhite; Kimberly L. Wayman; Damon Hernandez; pbady@nuveda.com
Subject: RE: Improper Handling of Product- Canopi 3rd St.

Martin,

Do not move the product any more. See the email from Damon he just sent you.

Leave it where it is.

Where is it exactly?

Again, do not move it from where it is at this moment.

Elizabeth Perez
Inspector II
Marijuana Enforcement Division
Nevada Department of Taxation
555 E. Washington Ave. Suite 4100
Las Vegas, NV 89101-1046
Phone 702.486.5784
eperez@tax.state.nv.us



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From: Martin Romley [<mailto:Martin.Romley@cwnevada.com>]
Sent: Wednesday, March 13, 2019 4:40 PM
To: Elizabeth Perez <eperez@tax.state.nv.us>
Cc: Dell Hyland <Dell.Hyland@cwnevada.com>; Amy Sugden <amy@briancpadgett.com>; Brian Padgett <Brian.Padgett@cwnevada.com>; Brian Schwager <brian.schwager@cwnevada.com>; Connie Little <connie.little@cwnevada.com>; Noemie Derval <noemie.derval@cwnevada.com>; Karalin Cronkhite <kcronkhite@tax.state.nv.us>; Kimberly L. Wayman <kwayman@tax.state.nv.us>; Damon Hernandez <drhernandez@tax.state.nv.us>; pbady@nuveda.com
Subject: RE: Improper Handling of Product- Canopi 3rd St.

Hi Elizabeth, I'm truly sorry for the delay. I was never informed that the quarantine product was not to be moved from the dispensary. I wrongly presumed that the product in question was safer at a secure location outside our dispensary

storeroom. I am just waiting for the proper documents to be completed so that I can return the product to the dispensary. This will happen this afternoon. Once again, I apologize for the delay.
Thank you,

Martin Romley
CWNebraska Compliance Officer
(702) 420-7550 ext 9009
(702) 420-7384 (fax)



From: Elizabeth Perez <eperez@tax.state.nv.us>
Sent: Wednesday, March 13, 2019 9:05:56 AM
To: Martin Romley
Cc: Dell Hyland; Amy Sugden; Brian Padgett; Brian Schwager; Connie Little; Noemie Derval; Karalin Cronkhite; Kimberly L. Wayman; Damon Hernandez; pbady@nuveda.com
Subject: RE: Improper Handling of Product- Canopi 3rd St.

Martin,

Please move the quarantined product back immediately to the dispensary where we told you to leave it originally and notify us as soon as you do this.

Thank you,

Elizabeth Perez
Inspector II
Marijuana Enforcement Division
Nevada Department of Taxation
555 E. Washington Ave. Suite 4100
Las Vegas, NV 89101-1046
Phone 702.486.5784
eperez@tax.state.nv.us



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From: Kimberly L. Wayman

Sent: Tuesday, March 12, 2019 2:27 PM

To: Martin Romley <Martin.Romley@cwnevada.com>; Elizabeth Perez <eperez@tax.state.nv.us>

Cc: Dell Hyland <Dell.Hyland@cwnevada.com>; Amy Sugden <amy@briancpadgett.com>; Brian Padgett <Brian.Padgett@cwnevada.com>; Brian Schwager <brian.schwager@cwnevada.com>; Connie Little <connie.little@cwnevada.com>; Noemie Derval <noemie.derval@cwnevada.com>; Karalin Cronkhite <kcronkhite@tax.state.nv.us>

Subject: RE: Improper Handling of Product- Canopi 3rd St.

Hi Martin,

We specifically instructed them not to move anything, and took photos of where the product was sitting just for that purpose. Additionally, some of the product in question didn't actually come from your cultivation facility, so the other product should still be where we left it on that shelf.

The retail store employees informed us that the product was properly transferred in Metrc, and that it was just being repackaged there. Why would it go back to your cultivation at this point?

Thank you,

Kimberly Wayman, SCYM (ASCP)

Marijuana Inspector II

Marijuana Enforcement Division

Nevada Department of Taxation

555 E. Washington Ave #4100

Las Vegas, NV 89101

Phone: 702.486.5782

Cell: 702.379.1284

kwayman@tax.state.nv.us



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From: Martin Romley [<mailto:Martin.Romley@cwnevada.com>]

Sent: Tuesday, March 12, 2019 2:03 PM

To: Elizabeth Perez <eperez@tax.state.nv.us>; Kimberly L. Wayman <kwayman@tax.state.nv.us>

Cc: Dell Hyland <Dell.Hyland@cwnevada.com>; Amy Sugden <amy@briancpadgett.com>; Brian Padgett <Brian.Padgett@cwnevada.com>; Brian Schwager <brian.schwager@cwnevada.com>; Connie Little <connie.little@cwnevada.com>; Noemie Derval <noemie.derval@cwnevada.com>
Subject: Improper Handling of Product- Canopi 3rd St.

Hello Elizabeth & Kimberly,

It was a pleasure to meet you this past Friday, 3/8/19, at our Canopi 3rd St. location. I hope this email finds you well. Enclosed please find a statement from our Head of Security, Dell Hyland, as to the removal of the product in question and its present location. Mr. Hyland has also taken the proper steps to ensure that this type of incident will never happen again.

Please add his statement to the file along with the video and security incident report previously delivered to your office yesterday, 3/11/19.

I will await your determination as to the next steps to follow concerning the product in question.

Thank you,

Martin Romley

Compliance, CW Nevada, LLC.

Marty,

As per our conversation and upon the discovery of the product that was handled improperly at the location noted in the security report. Since your notification we have removed the product in question and transferred it back to our cultivation facility, where it has been quarantined until we get direction from the State as to how they wish us to proceed. We have now set a new SOP in place for security and compliance to ensure that any such actions are reported immediately and that all staff is clear on where product can be handled properly. We will continue to ensure that this type of action will never happen again in any of our locations, and that this is not permitted.

We again will wait for the State to advise as of what action they wish to take to ensure that it is safe to sell or destroy. Your immediate attention to this matter is appreciated in advance.

Thank you,

Dell Hyland

Director of Security

CW Nevada, LLC

Office - 702.420.7550 ext 9018

Mobile - 504.296.9187

Mobile - 702.406.1180

Martin Romley
CW Nevada Compliance Officer
(702) 420-7550 ext 9009
(702) 420-7384 (fax)



EXHIBIT 7

From: Mark Nichols mnichols@LasVegasNevada.GOV
Subject: Audit Letter Delivery -
Date: March 7, 2019 at 5:00 PM
To: amy@briancpadgett.com
Cc: pbady@nuveda.org



Ms. Sugden,

I have attached a document request for Canopi (3rd Street location). These documents are requested in addition to the items previously requested during the recently concluded audit. If an item on the attached letter has already been provided please make note of this fact when providing the balance of the requested items.

If you have any questions, need additional information, or would like to request an extension of time to submit the requested information please contact me via e-mail.

Thank you,



lasvegasnevada.gov



Mark Nichols | Business License Auditor
Department of Planning, Business License Division
333 N Rancho Dr., 6th Floor
Phone: 702-229-6813 | Fax: 702-464-2524
mnichols@lasvegasnevada.gov

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External Audit & Fiscal Control

Fill out the information below and send it in with your audit papers.

Check the boxes that apply to your business if any.

- ☐ Change of Owner(s) ☐ Change of Location
☐ Change of Mailing Address ☐ Change of Name

Business License No: _____
Establishment Name: _____
Business Hours Of Operation: _____
Business Owner(s) Name(s): _____
Business Address: _____
Business City, State: _____
Business Zip Code: _____
Business Phone: No: _____
Business Fax No: _____
Business Website: _____

If a separate mailing address is needed, please complete the following:

Attention: _____
Address: _____
City, State: _____

Zip Code: _____

Phone No: _____

Fax No: _____

E-Mail Address: _____

Signature stating that the information cited above is true and accurate.

Name: _____ Date: _____

Print Name: _____ Title: _____

City of Las Vegas, Department of Planning, Business Licensing Division,
333 North Rancho Drive, Development Services Center, 6th Floor, Las Vegas, NV 89106
Confidential Fax# (702) 464-2524 or Regular Fax# (702) 382-6642

Email - Telephone

**cmayes@lasvegasseveada.gov (702) 229-6941, mnichols@lasvegasseveada.gov (702) 229-6813
odennis@lasvegasseveada.gov (702) 229-6939, ramirez@lasvegasseveada.gov (702) 229-6378**



Canopi -
Docum...07).pdf

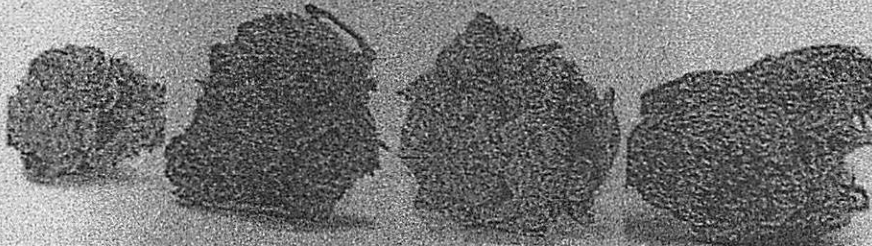
EXHIBIT 8

FLOWER DEPOT

NOW OPEN!

Home of the \$5 Gram & \$25 Eighths

With over 100 strains of your favorite Nevada Cannabis!



20% OFF

President's Day Weekend Sale

FEBRUARY 15th - FEBRUARY 18th

CANNOT BE COMBINED WITH ANY OTHER OFFERS.

MANAGEMENT RESERVES ALL RIGHTS.

FOR USE BY ADULTS 21 YEARS OF OLDER, KEEP OUT OF REACH OF CHILDREN.

1324 S. 3rd Street Las Vegas, NV 89104

11 AM - 9 PM

EXHIBIT 9

City of Las Vegas Business License Division

February 28, 2019

Case: BLE578634

15 DAY NOTICE

CANOPI
P.O. BOX 6255
PAHRUMP, NV 89041

Dear Canopi,

You were issued a Notice of Violation(s) for violation of the Las Vegas Municipal Code on 2/6/2019 with instructions to either pay the full amount or request a civil hearing using the form you were given within 10 days.

Please give this matter your immediate attention in the next (15) days by either contacting the Business License Office at (702) 229-6281 or in person to make payment arrangements or submit a hearing request.

Failure to respond within (15) days of this notice date set forth above will result in an additional penalty amount equal to the original fine amount(s) pursuant to LVMC 6.02.440. Your business license(s) also will not renew until these fees are paid.

PAYMENT OPTIONS:

ONLINE: <https://dscportal.lasvegasnevada.gov/DP/Views/AgencyLogin.aspx> - "License Inspection Fees" Use the BLE case number

By Mail (allow 5 days for mailing): Check or Money Order- notate the BLE case number to receive proper credit.

In Person: Check, Money Order, Credit Card, or Cash.

FEE DESCRIPTION	FINE	PENALTY	PAYMENTS	BALANCE
Ticket 199734A Issued on 02/06/2019	\$250.00	\$0.00	\$0.00	\$250.00
Reinspection, Administrative Fees and Other Civil Fines				\$349.00
Grand Total				\$599.00

KEEP THIS PORTION FOR YOUR RECORDS - DETACH AT DOTTED LINE

CITY OF LAS VEGAS
RETURN THIS STUB WITH MAIL PAYMENT

MAIL PAYMENTS | DEVELOPMENT SERVICES CENTER
333 NORTH RANCHO DR.
BUSINESS LICENSE DIVISION, 6TH FLOOR
LAS VEGAS, NV 89106

CUSTOMER | CANOPI
P.O. BOX 6255
PAHRUMP, NV 89041
BLE578634

CURRENT TOTAL DUE: \$599.00

ENCLOSED:

Make Checks Payable to: City of Las Vegas
Notate the BLE case number to receive proper credit.

EXHIBIT 10



City of Las Vegas

Business Licensing Division

333 N. Rancho Drive | 6th Floor | Las Vegas, NV 89106

AUD18-01276

Attention: Kay Ann Tysee
Canopi
710 Coronado Center Dr 121
Henderson, Nevada 89052

73 LADFNTP 89052



Project
Paid Class Mail
Business Prepaid



U.S. POSTAGE
\$5.000.45
01/27/2019

~~RECEIVED FEB 23 2019~~

RECEIVED FEB 27 2019



**LAS VEGAS
CITY COUNCIL**

CAROLYN G. GOODMAN
Mayor

LOIS TARKANIAN
Mayor Pro Tem

STAVROS S. ANTHONY
BOB COFFIN

STEVEN G. SEROKA
MICHELE FIORE
CEDRIC CREAR

SCOTT D. ADAMS
City Manager

DEPARTMENT OF PLANNING
ROBERT SUMMERFIELD
DIRECTOR

**DEVELOPMENT
SERVICES CENTER**
DEPARTMENT OF PLANNING
BUSINESS LICENSE DIVISION

333 N. RANCHO DRIVE
6TH FLOOR
LAS VEGAS, NV 89106
702.229.6281 | VOICE
702.382.6642 | FAX
711 | TTY



cityoflasvegas
lasvegasnevada.gov

February 25, 2019

Canopi
4145 W Ali Baba Lane, Ste. A
Las Vegas, NV 89118

RE: Canopi
1324 S. 3rd Street
M62-00012; P65-00136; G64-04895

Attention: Mr. Kirk Smith

Dear Owner/Licensee:

An Audit of the books and records of the above licenses was conducted for the period December 1, 2016 through June 30, 2018.

The audit revealed that the licensee under reported gross revenues by \$74,304.09 from charging the 3% city licensing fee to their customers. Per Chapter 268 of the Nevada Revised Statutes this fee is to be borne by the marijuana establishment. Additionally, unexplained under-reporting variances of \$52,938.55 were also noted. In total gross revenues were under-reported by \$127,242.64, as a result renewal fees were underpaid by \$3,817.28 plus 35% late penalties (\$1,336.04) and 1.5% interest per month from the month payment was due (\$476.53) for a total findings of \$5,629.85.

On December 3, 2018, a licensing fee was accepted in error which resulted in a \$500.00 credit on your account.

On February 6, 2019 enforcement case fees of \$349.00 were assessed.

These funds have been applied to the outstanding amount above resulting in a total due of \$5,478.85.

A related audit of your gross business license (G64-04895) disclosed no revenue reporting concerns.

Additionally, during the performance of the audit, the following procedural issues were noted:

Exceptions

Medical Marijuana Accounting Procedures; page 1, #4A & B

"Surveillance cameras must be directly positioned over the cash register and provide clear view over the:

- A. Area where the tender type (cash, debit card, credit card or checks) is exchanged between the buyer and seller; and
- B. The register, computer keys and scanner utilized to enter the sales information.

RECEIVED FEB 27 2019

Exceptions (continued)

Exception Noted: An examination of the surveillance coverage of the cashier area on September 1, 2018 disclosed that the cameras are not mounted directly above the cash registers. Additionally, the camera images were not of a sufficient quality to provide a clear view of the denomination of the fund or the register keys.

Medical Marijuana Accounting Procedures; page 2, #9A & 9a-b

"Voided receipts must contain the following:

- A. "Void" written on the receipt.
 - a. The reason for the void is documented on the receipt or other document (e.g., a log) sufficiently identifying the receipt.
 - b. Date and time of void on the receipt or other documentation."

Exception Noted: Discussions with the Store Manager on September 27, 2018 disclosed that the licensee does not write "VOID", the reason for the void, or the date and time of the void on the receipt or a log.

Medical Marijuana Accounting Procedures; page 3, #2.A.2-3

"Daily perform the following procedures:

- A. Examine all cashiering paperwork:

* * *

- 2. Examine all voids for authorization and "void" designation;
- 3. Verify propriety of unusual transactions.

Exception Noted: A discussion with the Compliance Manager and Chief Financial Officer on October 24, 2018 revealed that the voided receipts were not examined for proper authorization, the "void" designation, or the propriety of the transaction.

Medical Marijuana Accounting Procedures; page 3, #4A

"The following Monthly procedures must be performed:

- A. Review system exception reports for all computerized POS and inventory systems at least monthly for propriety of transactions and unusual occurrences. All noted improper transactions or unusual occurrences are investigated with the results documented.

Note: an exception report is defined as a report produced by the computerized system identifying unusual occurrences, changes to system configuration parameters, alteration to initially recorded data, voids, password changes, power outages, inventory adjustments, etc.

Exception Noted: A discussion with the Chief Financial Officer and Compliance Officer on November 14, 2018 revealed that the exception reports are reviewed by a corporate employee. However, the review and follow-up of unusual items is not documented.

Medical Marijuana Accounting Procedures; page 3, #4B

"The following Monthly procedures must be performed:

- B. Perform and document a physical count of the inventory and trace to computerized inventory records."

Exception Noted: A physical count of six (6) inventory items on September 27, 2018 disclosed that counted inventory amount (188) did not reconcile to the inventory system (184) for RSG Locomotion 3.5g. A review of the transaction history in MJ Freeway for the item disclosed multiple instances of a manual adjustment lowering the inventory amount. Furthermore, during the physical count it was noted that two bags containing the product had the wrong amount of items listed. Based on the above, proper inventory variance procedures are not being followed.

Medical Marijuana Accounting Procedures; page 3, #4C

"The following Monthly procedures must be performed:

- C. Inventory count must be completed by a minimum of two (2) employees with the date, time and signatures of employees documented."

Exception Noted: An examination of the September 1, 2018 monthly inventory disclosed that the document did not have the time or the signature of the second person involved in the inventory. A subsequent review of inventory paperwork for the period January 2017 through June 2018 confirmed that the licensee did not consistently document the required information.

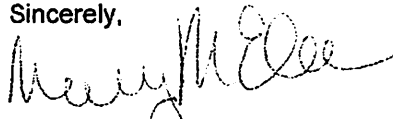
Suggested Procedural Modifications

A discussion with licensee personnel on September 27, 2018 revealed that the physical amount of funds counted are compared to the POS system's sales totals. However, an examination of the cashier check-out forms disclosed that the forms did not contain a variance line. It is suggested that the cashier check-out forms be updated to document the comparison of funds to the POS system sales totals.

Please provide a written response within ten days as to how the above noncompliance will be corrected.

If you have any questions relative to this audit, please contact Mr. Mark Nichols, Auditor, Business License, Department of Planning, at (702) 229-6813.

Sincerely,



Mary McElhone, Deputy Planning Director
Department of Planning

MM:CM:MTN:aud
Enclosure

Canopi
M62-00012; P65-00136
Testing Schedule
12/1/16 - 06/30/18

July - Dec 2016	Flower	Product	Total	Fees	Penalty (35%)	Interest	Total Due
Reported	53.8	104.08	157.88				
Sales per Records			-				
(over)/under Reporting Variance			(157.88)				
Fee Rate	5.0%	7.0%	7.00%				
Fees Under/(Over) Paid			(11.05)				
Jan - Jun 2017	Flower	Product	Total				
Reported	493,218.82	65,096.23	558,315.05				
Sales per Records			558,133.76				
(over)/under Reporting Variance			(181.29)				
Fee Rate	5.0%	7.0%	7.00%				
Fees Under/(Over) Paid		-	(12.69)				
Jul - Dec 2017	Medical	Retail	Total				
Reported	425,347.80	890,326.65	1,315,674.45				
Sales per Records			1,345,757.29				
(over)/under Reporting Variance	(425,347.80)	(890,326.65)	30,082.84	Fees (3%)	Penalty (35%)	Interest	Total Due
Fees Due - 3% City Fees Charged to Customer			40,372.72	\$ 902.49	\$ 315.87	\$ 148.91	\$ 1,367.27
Reporting Cycle Totals			70,455.56	\$ 1,211.18	\$ 423.91	199.84	1,834.93
				2,113.67	739.78	348.75	3,202.20
Jan - Jun 2018	Medical	Retail	Total				
Reported	177,906.07	930,284.09	1,108,190.16				
Sales per Records			1,131,045.87				
(over)/under Reporting Variance	(177,906.07)	(930,284.09)	22,855.71	Fees (3%)	Penalty (35%)	Interest	Total Due
Fees Due - 3% City Fees Charged to Customer			33,931.38	\$ 685.67	\$ 239.98	51.43	977.08
Reporting Cycle Totals			56,787.09	1,017.94	356.28	76.35	1,450.57
				1,703.61	596.26	127.78	2,427.65
Audit Period - Totals			\$ 127,242.65	\$ 3,817.28	\$ 1,336.04	\$ 476.53	\$ 5,629.85

Under-reported revenue from 3% City Fee Charged to Customer = \$74,304.10 (40,372.72 + 33,931.38)

Under-reported revenue - Unknown reason = \$52,938.55 (30,082.84 + 22,855.71)

Audit Summary
 (Gross Sales/Revenue Based License Fees)
 # AUD18-01276 MN
 CITY OF LAS VEGAS
 DEPARTMENT OF PLANNING
 BUSINESS LICENSING DIVISION
 333 NORTH RANCHO DRIVE, 6TH FLOOR
 LAS VEGAS, NEVADA 89106

Establishment:
Address: Canopi
 1324 S. 3rd Street
 Las Vegas, Nevada 89104
Business License: G64-04895
Date Audited: 11/20/18
Period Covered:
Beginning: 12/01/16
Ending: 06/30/18

License Due Date	Revenue Reported	Revenue Per Audit	License Fees Paid	License Fees Due	Difference Fees Due	Penalty	Interest	Additional Due Per Audit
12/01/16	New License	Pickup Fee	100.00	100.00	0.00	N/A	N/A	0.00
01/01/17	106.58	0.00	55.00	55.00	0.00	0.00	0.00	0.00
07/01/17	4,278.25	3,933.48	55.00	55.00	0.00	0.00	0.00	0.00
01/01/18	35,352.80	34,126.61	100.00	100.00	0.00	0.00	0.00	0.00
07/01/18	23,324.71	25,894.10	55.00	55.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00
			0.00	0.00	0.00	0.00	0.00	0.00
Totals:	63,062.34	63,954.19	365.00	365.00	0.00	0.00	0.00	0.00

Less: Prepaid Fee(s) or Pickup Fee billed/to be billed by Accounts Receivable
 Total adjusted audit fees due

\$0.00

EXHIBIT 11



STEVE SISOLAK
Governor
JAMES DEVOLLO
Chair, Nevada Tax Commission
MELANIE YOUNG
Executive Director

STATE OF NEVADA DEPARTMENT OF TAXATION

Web Site: <http://tax.nv.gov>
1550 College Parkway, Suite 115
Carson City, Nevada 89706-7937
Phone: (775) 684-2000 Fax: (775) 684-2020

LAS VEGAS OFFICE
Grant Sawyer Office Building, Suite 1300
555 E. Washington Avenue
Las Vegas, Nevada 89101
Phone: (702) 486-2300 Fax: (702) 486-2373

RENO OFFICE
4600 Kietzke Lane
Building L, Suite 235
Reno, Nevada 89502
Phone: (775) 687-9999
Fax: (775) 688-1303

HENDERSON OFFICE
2550 Paseo Verde Parkway, Suite 180
Henderson, Nevada 89074
Phone: (702) 486-2300
Fax: (702) 486-3377

Clark NMSD LLC
attn: Dr. Pejman Bady
2171 River Plate Dr
Pahrump, NV 89048

WARNING

TID No: 1017098441

YOU ARE HEREBY DIRECTED TO TAKE THE FOLLOWING ACTION(S) ON YOUR ACCOUNT at the Department of Taxation at the following location:

555 E. Washington Ave. #4100, Las Vegas, NV 89101 on or before February 15, 2019.

Come prepared to:

- ☒ File and pay Sales and Use Tax return(s) for months 10/18, 11/18, and 12/18
- ☒ File and pay Recreational Marijuana Tax return(s) for location 001 & 002, months 10/18, 11/18 and 12/18
- ☒ File and pay Modified Business Tax return(s) for quarters ending 09/30/18 and 12/31/18
- ☒ Pay outstanding liabilities now in the amount of \$91,035.86
- ☐ Furnish security in the additional amount of \$_____
- ☐ Replace payment for a check returned for insufficient funds in the amount of \$_____.
- ☐ Update your business name, location or status by revised application
- ☐ Other _____

THIS LETTER CONSTITUTES A "WARNING," CATEGORY I, FIRST OFFENSE, PER NAC 453D.905. FURTHER VIOLATIONS OF THE SAME TYPE(S) WILL RESULT IN DISCIPLINARY ACTIONS INCLUDING, BUT NOT LIMITED TO CIVIL PENALTIES, SUSPENSION OR REVOCATION OF YOUR REGISTRATION CERTIFICATE, LICENSE, OR BOTH.

NEVADA DEPARTMENT OF TAXATION

MARIJUANA ENFORCEMENT DIVISION

By

Date Issued 2/7/2019

Rachel Branner, Revenue Officer II
rbranner@tax.state.nv.us
(702) 486-5403 office

IF YOU ELECT TO MAIL YOUR PAYMENT FOR DELINQUENT TAXES, send the full amount due, along with a copy of this warning to the above address. Such remittance must be received in this office BEFORE your scheduled date.



Warning Lett
Revised 4/12/18

EXHIBIT 12

From: Rachel Branner <rbranner@tax.state.nv.us>
Subject: RE: Clark NMSD
Date: March 6, 2019 at 9:49:44 AM PST
To: pbady nuveda.org <pbady@nuveda.org>
Cc: Joe Kennedy <joe90275@gmail.com>

Good Morning Dr Bady, Mr Kennedy –

I wanted to give you a quick update this morning regarding the status of payment for Clark NMSD. The Department received payment for the outstanding liability (with the exception of approximately \$6,000 in penalties & interest) on 03/04/19. This morning, we received the Retail Marijuana Tax and Sales/Use Tax returns for January 2019, which were due on 02/28/19, without payment. According to the Department's conversation with Mr. Padgett, he will be remitting payment for those returns as well prior to 03/15/19.

Please let me know if any additional information is needed.

Thank you,

Rachel Branner, Revenue Officer II
Marijuana Enforcement Division
Nevada Department of Taxation
555 E Washington Ave Suite 4100
Las Vegas NV 89101
(702) 486-5403 ph.
(702) 486-2372 fax

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: pbady nuveda.org [mailto:pbady@nuveda.org] **Sent:** Friday, March 1, 2019 10:55 AM **To:** Rachel Branner <rbranner@tax.state.nv.us> **Subject:** Re: Clark NMDS

Thank you for the response.

I do not know if they have remitted the SUT and RMT for Jan.

I will get back to you on that by Tue.

From what I understand the guy who is in charge will be back on Monday.

Thank you again and please keep me posted on what I need to do.

P.

Dr. Pejman Bady
CEO, President
Pbady@NuVeda.org ☐ Ph 702-416-3892 ☐ Txt 310-863-4488

☐

☐☐

On Mar 1, 2019, at 8:49 AM, Rachel Branner
<rbranner@tax.state.nv.us> wrote:

Good Morning Dr Bady –

Brian Padgett has been in the process of securing funding to pay for the liabilities on Clark NMDS. It is my understanding that the loan he obtained is supposed to fund today, at which point he will be remitting payment. This should clear up any balance due that is owed for Clark NMDS.

However, I'm not seeing the RMT (Retail Marijuana Tax) or SUT (Sales/Use Tax) returns for January 2019 for Clark NMDS posted to the account. They were due yesterday, and sometimes it can take a few days for processing to input all the returns they've received at the end of the month. Do you happen to know if the returns/payments were remitted yesterday?

Thank you,

Rachel Branner, Revenue Officer II
Marijuana Enforcement Division
Nevada Department of Taxation
555 E Washington Ave Suite 4100
Las Vegas NV 89101
(702) 486-5403 ph.
(702) 486-2372 fax

This e-mail and any attachments are intended only for those to which it is addressed and may contain information which is privileged, confidential and prohibited from disclosure and unauthorized use under applicable law. If you are not the intended recipient of this e-mail, you are hereby notified that any use, dissemination, or copying of this e-mail or the information contained in this e-mail is strictly prohibited by the sender. If you have received this transmission in error, please return the material received to the sender and delete all copies from your system.

From: pbady [nuveda.org](mailto:pbady@nuveda.org) [<mailto:pbady@nuveda.org>] ☐ **Sent:** Friday, March 1, 2019 8:20 AM ☐ **To:** Rachel Branner
<rbranner@tax.state.nv.us> ☐ **Subject:** Clark NMDS

Ms. Branner.

Checking for any updates on the taxes?

I haven't heard anything from you guys.

P.

Dr. Pejman Bady

CEO. President

Pbady@NuVeda.org ☐ Ph 702-416-3892 ☐ Txt 310-863-4488

☐ <image001.png>

INDEMNIFICATION AGREEMENT

THIS INDEMNIFICATION AGREEMENT (the "Agreement") is made and entered into as of June 5th, 2018 between, C'WNevada, L.L.C, a Nevada limited liability corporation (hereinafter "C'W" or "Indemnitor"), and NuVeda, L.L.C, Dr. Pejman Bady and Dr. Pouya Mohajer (collectively "Indemnitees").

RECITALS

On December 3, 2015, Shane Terry and Jennifer Goldstein (collectively, "Plaintiffs") filed an action purportedly on behalf of NuVeda against Dr. Bady and Dr. Mohajer in Clark County District Court Case No. A-15-728510-B ("District Court Case"). The judge in the District Court Case ruled that the matter be sent to arbitration. As a result, Plaintiffs filed an arbitration action with AAA against the Indemnitees in Case No. 01-15-005-8574 (hereinafter "Arbitration Case"). On or about May 2, 2018, BCP 7, LLC purchased Shane Terry's interest in District Court Case and Arbitration Case, therefore, became a Co-Plaintiff with Ms. Goldstein.

It is reasonable, prudent and necessary for C'W contractually to obligate itself to indemnify the Indemnitees to the fullest extent permitted by applicable law so that they will be able to defend themselves in the District Court, Arbitration Cases and appeals thereof (hereinafter collectively, "Proceedings"). This Agreement is a supplement to and in furtherance of the Operating Agreement of C'W and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefor, nor to diminish or abrogate any rights of Indemnitees thereunder.

The parties hereto agree that each of the Recitals set forth above are true and correct and hereby incorporated into this Agreement by this reference and made as part hereof and further agree as follows:

INDEMNIFICATION OF INDEMNITEES

C'W hereby agrees to hold harmless and indemnify Indemnitees to the fullest extent permitted by law, as such may be amended from time to time. In furtherance of the foregoing indemnification, and without limiting the generality thereof:

- A. **Proceedings in the Arbitration and District Court Cases.** Indemnitees shall be entitled to the rights of indemnification provided in this Section if, as a result of the Proceedings, Indemnitees are ordered to pay "Expenses". "Expenses" are defined as judgments, penalties, fines, and amounts paid or ordered to be paid in settlement, actually and reasonably incurred by them or on their behalf, in connection with the Proceedings, or any claim, issue or matter therein.
- B. As C'W has agreed to indemnify the Indemnitees for Expenses in the Proceedings pursuant to the Terms listed in this Agreement, in consideration for such indemnity, C'W has the right to direct the litigation strategy of the Proceedings subject to any objections by Indemnitees or their respective counsel. C'W also shall be entitled to veto any settlement with Plaintiffs or payment of any judgment.
- C. **Terms of the Indemnification.** If Indemnitees are entitled under any provision of this Agreement to indemnification by C'W, C'W shall indemnify Indemnitees for the portion thereof to which Indemnitees are entitled. The parameters of the indemnity are as follows:
 1. For any Expenses (as defined in Section A. above) below \$5M, C'W agrees to completely indemnify Indemnitees;
 2. For any Expenses in excess of \$5M, C'W agrees to indemnify Indemnitees fifty percent (50%) of the Expenses. The terms and conditions of indemnification contained in this Provision (C)(2) are meant to be used in conjunction with Provision (C)(1) and are not to be construed as an exclusive.

PROCEDURES AND PRESUMPTIONS FOR DETERMINATION OF ENTITLEMENT TO INDEMNIFICATION

- A. To obtain indemnification under this Agreement, Indemnitees shall submit to C'W a written request, including such documentation and information as is available to Indemnitees and is reasonably necessary to determine whether and to what extent Indemnitees are entitled to indemnification. C'W shall upon settlement or award, and within thirty (30) business days upon receipt of such a request for indemnification, pay the Indemnitees the requested indemnification.
- B. In making a determination with respect to entitlement to indemnification hereunder, C'W shall presume that Indemnitees are entitled to indemnification under this Agreement.
- C. If C'W does not remit the indemnification amount to the Indemnitees within thirty (30) days after receipt by C'W of the request therefor, Indemnitees shall be entitled to file an action in Clark County District Court of the State of Nevada for Indemnitees entitlement to such indemnification. C'W shall not oppose Indemnitees' right to seek any such adjudication.
- D. The parties shall be precluded from asserting in any judicial proceeding to enforce this Agreement that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court that the parties are bound by all the provisions of this Agreement.

DURATION OF AGREEMENT

All agreements and obligations of CW contained herein shall continue during the period of the Proceedings, subsequent appeals and potential future Proceedings based upon the ruling on the appeals.

ENFORCEMENT

- A. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof
- B. In the event of any inconsistency or conflict between (i) this Agreement; (ii) CW's Operating Agreement; (iii) NuVeda's Operating Agreement; and (iv) the MIPA (collectively, the "Organizational Documents") with respect to indemnification, then the parties shall be bound by the provisions of this Agreement.

SEVERABILITY

The invalidity of unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision. This Agreement is intended to confer upon Indemnitees indemnification rights to the fullest extent permitted by applicable laws.

MODIFICATION AND WAIVER

No supplement, modification, termination or amendment of this Agreement shall be binding unless executed in writing by both of the parties hereto. No waiver of any of the provisions of this Agreement shall be deemed or shall constitute a waiver of any other provisions hereof (whether or not similar) nor shall such waiver constitute a continuing waiver.

NOTICE BY INDEMNITEES

Indemnitees agrees promptly to notify CW in writing upon being served with or otherwise receiving any relating to the Proceedings which may be subject to indemnification covered hereunder. The failure to so notify the CW shall not relieve CW of any obligation which it may have to Indemnitees under this Agreement.

NOTICES

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery, (b) electronic mail or facsimile, (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid, or (d) one (1) day after deposit with a nationally recognized overnight courier, specifying next day delivery, with written verification of receipt. All communications shall be sent to the addresses below.

COUNTERPARTS

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

GOVERNING LAW AND CONSENT TO JURISDICTION

This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada, without regard to its conflict of laws rules. CW and Indemnitees hereby irrevocably and unconditionally agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Clark County District Court (the "Nevada Court"). The prevailing party will be entitled to their attorney's fees.

SIGNATURES

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on and as of the day and year first above written.

Indemnitor

Indemnitees


CW Nevada, LLC.

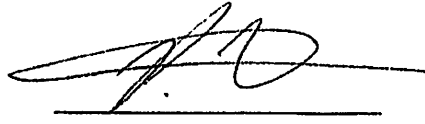

NuVeda, LLC

4145 W. Alibaba LN.

2771 River Plate Dr.

Las Vegas NV. 89118

Pahrump NV. 89048

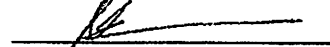


6/5/18

Dr. Pouya Mohajer

2700 Las Vegas Blvd S. #3311

Las Vegas, NV. 89109

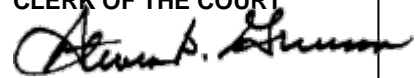


Dr. Pejman Bady

2700 Las Vegas Blvd S. #2709

Las Vegas, NV. 89019

EXHIBIT 9



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Nye Natural Medicinal Solutions, LLC, Clark Natural Medicinal Solutions, LLC, Dr. Pejman Bady,
Dr. Pouya Mohajer, and Joseph Kennedy*

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

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

Plaintiffs,

v.

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

Defendants.

AND RELATED MATTERS.

Case: A-17-755479-B

Consolidated Cases:

A-19-791405-C, A-19-796300-B, and A-20-
817363-B

Dept. No.: 13

**ERRATA TO
APPENDIX IN SUPPORT OF MOTION
TO ENFORCE
CWNEVADA INDEMNIFICATION
AGREEMENT OR ENJOIN JENNIFER
GOLDSTEIN FROM COLLECTION
ACTIVITY**

[EXHIBIT F]

NuVeda, LLC, a Nevada limited liability company, Clark NMSD, LLC, a Nevada limited liability company, Nye Natural Medicinal Solutions, LLC, a Nevada limited liability company, Clark Natural Medicinal Solutions, LLC, a Nevada limited liability company, Dr. Pejman Bady, Dr. Pouya Mohajer, and Joseph Kennedy, by and through counsel of record, Mitchell Stipp, Esq., of the Law Office of Mitchell Stipp, hereby files the above-referenced Errata to their Appendix in support of its motion. The original appendix failed to include **Exhibit F**.

EXHIBIT F

Fill in this information to identify the case:

Debtor Name NuVeda, LLC, a Nevada limited liability company

United States Bankruptcy Court for the: District of Nevada

Case number: BK-22-11249-abl

☐ Check if this is an amended filing

Official Form 425A

Plan of Reorganization for Small Business Under Chapter 11

02/20

Debtor's First Amended Plan of Reorganization, Dated September 6, 2022

[If this plan is for a small business debtor under Subchapter V, 11 U.S.C. § 1190 requires that it include “(A) a brief history of the business operations of the debtor; (B) a liquidation analysis; and (C) projections with respect to the ability of the debtor to make payments under the proposed plan of reorganization.” The Background section below may be used for that purpose. Otherwise, the Background section can be deleted from the form, and the Plan can start with “Article 1: Summary”]

Background for Cases Filed Under Subchapter V

5 "Description and History of the Debtor's Business

The Debtor is a Nevada limited liability company. The Debtor was involved in the cannabis industry through its ownership of subsidiaries licensed under Nevada law to operate dispensaries, production, and cultivation facilities. The Debtor divested itself of its interests through a membership interest exchange and contribution agreement made effective on June 12, 2019. The divestment was required so that these subsidiaries could enter into a subsequent transaction with Urban Leaf which was required to roll up the subsidiaries in a consolidation, merger or public offering.

The Debtor had disputes with former partners, including Jennifer Goldstein, Shane Terry, Phil Ivey and CWNevada, LLC, which were not resolved by the Cannabis Divestment. On November 15, 2019, Ms. Goldstein obtained a judgment against the Debtor in the amount of \$2,565,276.41, plus post-judgment interest. In January 2020, Ms. Goldstein obtained a charging order on all distributions arising from the Debtor's membership interests in its purported subsidiaries. In 2021, Ms. Goldstein served writs of execution on cannabis establishments in which the Debtor no longer had an interest. On March 7, 2022, Ms. Goldstein filed a motion with the Nevada state court seeking the appointment of a receiver for the Debtor. Faced with escalating litigation costs and complexity, on April 11, 2022 (the "Petition Date"), the Debtor filed a voluntary petition for relief under subchapter V of chapter 11 of the Bankruptcy Code in this Court. [ECF No. 1] The Debtor has continued and is managing its affairs as a debtor in possession pursuant to Bankruptcy Code section 1184. On April 14, 2022, Edward M. Burr was appointed as Subchapter V Trustee for the Debtor. [ECF No. 10]. No request has been made for the appointment of a chapter 11 trustee, an examiner or any official committee.

Debtor's reputation in the ~~See~~ ~~and~~ ~~A~~ industry made it an excellent vehicle to continue the medical research of Drs. Pejman Bady and Pouya Mohajer (principals of Debtor) and their desire to provide care to patients using cannabidiol (CBD), which does not contain tetrahydrocannabinol (THC)—the psychoactive ingredient found in cannabis that produces a "high" and is illegal under federal law. Drs. Bady and Mohajer believe CBD provides an excellent alternative to opioids, which are a class of prescription drugs used to reduce pain but have serious side effects and are often times abused by patients. This abuse has resulted in a public health emergency, which Drs. Bady and Mohajer believe can be combated by use of CBD as alternative. However, CBD shows limited bioavailability due to its lipophilicity and extensive first-pass metabolism. Drs. Bady and Mohajer believe VESIorb® technology will mitigate this effect and also significantly improve pharmacokinetic performance compared to standard industry practices. Debtor plans to capitalize on the research of Drs. Bady and Mohajer by producing, marketing, and selling a proprietary CBD VESIorb® formulation to medical care providers as a substitute for opioids delivered to clinics like PriMMed—a pain management facility owned and operated by Drs. Bady and Mohajer.

6 " Liquidation Analysis

To confirm the Plan, the Court must find that all creditors and equity interest holders who do not accept the Plan will receive at least as much under the Plan as such claim and equity interest holders would receive in a chapter 7 liquidation. A liquidation analysis is attached to the Plan as 91\ Mh%

7 " Ability to make future plan payments and operate without further reorganization

The Plan Proponent must also show that it will have enough cash over the life of the Plan to make the required Plan payments and operate the debtor's business.

The Plan Proponent has provided projected financial information as 91\ JVh&

The Plan Proponent's financial projections show that the Debtor will have projected disposable income (as defined by § 1191(d) of the Bankruptcy Code) for the period described in § 1191(c)(2) of \$1,416,766.

The final Plan payment is expected to be paid on or before December 31, 2026.

You should consult with your accountant or other financial advisor if you have any questions pertaining to these projections.

Debtor Name NuVeda, LLC, a Nevada limited liability companyCase number BK-22-11249-abl**Article 1: Summary**

This Plan of Reorganization (the *Plan*) under chapter 11 of the Bankruptcy Code (the *Code*) proposes to pay creditors of NuVeda, LLC, a Nevada limited liability company (the *Debtor*), initially from a \$500,000 loan and a \$500,000 equity investment by one or more of the Debtor's equity security holders, and thereafter with disposable income from the Debtor's operations. In addition, the Debtor's equity security holders will guaranty the payment of disposable income under the Plan in the total amount of \$1,416,766.

This Plan provides for:

1	classes of priority claims;
0	classes of secured claims;
1	classes of non-priority unsecured claims; and
1	classes of equity security holders.

Non-priority unsecured creditors holding allowed claims will receive distributions, which the proponent of this Plan has valued at approximately 43 cents on the dollar. This Plan also provides for the payment of administrative and priority claims.

All creditors and equity security holders should refer to Articles 3 through 6 of this Plan for information regarding the precise treatment of their claim. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. (If you do not have an attorney, you may wish to consult one.)**

Article 2: Classification of Claims and Interests

2.01 **Class 1** All allowed claims entitled to priority under § 507(a) of the Code (except administrative expense claims under § 507(a)(2), and priority tax claims under § 507(a)(8)).
[Add classes of priority claims, if applicable]

2.02 **Class 2** All non-priority unsecured claims allowed under § 502 of the Code.

2.03 **Class 3** Equity interests of the Debtor.

Article 3: Treatment of Administrative Expense Claims, Priority Tax Claims, and Quarterly and Court Fees

3.01 **Unclassified claims** Under section § 1123(a)(1), administrative expense claims, and priority tax claims are not in classes.

3.02 **Administrative expense claims** Each holder of an administrative expense claim allowed under § 503 of the Code, will be paid in full on the effective date of this Plan (or the date such claim is allowed, whichever is later), in cash, or upon such other terms as may be agreed upon by the holder of the claim and the Debtor.

Debtor Name NuVeda, LLC, a Nevada limited liability company Case number BK-22-11249-abl

- 3.03 **Priority tax claims** The Debtor is not aware of any priority tax claims. If any priority tax claim is allowed it will be paid consistent with § 1129(a)(9)(C) of the Code.
- 3.04 **Statutory fees** The Debtor is not responsible for any fees under 28 U.S.C. § 1930.

Article 4: Treatment of Claims and Interests Under the Plan4.01 **Claims and interests shall be treated as follows under this Plan:**

Class	Impairment	Treatment
Class 1 - Priority claims excluding those in Article 3	<input type="checkbox"/> Impaired <input checked="" type="checkbox"/> Unimpaired	The Debtor is not aware of any Class 1 Priority Claims. If any Class 1 Priority Claim is allowed, the holder thereof will be paid in full, in cash, upon the later of the effective date of this Plan, or the date on which such claim is allowed by a final non-appealable order. Class 1 is deemed to accept the Plan.
Class 2 – Non-priority unsecured creditors	<input checked="" type="checkbox"/> Impaired <input type="checkbox"/> Unimpaired	Each holder of a Class 2 Allowed general unsecured, non-priority claim shall receive its <i>pro rata</i> share of the sum of \$79,172.86 per calendar quarter, or such other amount as the Court may require at the confirmation hearing on the Plan and as consistent with §§ 1190 and 1191 of the Code, in full satisfaction of such claim; provided, however, that any holder of a Class 2 general unsecured claim who votes in favor of the Plan shall have agreed to the additional terms set forth on <u>Schedule 2</u> attached hereto. Quarterly payments shall commence on the 15th day of the third month following the Effective Date, and continue on the same date each calendar quarter thereafter for a total of 16 calendar quarters during the 48 month term of the Plan. Class 2 is entitled to vote on the Plan.
Class 3 - Equity security holders of the Debtor	<input type="checkbox"/> Impaired <input checked="" type="checkbox"/> Unimpaired	Each holder of Class 3 Equity Security Interests shall retain such Equity Security Interests consistent with the powers, rights, and restrictions imposed and granted under the Debtor's operating Agreement. Class 3 is deemed to accept the Plan.

Article 5: Allowance and Disallowance of Claims

- 5.01 **Disputed claim** A *disputed claim* is a claim that has not been allowed or disallowed, and as to which either:
- (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection on or before ninety (90) days after the Effective Date; or
 - (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated.
- 5.02 **Delay of distribution on a disputed claim** No distribution will be made on account of a disputed claim unless such claim is allowed.
- 5.03 **Settlement of disputed claims** The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

Article 6: Provisions for Executory Contracts and Unexpired Leases

Debtor Name NuVeda, LLC, a Nevada limited liability companyCase number BK-22-11249-abl**6.01 Assumed executory contracts and unexpired leases**

(a) The Debtor assumes the following executory contracts and unexpired leases as of the effective date:

(b) Except for executory contracts and unexpired leases that have been assumed, and if applicable assigned, before the effective date or under section 6.01(a) of this Plan, or that are the subject of a pending motion to assume, and if applicable assign, the Debtor will be conclusively deemed to have rejected all executory contracts and unexpired leases as of the effective date.

A proof of a claim arising from the rejection of an executory contract or unexpired lease under this section must be filed no later than 30 days after the date of the order confirming this Plan.

Article 7: Means for Implementation of the Plan

The Plan initially will be funded with a \$500,000 unsecured loan and a \$500,000 equity investment advanced on the Effective Date by one or more of the Debtor's equity security holders. The loan will have an interest rate of 9% per annum, and payments of principal and interest amortized over a 5-year term will be due monthly by the Debtor. In addition, the Debtor's equity security holders will guaranty the payment of Disposable Income under the Plan in the total amount of \$1,416,766.

The Debtor's managers as of the Petition Date will continue in such capacity post-confirmation.

Article 8: General Provisions**8.01 Definitions and rules of construction**

The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan.

8.02 Effective date

The effective date of this Plan is the first business day following the date that is 14 days after the entry of the confirmation order. If, however, a stay of the confirmation order is in effect on that date, the effective date will be the first business day after the date on which the stay expires or is otherwise terminated.

8.03 Severability

If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.

8.04 Binding effect

The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.

8.05 Captions

The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.

[8.06 Controlling effect

Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Nevada govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

[8.07 Corporate governance

The Debtor does not and shall not have any non-voting equity securities.

Debtor Name NuVeda, LLC, a Nevada limited liability companyCase number BK-22-11249-abl**[8.08 Retention of Jurisdiction**

The Bankruptcy Court shall retain jurisdiction following the Effective Date over all matters encompassed by 28 U.S.C. § 157(b)(2)(A)-(C), (L) & (O).

Article 9: Discharge

If the Debtor's Plan is confirmed under § 1191(a), on the effective date of the Plan, the Debtor will be discharged from any debt that arose before confirmation of this Plan, to the extent specified in § 1141(d)(1)(A) of the Code, except that the Debtor will not be discharged of any debt:

- (i) imposed by this Plan; or
- (ii) to the extent provided in § 1141(d)(6).

If the Debtor's Plan is confirmed under § 1191(b), confirmation of this Plan does not discharge any debt provided for in this Plan until the court grants a discharge on completion of all payments due within the first 3 years of this Plan, or as otherwise provided in § 1192 of the Code. The Debtor will not be discharged from any debt:

- (i) on which the last payment is due after the first 3 years of the plan, or as otherwise provided in § 1192; or
- (ii) excepted from discharge under § 523(a) of the Code, except as provided in Rule 4007(c) of the Federal Rules of Bankruptcy Procedure.

Article 10: Other Provisions

1. **Prepayment.** The Debtor may prepay any Allowed claims under the Plan in advance and without prepayment penalty.
2. **Modified Treatment.** A holder of an Allowed claim in any Class may voluntarily agree to a less favorable treatment of its claim than is as set forth in the Plan; provided, however, that such agreement must be in writing and signed by both the Debtor and that party.
3. **Interest.** No interest shall be paid under the Plan.
4. **Disallowance of Claims Not Allowed and Tardy Proofs of Claim.** The occurrence of the Effective Date shall operate to disallow and expunge any claims of any creditor who received actual notice of the Chapter 11 Case and that: (a) were not listed on the Debtor's filed bankruptcy schedules and for which no proof of claim was filed on or prior to the applicable bar date; (b) were listed on the Debtor's schedules as disputed, contingent or unliquidated, and for which no proof of claim was filed on or prior to the applicable bar date; (c) are the subject of a proof of claim for a pre-petition claim that was filed after the applicable bar date.
5. **Elimination of Vacant Classes.** Any class of claims that is not occupied as of the date of the commencement of the confirmation hearing by an Allowed claim or a claim temporarily Allowed under Bankruptcy Rule 3018 shall be deemed eliminated from the Plan for purposes of voting to accept or reject the Plan and for purposes of determining acceptance or rejection of the Plan by such class.
6. **Plan Distributions.** The Reorganized Debtor shall make all payments required under the Plan to creditors itself and directly.
7. **Compensation of Subchapter V Trustee.** The Subchapter V Trustee shall be entitled to reasonable compensation of fees for services rendered and reimbursement of actual and necessary expenses incurred through the Effective Date of the Plan pursuant to and consistent with § 330(a)(1) of the Code.
8. **Post-Confirmation Quarterly Reports.** From and after the Effective Date, the Debtor shall file post-confirmation quarterly operating reports until the case is closed consistent with the United States Trustee Chapter 11 Operating and Reporting Guidelines for Debtors in Possession for Region 17.
9. **Local Rule 3022 Inapplicable.** Local Rule 3022 shall not apply to this Debtor or this Plan, and thus this Chapter 11 Case will not be deemed fully administered 180 days after Plan confirmation pursuant to that Local Rule, and thus the Clerk shall not enter a final decree without further notice pursuant to that Local Rule.

Debtor Name NuVeda, LLC, a Nevada limited liability companyCase number BK-22-11249-abl

10. Plan Injunction. Except as otherwise provided in this Plan or in the Confirmation Order, as of the entry of the Confirmation Order, but subject to the occurrence of the Effective Date, all persons who have held, hold, or may hold claims against or interests in the Debtor and other parties in interest, along with their respective present or former employees, agents, officers, directors, principals, and affiliates, are permanently enjoined after the entry of the Confirmation Order from (i) commencing, conducting, or continuing in any manner, directly or indirectly, any suit, action, or other proceeding of any kind (including any proceeding in a judicial, arbitral, administrative, or other forum) against or affecting, directly or indirectly, the Debtor, the Reorganized Debtor, or the property of any of the foregoing, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing persons mentioned in this subsection (i) or any property of any such transferee or successor; (ii) enforcing, levying, attaching (including any prejudgment attachment), collecting, or otherwise recovering in any manner or by any means, whether directly or indirectly, any judgment, award, decree, or order against the Debtor, the Reorganized Debtor, or its property, or any direct or indirect transferee of any property of, or direct or indirect successor in interest to, any of the foregoing persons mentioned in this subsection (ii) or any property of any such transferee or successor; (iii) creating, perfecting, or otherwise enforcing in any manner, directly or indirectly, any encumbrance of any kind against the Debtor, the Reorganized Debtor, or any of its property, or any direct or indirect transferee of any property of, or successor in interest to, any of the foregoing persons mentioned in this subsection (iii) or any property of any such transferee or successor; (iv) acting or proceeding in any manner, in any place whatsoever, that does not conform to or comply with the provisions of this Plan to the full extent permitted by applicable law; and (v) commencing or continuing, in any manner or in any place, any action that does not comply with or is inconsistent with the provisions of this Plan.

11. Exculpation. To the fullest extent permitted by applicable law, neither the Debtor nor any of its representatives shall have or incur any liability to any holder of a claim or equity interest against the Debtor, or any other party-in-interest, for any act, omission, transaction or other occurrence occurring on or after the Petition Date in connection with or arising out of the Chapter 11 Case, the pursuit of confirmation of the Plan, or the consummation of the Plan, including without limitation, the administration of the Plan or the property to be distributed under the Plan, except and solely to the extent such liability is based on fraud, gross negligence, or willful misconduct as determined by a final order, but in all respects such persons shall be entitled to reasonably rely upon the advice of counsel with respect to their duties and responsibilities pursuant to the Plan. This exculpation is in addition to, and not in limitation of, all other releases, indemnities, exculpations, and any other applicable law or rules protecting such exculpated parties from liability.

12. Retention of Causes of Action/Reservation of Rights. Nothing herein or in the Confirmation Order shall be deemed to be a waiver or the relinquishment of any rights or causes of action that the Debtor or the Reorganized Debtor may have or which the Reorganized Debtor may choose to assert on behalf of their estate under any provision of the Code or any applicable nonbankruptcy law, including (i) any and all claims against any person or entity, to the extent such person or entity asserts a crossclaim, counterclaim, and/or claim for setoff which seeks affirmative relief against the Debtor, the Reorganized Debtor, or their officers, directors, or representatives and (ii) for the turnover of any property of the Debtor's estate. Nothing herein or in the Confirmation Order shall be deemed to be a waiver or relinquishment of any rights or causes of action, right of setoff, or other legal or equitable defense that the Debtor had immediately prior to the Petition Date, against or with respect to any claim left unimpaired by the Plan. The Reorganized Debtor shall have, retain, reserve, and be entitled to assert all such claims, causes of action, rights of setoff, and other legal or equitable defenses that they had immediately prior to the Petition Date fully as if the Chapter 11 Case had not been commenced, and all of the Reorganized Debtor's legal and equitable rights with respect to any claim left unimpaired by the Plan may be asserted after the Confirmation Date to the same extent as if the Chapter 11 Case had not been commenced. In accordance with § 1123(b)(3) of the Code, any causes of action that a Debtor may hold against any entity shall vest in the Reorganized Debtor in accordance with the terms hereof. The Reorganized Debtor shall have the exclusive right, authority, and discretion to determine and to initiate, file, prosecute, enforce, abandon, settle, compromise, release, withdraw, or litigate to judgment any such causes of action and to decline to do any of the foregoing without the consent or approval of any third party or further notice to or action, order, or approval of the Bankruptcy Court. No entity may rely on the absence of specific reference in the Plan to any cause of action against them as any indication that the Debtor or the Reorganized Debtor will not pursue any and all available causes of action against them. Unless a cause of action is expressly waived, relinquished, released, compromised or settled in the Plan, or any final order, the Debtor on behalf of itself expressly reserves all causes of action for later adjudication and, therefore, no preclusion doctrine, including, without limitation, the doctrines of res judicata, collateral estoppel, issue preclusion, claim preclusion, estoppel (judicial, equitable or otherwise) or laches shall apply to any causes of action upon confirmation or the Effective Date. The Debtor and the Reorganized Debtor expressly reserve all rights to prosecute any and all causes of action against any person or entity, except as otherwise expressly provided herein.

13. Exemption from Transfer Taxes. Exemption from Transfer Taxes. Pursuant to § 1146(c) of the Code, (i) the issuance, distribution, transfer or exchange of estate property; (ii) the creation, modification, consolidation or recording of any security interest, the securing of additional indebtedness by such means or by other means in furtherance of, or connection with the Plan or the Confirmation Order; (iii) the making, assignment, modification or recording of any lease or sublease; or (iv) the making, delivery or recording of any instrument of transfer under, in furtherance of, or in connection with, the Plan,

Debtor Name NuVeda, LLC, a Nevada limited liability companyCase number BK-22-11249-abl

Confirmation Order or any transaction contemplated above, or any transactions arising out of, contemplated by or in any way related to the foregoing shall not be subject to any document recording tax, stamp tax, conveyance fee, intangibles or similar tax, mortgage tax, stamp act or real estate transfer tax, mortgage recording tax or other similar tax or governmental assessment and the appropriate state or local government officials or agents shall be, and hereby are, directed to forego the collection of any such tax or assessment and to accept for filing or recordation any of the foregoing instruments or other documents without the payment of any such tax or assessment.

14. Procedure for Obtaining Discharge if Plan Confirmed Pursuant to § 1191(b). If the Plan is confirmed pursuant to § 1191(b) of the Code, then after completing all required payments under the Plan, the Debtor may seek a discharge pursuant to § 1192 of the Code by filing a motion with the Bankruptcy Court that is noticed for hearing and served on all creditors and parties in interest, with an opportunity to object, together with a declaration certifying that all payments required under the Plan have been made.

15. Immediate Binding Effect. Notwithstanding Bankruptcy Rules 3020(e), 6004(h), 7062, or otherwise, upon the occurrence of the Effective Date, the terms of this Plan Documents shall be immediately effective and enforceable and deemed binding upon and inure to the benefit of the Debtor, the Reorganized Debtor, the holders of Claims and Interests, and each of their respective successors and assigns.

16. Entire Agreement. The Plan, as described herein, and exhibits hereto, set forth the entire agreement and understanding of the parties hereto relating to the subject matter hereof and supersede all prior discussions and documents. No party hereto shall be bound by any terms, conditions, definitions, understandings or representations with respect to the subject matter hereof, other than as in expressly provided for herein or as may hereafter be agreed by the parties in writing.

17. Abandonment/Disclaimer. Effective upon the Effective Date, the Reorganized Debtor and the Estate shall automatically, without further action or approval, have abandoned and disclaimed any right, title, interest or claim in real or personal property, if any, involving any activities that are illegal under the Controlled Substances Act, which makes it illegal to use, possess, grow, and sell marijuana.

Respectfully submitted,

x

r. e man ad anager

[Signature of the Plan Proponent]

[Printed Name]

x

itchell tipp

[Signature of the Attorney for the Plan Proponent]

[Printed Name]

SCHEDULE 2 ALTERNATIVE CLASS 2 TREATMENT

Each Holder of a Class 2 general unsecured claim that votes to accept the Plan shall:

- i. Have its claim Allowed in the amount set forth below:

POC #1 (Jennifer Goldstein): Allowed Amount = \$2,921,656.55

POC #2 (Dotan Melech et al.): Allowed Amount = \$50,000.00

- ii. Receive on the Effective Date a pro rata share of an initial special distribution of \$500,000.00, which shall be in addition to payments of Disposable Income under the Plan.

iii. Receive a release, effective as of the Effective Date, on behalf of the Debtor, the Reorganized Debtor, and their respective heirs, executors, officers, directors, employees, investors, shareholders, predecessor and successor corporations, assigns, legal representatives, agents, successors in interest, and partners, including, without limitation, Pejman Bady, Pouya Mohajer, and Joseph Kennedy, in favor of such Holder and any of its respective officers, directors, employees, investors, shareholders, administrators, predecessor and successor corporations, assigns, legal representatives, agents, successors in interest, and partners, of and from any claim, duty, obligation, cause of action, action, right, judgment, obligation, demand, accounting, liability or damages arising on or before the Effective Date, whether presently known or unknown, suspected or unsuspected.

iv. Have granted a release, effective as of the Effective Date, on behalf of itself, and its heirs, executors, officers, directors, employees, investors, shareholders, predecessor and successor corporations, assigns, legal representatives, agents, successors in interest, and partners, in favor of the Debtor, the Reorganized Debtor, and any of their respective officers, directors, employees, investors, shareholders, administrators, predecessor and successor corporations, assigns, legal representatives, agents, successors in interest, and partners, including, without limitation, Pejman Bady, Pouya Mohajer, and Joseph Kennedy, of and from any claim, duty, obligation, cause of action, action, right, judgment, obligation, demand, accounting, liability or damages arising on or before the Effective Date, whether presently known or unknown, suspected or unsuspected; provided that the foregoing shall not release or otherwise affect such Holder's right to receive distributions under the Plan.

EXHIBIT 1

LIQUIDATION ANALYSIS

Consistent with the Debtor's Schedules of Assets and Liabilities [ECF No. 17], the Debtor does not anticipate that any value would be available for distribution to creditors in a liquidation under Chapter 7 of the Bankruptcy Code.

EXHIBIT 2

FINANCIAL PROJECTIONS

NuVeda					
5-years Projected Profit & Loss Statement					
	Years				Total
	1	2	3	4	
Growth in revenue (%)		15%	15%	15%	
Total Revenue from the Sale of Product	1,729,020	1,988,373	2,286,628	2,629,623	8,633,643
Less: Cost of goods sold					
Rent Expenses	60,000	60,000	60,000	60,000	240,000
Other fixed FOH	240,000	240,000	240,000	240,000	960,000
Supplies & Materials	86,451	99,419	114,331	131,481	431,682
Raw Materials & Ingredients	172,902	298,256	342,994	394,443	1,208,595
Shipping, Freight & Delivery	345,804	159,070	182,930	210,370	898,174
Lab Testing	259,353	238,605	274,395	315,555	1,087,908
Total Cost of goods sold	1,164,510	1,095,349	1,214,651	1,351,849	4,826,359
COGS (%)	67%	55%	53%	51%	56%
Equals: Gross Profit	564,510	893,024	1,071,977	1,277,774	3,807,284
Gross Profit (%)	33%	45%	47%	49%	44%
Less: Operating Expenses					
Advertisement & Marketing	86,451	99,419	114,331	131,481	431,682
Research & Development - Cost of study	75,000	-	-	-	75,000
Bank Charges & Fee	8,645	9,942	11,433	13,148	43,168
Cleaning Service	4,323	4,971	5,717	6,574	21,584
Insurance	15,000	15,000	15,000	15,000	60,000
Job Supplies	173	199	229	263	863
Meals & Entertainment	6,916	7,953	9,147	10,518	34,535
Medical	21,613	19,884	22,866	21,037	85,400
Membership Dues & Subscriptions	200	200	200	200	800
Office Supplies & Software	25,935	24,855	28,583	26,296	105,669
Payroll Expenses	172,902	149,128	171,497	157,777	651,304
Rent & Lease	86,451	49,709	57,166	65,741	259,067
Accounting Fee	2,000	2,000	2,000	2,000	8,000
Repairs & Maintenance	51,871	39,767	45,733	32,870	170,241
Shipping supplies & materials	34,580	39,767	45,733	39,444	159,525
Licenses	5,000	5,000	5,000	5,000	20,000
Utilities expenses	25,935	19,884	22,866	26,296	94,982
Misc. Expenses	17,290	9,942	11,433	13,148	51,813
Depreciation	-	-	-	-	-
Total Operating Expenses	640,285	497,620	568,933	566,795	2,273,633
Operating Profit	(75,775)	395,404	503,044	710,979	1,533,651
Less: Exit Financing Debt Service	41,635	33,857	25,349	16,044	116,886
Disposable Income	(117,410)	361,547	477,695	694,935	1,416,766
Less: Administrative/Priority Claims (including Class 1)	150,000				150,000
Less: General Unsecured Claims (Class 2)	316,691	316,691	316,691	316,691	
Payments Under Plan	466,691	316,691	316,691	316,691	1,266,766

EXHIBIT 10

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

November 21, 2022 09:00 AM Motion to Enforce CWNEVADA Indemnification Agreement or
Enjoin Jennifer Goldstein from Collection Activity

HEARD BY: Denton, Mark R. COURTROOM: RJC Courtroom 16D

COURT CLERK: Gutierrez, Kimberly

RECORDER: Gerold, Jennifer

REPORTER:

PARTIES PRESENT:

Brenoch Wirthlin Attorney for Defendant

Brian R. Irvine Attorney for Counter Claimant, Intervenor,
Other

Linvel J Coppedge Attorney for Counter Defendant, Receiver

Mitchell D. Stipp Attorney for Defendant, Plaintiff, Third
Party Plaintiff

JOURNAL ENTRIES

Arguments on the merits of and opposition to the motion presented by counsel. Mr. Wirthlin stated that he joins in Mr. Stipp's position. Colloquy regarding the motion being treated as a Motion for Summary Judgment, the procedural history of the case, the status of a corresponding bankruptcy matter, and the status of a corresponding case, case number A728510. Mr. Coppedge stated that counsel would be filing a stipulation as to Discovery in the coming weeks. COURT SO NOTED, stated its findings and ORDERED that the Motion to Enforce CWNEVADA Indemnification Agreement or Enjoin Jennifer Goldstein from Collection Activity as follows:

The portion of the motion as to the Motion to Enforce CWNEVADA Indemnification Agreement is in effect, considered a Motion for Summary Judgment and is ORDERED, DENIED WITHOUT PREJUDICE. COURT FURTHER ORDERED the portion of the motion as to Enjoining Jennifer Goldstein from Collection activity, DENIED WITHOUT PREJUDICE. Mr. Coppedge to submit the Order.