

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

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**EPMMNY LLC, suing on its own behalf and
derivatively as a member of NYCANNA LLC,**

Index No. 655480/2018

Plaintiff,

-against-

VERIFIED COMPLAINT

**NYCANNA, LLC f/k/a NEW YORK CANNA, INC.;
TERRADIOL MANAGEMENT COMPANY, LLC;
TERRADIOL OHIO, LLC, NYCI HOLDINGS LLC;
NEW AMSTERDAM DISTRIBUTORS, LLC;
IMPIRE STATE HOLDINGS, LLC; JOHN VAVALO;
DOMINIC FALCONE; DENNIS T. DUVAL; DINO
DIXIE; PATRICK HARVEY; PHILLIP HAGUE;
JEFFREY SCHEER, ESQ.; BOND, SCHOENECK &
KING, PLLC; ACREAGE NEW YORK, LLC,
F/K/A HIGH STREET CAPITAL PARTNERS, LLC,
and NY MEDICINAL RESEARCH & CARING, LLC,**

Defendants.

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Plaintiff EPMMNY LLC (“EPMMNY” or “Plaintiff”) suing on its own behalf and derivatively as a member of NYCANNA LLC (“NYCANNA”), by its undersigned attorneys, Woods Lonergan, PLLC, complaining of defendants NYCANNA, LLC f/k/a NEW YORK CANNA, INC., TERRADIOL MANAGEMENT COMPANY, LLC, TERRADIOL OHIO, LLC, NYCI HOLDINGS LLC, NEW AMSTERDAM DISTRIBUTORS, LLC, IMPIRE STATE HOLDINGS, LLC, JOHN VAVALO, DOMINIC FALCONE, DENNIS T. DUVAL, DINO DIXIE, PATRICK HARVEY, PHILLIP HAGUE, JEFFREY SCHEER, ESQ., BOND, SCHOENECK & KING, PLLC, ACREAGE NEW YORK, LLC, f/k/a HIGH STREET CAPITAL PARTNERS, LLC, NY MEDICINAL RESEARCH & CARING, LLC, (collectively, Defendants) respectfully alleges as follows:

NATURE OF THE ACTION

1. This action seeks a judgment of this court awarding Plaintiff EPMMNY legal damages and equitable relief based on Defendants' concerted efforts to, *inter alia*, breach their agreements and to fraudulently obtain Plaintiff's right and title to equity in defendant NYCANNA, LLC f/k/a NEW YORK CANNA, INC. (NY Canna), a successful applicant for a New York State medical cannabis business license to cultivate, manufacture medical cannabis products and dispense same through four (4) self-owned retail locations throughout the State; and derivatively on behalf of NYCANNA to restore to it the full ownership of, and benefits from, the New York State medical cannabis business license that was awarded to it, on or around May 2017.

2. As detailed herein, Plaintiff is suing Defendants on its own behalf and derivatively as a member and vested equity holder of twenty-five percent (25%) of the issued, outstanding and non-dilutable membership units of NY Canna -- despite Defendants' concerted and illegal efforts to deprive Plaintiff of its rightful twenty-five percent (25%) share ownership of all of the equity in NY Canna, a business entity valued in excess of One Hundred Million Dollars (\$100,000,000.00). Plaintiff was also designated as the operational manager of NY Canna by agreement entered into with its NY Canna partners, but was unlawfully divested of this promised position and income due therefrom, and stripped of all titles and management authority. This action has been brought to redress these several wrongs to Plaintiff and to NY Canna.

PARTIES

3. Plaintiff is a New York limited liability company with offices at 225 Broadway, Suite 613, New York, NY 10007, in New York County in the State of New York.

4. Defendant NY Canna is a limited liability company formed and existing pursuant to the laws of the State of New York with offices at 224 Harrison Street, Suite 700, Syracuse, New York, 13202.

5. Defendant NEW AMSTERDAM DISTRIBUTORS, LLC (NAD), is a limited liability company formed and existing pursuant to the laws of the State of New York with offices located at 224 Harrison Street, Suite 700, Syracuse, New York, 13202.

6. Upon information and belief, Defendant JOHN VAVALO (Vavallo) is a natural person residing at in the State of New York.

7. Upon information and belief, Defendant DOMINIC FALCONE (Falcone) is a natural person residing in the State of New York.

8. Upon information and belief, Defendant DENNIS T. DUVAL (Duval) is a natural person residing in the State of New York.

9. Upon information and belief, Defendant DINO DIXIE (Dixie) is a natural person residing in the State of New York.

10. Upon information and belief, Defendant PATRICK HARVEY (Harvey) is a natural person residing in the State of New York.

11. Upon information and belief, Defendant PHILLIP HAGUE (Hague) is a natural person residing in the State of Nevada.

12. Defendant JEFFREY SCHEER, ESQ. is an attorney practicing law in the State of

New York with offices located at One Lincoln Center, Syracuse, New York 13202-1355.

13 Defendant BOND, SCHOENECK & KING, PLLC is professional limited liability company operating as a law firm with offices located at 600 Third Ave 22nd Floor, New York, NY 10016.

14. Defendant TERRADIOL MANAGEMENT COMPANY, LLC, is a limited liability company formed and existing pursuant to the laws of the State of New York with offices located at 224 Harrison Street, Suite 700, Syracuse, New York 13202.

15. Defendant TERRADIOL OHIO, LLC, is a limited liability company formed and existing pursuant to the laws of the State of Ohio with offices located at 3800 Harmont Avenue NE, Canton, Ohio 44705.

16. Defendant ACREAGE NEW YORK, LLC is a limited liability company formed and existing pursuant to the laws of the State of New York with offices located at 366 Madison Avenue, 11th Floor, New York, New York, 10017, and is the successor to HIGH STREET CAPITAL PARTNERS, LLC, formerly a limited liability company formed and existing pursuant to the laws of the State of Delaware with offices located at 733 Third Ave, Suite 1623 New York, New York, 10017.

17. Upon information and belief, and according to numerous articles published on the "Acreage Holdings" website (acreageholdings.com), High Street Capital Partners, LLC did business as "Acreage Holdings," and Acreage New York, LLC now does business as "Acreage Holdings" in the United States as the successor to High Street Capital Partners, LLC. Accordingly, Acreage New York, LLC will be referred to herein as "Acreage Holdings."

18. Defendant NYCI HOLDINGS LLC, is a limited liability company formed and existing pursuant to the laws of the State of New York with offices located at 224 Harrison

Street, Suite 700, Syracuse, New York 13202.

19. Defendant IMPIRE STATE HOLDINGS, LLC is a limited liability company formed and existing pursuant to the laws of the State of New York with offices located at 875 3rd Avenue, New York, NY 10022.

20. IMPIRE State Holdings, LLC is a 50% member of NY Medicinal Research & Caring, LLC. The sole member of IMPIRE State Holdings, LLC is High Street Capital Partners, LLC. The managing member of IMPIRE State Holdings, LLC is High Street Capital Partners Management, LLC.

21. Defendant NY MEDICINAL RESEARCH & CARING, LLC (NYMRC), is a limited liability company formed and existing pursuant to the laws of the State of New York with offices located at 1265 Scottsville Road, Rochester, New York 14624. NYMRC is a 50% member of NYCANNA, LLC.

JURISDICTION AND VENUE

22. New York has personal jurisdiction over all Defendants pursuant to New York Civil Practice Law and Rules ("CPLR") § 301 and 302(a)(1) as all Defendants either reside in the State of New York, are businesses entities formed and existing pursuant to the laws of the State of New York, have offices in New York and/or transact business in New York. Further, the contracts, negotiations and regulatory applications giving rise to this suit were entered into and discussed entirely in New York.

23. Venue is proper in the County of New York as the principal place of business of Plaintiff EPMMNY and several Defendants is in the County of New York.

FACTS COMMON TO ALL CLAIMS

A. Overview of the Defendants' Scheme

24. This case concerns breaches of contract and a fraudulent scheme, in which all Defendants fully or partially participated, to induce EPMMNY's members to perform crucial tasks and provide valuable intellectual property for Defendants' collective benefit while depriving EPMMNY of all of the agreed consideration due to EPMMNY for same..

25. As detailed herein, Defendants conspired to deprive EPMMNY of the agreed twenty-five percent (25%) of all of the equity in NY Canna, that 25% share being conservatively valued at \$25 Million, while misappropriating EPMMNY's intellectual property and poaching EPMMNY's staff, while simultaneously depriving EPMMNY of the income and benefits of being NY Canna's Operational Manager. This action seeks legal and equitable damages on behalf of EPMMNY, including the recovery, restoration and restitution of its equity.

B. Plaintiff's Background and Formation

26. EPMMNY was formed to engage in the business of opening and operating licensed medical cannabis businesses. EPMMNY was formed by members who had previously applied for, received, and manage, cannabis business licenses in several States.

27. In or around March 2015, the New York State Department of Health (NYSDOH) issued a public notice stating that applications for licensed medical cannabis businesses would be entertained by the NYSDOH and set a filing deadline of June 5, 2015. The NYSDOH further announced that the applications would be graded and ranked, with the top five (5)

applicants awarded medical cannabis licenses. The remaining applicants were to be evaluated and awarded points based upon the merits of each application for later consideration.

28. David Feder, a New York-based attorney with substantial experience and valuable relationships in the legal cannabis industry, had long been preparing to apply for a New York medical cannabis business license at such time as NYSDOH was ready to entertain applications, and he was assembling a team to apply for and operate the business in New York.

29. Initially, Feder onboarded Malcolm Morrison, a veteran of the medical cannabis industry who had valuable experience preparing cannabis business license applications, and building-out and operating cannabis businesses. Mr. Morrison had worked previously with several companies who had successfully obtained cannabis business licenses in other States, and had valuable business contacts in the industry, including a Colorado-based company known as EdiPure, one of the industry's most well-known cannabis brands, operating successful cannabis businesses in several States.

30. Feder and Morrison knew that, although each State's medical and recreational cannabis application processes varied one from the other, State regulators tended to focus on certain aspects of details of an application. For instance, all States' applications contained sections requesting an applicant's operational background, cultivation methods, financial projections, security protocols and environmental impact statements.

31. By 2015, Morrison had compiled a sizeable inventory of intellectual property that was useful for any application for a medical cannabis license in any State.

32. Feder and Morrison then added additional members to the EPMMNY team.

These new members consisted of a Who's-Who of the medical cannabis field: (a) Philip Hague, a world-renowned medical cannabis cultivator, was a member; (b) Scott Bergin, CEO of EdiPure and a branding and medical cannabis industry veteran, who, like Morrison, had participated in cannabis business applications and operations, was a member; and (c) Ian DeQueiroz, a businessman with experience in the cannabis industry, was a member. EPMMNY also recruited and retained Paula Givens, a seasoned grant writer and attorney.

33. As a result of their varied and extensive background and experience, EPMMNY members were skilled cannabis industry practitioners who could not only ably prepare and foster an application through the rigorous review process, but could implement the plan described in the application and operate the cannabis business from cultivation, through processing and to distribution and sales.

34. With this team in place, Feder and Morrison had created EPMMNY (a rough acronym for EdiPure Medical Marijuana New York) to pursue a medical cannabis license in New York. With barely more than a month remaining to prepare and file the application, the EPMMNY team began assembling components of the application, and seeking financing partners to fund EPMMNY's New York medical cannabis project (the Project).

C. Plaintiff's Initial Contacts with Defendants

35. While the EPMMNY team began working diligently on the Project, Feder continued to secure many of the other elements needed to win the license, while concurrently reaching out to persons who could provide the necessary financing and local contacts needed for the Project and its associated real estate needs.

36. In late-April 2015, Feder was introduced through a colleague to James

Esposito, who had a military, law enforcement and security background. During their initial phone conversation Esposito represented that he was part of a team of individuals from upstate New York (organized under the business entity known as New Amsterdam Distributors, LLC [New Amsterdam], whose principal was John Vavalo) who wanted to get involved in the burgeoning medical cannabis industry and were planning to apply for a medical license on their own. However, during their initial phone conversation, after learning about Feder and Morrison and their team members' expertise and track record, Esposito recognized that EPMMNY had a high likelihood of being awarded one of the five highly competitive licenses and requested that Feder and Morrison meet with him at his office.

37. On or around May 1, 2015 Feder and Morrison met with Esposito at his office to open their playbooks to one another and learn about their respective team's abilities and plans. Esposito realized that New Amsterdam's current team and plan were unlikely to succeed against such highly qualified applicants as EPMMNY, and as a result, proposed that if the EPMMNY team would be willing to refrain from applying on their own (or participate in an additional application with another team), and instead, agree to join forces with New Amsterdam exclusively, his team could provide financing and local contacts, as well as political connections, a union agreement and targeted real estate.

38. When the parties first met in early May 2015, it became clear that, despite their representations to the contrary, neither Vavalo nor any of his partners at NY Amsterdam had any meaningful prior experience whatsoever in any medical or recreational cannabis business, nor the associated rigorous application process. While the NY Amsterdam members were eager to get involved and learn the cannabis industry, they were wholly

unprepared to develop a medical cannabis application or operate a medical cannabis business. For this, EPMMNY were the *sine qua non*, indispensable to the prospects the group had to obtain a medical cannabis license, and to thereafter run a successful and profitable medical cannabis business.

39. Rather than pay a consultant or other outside source millions of dollars to produce a quality application, shepherd the application through the NYS DOH bureaucracy and ultimately run the business (if the application was successful), New Amsterdam's members decided to partner with EPMMNY and divide the equity in a joint venture, as compensation for the contributions to be made by each party.

40. On or about May 8, 2015 Feder, Morrison, Esposito and Vavalo met and discussed forming a business partnership between EPMMNY and New Amsterdam to jointly pursue a medical cannabis application in New York. It was decided that a new entity, known as New York Canna, Inc. (NY Canna), would be the license applicant and, if successful, license holder.

41. The members of EPMMNY and New Amsterdam agreed that New Amsterdam would hold 75% of the equity of NY Canna while EPMMNY would hold an undilutable 25% of the equity of NY Canna. Both parties agreed that EPMMNY would contribute the application preparation and filing and, if awarded a license, control, be responsible for, and be compensated for operational aspects of the business. New Amsterdam, in turn, would provide financing and local contacts, as well as political connections, a union agreement and targeted real estate.

42. With the deadline to file the application looming less than a month away, the parties agreed to work together in good faith to perform their respective duties immediately,

based on their oral agreement and email exchanges, without a formal written shareholders' agreement in place. Esposito thereafter secured office space on Fifth Avenue in New York City for the start-up operations of NY Canna.

43. In or around mid-May 2015, Givens, on behalf of EPMMNY, went to Albany to begin working on the NY Canna application together with Michael Cooper ("Cooper"), on behalf of New Amsterdam. Shortly thereafter, Morrison joined them in Albany around May 22, 2015.

44. In or around mid-May 2015, Defendant Jeffrey Scheer, Esq. ("Scheer"), an attorney with the law firm Bond, Schoeneck and King, PLLC, based in Syracuse, New York was retained to perform legal services for NY Canna, including the drafting of a shareholders' agreement among the two NY Canna shareholders, New Amsterdam and EPMMNY.

45. On or about May 21, 2015, Attorney Scheer forwarded to the EPMMNY and New Amsterdam group a proposed term sheet for investment (the "Term Sheet") in NY Canna, including the proposed 75-25 equity split between New Amsterdam and EPMMNY.

46. As agreed, in exchange for New Amsterdam receiving three times the equity allotted to EPMMNY, the parties provided that (a) EPMMNY would be paid separate "bonus success" fees of \$50,000 for the grant writing (which it had already undertaken) (b) EPMMNY would be paid an additional \$600,000 to commence and oversee the management of the business operations for NY Canna for the first two (2) years, in the event a medical cannabis license was awarded and (c) the 25% equity share allotted to NY Canna would be "non-dilutable," so that, regardless of any new investments in NY Canna, EPMMNY would retain its 25% equity interest. It was decided and agreed that any new investments would be derived and deducted from New Amsterdam's 75% stake.

47. Unbeknownst to most of the EPMMNY members, at or around this time, members of New Amsterdam discreetly attempted to make “side deals” with certain EPMMNY members and consultants in an effort to lure them away from EPMMNY. Vavalo offered to pay Givens, separately and attempted to lure and “poach” her away from EPMMNY. Vavalo made the same overtures to Morrison. All of these offers were rebuffed by Morrison, who insisted he work with NY Canna only as a members and representative of EPMMNY.

D. Preparation of NY Canna Corporate Documents

48. When Feder learned of Vavalo’s underhanded approaches to Morrison and Givens – a harbinger of things to come – Feder began to insist that attorney Scheer expedite his production of the agreed corporate documents to memorialize the agreement that had been made by EPMMNY and New Amsterdam, which agreement was concurrently being substantially performed by EPMMNY in Albany and beyond. During May 2015, when the application was being prepared by EPMMNY and New Amsterdam, attorney Scheer and Feder worked on drafts of the NY Canna corporate documents, including corporate bylaws, subscription agreements and a shareholders’ agreement.

49. On June 3, 2015, attorney Scheer -- who was now performing legal services on behalf of NY Canna, of which EPMMNY owned 25% -- sent to Bergin and Feder several NY Canna corporate documents to review and edit to reflect the terms the parties had orally agreed to, including bylaws, subscription agreements (which clearly stated EPMMNY’s 25% stake in NY Canna), corporate resolutions and meeting minutes. The NY Canna Shareholders’ Agreement was conspicuously omitted from this group of organizational documents.

50. Feder then edited these documents, at attorney Scheer’s and New

Amsterdam's specific request, to further establish and clarify (a) EPMMNY's non-dilutable 25% share of equity in NY Canna and (b) EPMMNY's ongoing operational control of the NY Canna medical cannabis business operation, if successful in obtaining a NYSDOH license.

51. Feder responded to attorney Scheer by noting that the most important document, the Shareholders' Agreement, had not yet been forwarded, and that the Shareholders' Agreement needed to be completed before the June 5 application deadline two days away.

52. Instead of producing a Shareholders' Agreement, attorney Scheer requested that Feder instead revise the Term Sheet that he had previously sent to Feder (which expressly provided for EPMMNY's 25% share), and wrote on June 3, 2015 as follows:

David

I have not prepared the Shareholders Agreement yet, which is why I started with the Term Sheet. I understand that there are some additional terms that should be included in the Term Sheet (anti-dilution, specifically). If there are changes, please propose them. Given the time constraints, I suggest that we focus on the Term Sheet and specific terms therein, and we can work on a Shareholders Agreement after Friday.

Best, Jeffrey

53. Attorney Scheer's email further cemented EPMMNY's status as a non-dilutable 25% equity holder of NY Canna.

E. The Application Filing and Aftermath

54. While Feder and Attorney Scheer were working to memorialize the agreements between EPMMNY and New Amsterdam, all of the members of EPMMNY continued to make extraordinary efforts to meet the application deadline.

55. Throughout May 2015, and up until the June 5 deadline, while attorney Scheer prepared the corporate documents, real estate lease agreements, coordinated the background information of the team, and oversaw other non-cannabis elements of the application, the entire EPMMNY team worked steadily to compile the necessary medical cannabis-related elements of the application, which included much of the intellectual property EPMMNY brought to the Project. Morrison, the expert cannabis application writer, and Givens, the application editor, had taken up occupancy at a hotel in Albany, New York, to organize and complete the operational aspects of the application, with Feder and the rest of the EPMMNY team assisting remotely.

56. Notably, EPMMNY member Scott Bergin, using his cannabis business relationships, negotiated and purchased a high-quality template containing operating procedures (“SOPs”) for running the retail component of a medical cannabis business for the sum of \$10,000.00, as well as other SOPs which were critical factors towards the success of the application.

57. By June 5, 2015, all of the New Amsterdam members and all of the EPMMNY members had provided their background information and swore to the truth of the statements provided, and provided them to the application team for inclusion in the application, which then finalized the massive three thousand, three hundred and twenty-four (3,324) page NY Canna application.

58. Shortly before the 5pm submission deadline, attorney Scheer sent the final compiled draft of the corporate documents to Givens and Morrison to incorporate into the final application. Morrison and Givens immediately printed out the final application and made 9 copies (the NYSDOH required 1 original and 9 hard-copies to be submitted) and went

to physically hand in the 10 total copies of the completed application “books” to the Department of Health.

59. Throughout the application writing process, continuing after the submission of the hard copies, Scheer assured to Givens, Morrison and the rest of the EPMMNY team, that they would be provided a digital “thumb drive” copy of the final application.

60. Neither hard-copies of the complete submitted application nor the digital thumb-drive copy were ever supplied to EPMMNY or its members, and, since then, EPMMNY and its members have only had access to the highly redacted version of the application that is available to the public on the NYSDOH website.

61. In addition to describing the 75%-25% equity split between New Amsterdam and EPMMNY, as aforesaid, the NY Canna application included the following disclosures, among others, further establishing EPMMNY’s operational control over the business:

(a) Morrison, Bergin and Hague (all EPMMNY members) were listed as directors or officers or managers of NY Canna (Hague - Chief Product Officer, Bergin - Vice President and Director, Morrison – Director;

(b) In Appendix A, Feder (an EPMMNY member) was listed as Director of Operations;

(c) In Appendix A, DeQueiroz (an EPMMNY member) was listed as Managing Partner; and

(d) the EPMMNY and New Amsterdam Operating Agreements were included as exhibits.

62. Shortly after the submission of the application, Feder again contacted attorney Scheer to inquire about the status of the NY Canna Shareholders’ Agreement. Attorney

Scheer ignored Feder's inquiries. Instead, on June 9, 2015, Scheer wrote to the EPMMNY-New Amsterdam group and inquired about the other companies that had submitted medical cannabis applications. Nothing was mentioned about the long overdue and outstanding NY Canna Shareholders' Agreement.

63. On or about June 10, in a group email with all of the NY Canna members, Esposito wrote to attorney Scheer asking why, unlike most of the other medical cannabis applications that were formed as limited liability companies, NY Canna was formed as a corporation and not a limited liability company.

64. Attorney Scheer responded to the group that NY Canna was formed as a corporation because, unlike the other applicants which had hired outside consultants to write their application and other outside management teams to run their business, "we have active owners, helps with tax issues." Such statement directly acknowledged EPMMNY was an "active owner" and manager of NY Canna.

65. On July 2, 2015, responding to Feder's requests for a written Shareholders' Agreement for NY Canna to memorialize the oral agreement and written confirmations, attorney Scheer sent a reply email to Feder that stated as follows: "New York Canna Ownership: We have an agreement in principle that is reflected on the application materials. A follow-up discussion on the Term Sheet only took place late last week. I am working on revisions now that are consistent with the discussions that Scott, Malcolm, James and John had over dinner."

66. The specific NY Canna application materials referred to by Attorney Scheer in his July 2, 2015 email and submitted to the New York State Department of Health contained the following stated facts and disclosures:

Question 74.B

"New York Canna, Inc. ("New York Canna") is owned by two New York limited liability companies: New Amsterdam Distributors, LLC ("New Amsterdam"), and EPMMNY, LLC ("EPMMNY"). New Amsterdam has a business address of 381 Fifth Avenue, 5th Floor, New York, New York 10016. EPMMNY has a business address of 6 Trails Head, Hopewell Junction, New York 12533.

Both New Amsterdam and EPMMNY are holding companies which, as of the date of this application, conduct no activities other than the holding of shares in New York Canna. New Amsterdam holds 75 shares of New York Canna common stock, representing a 75% ownership interest. EPMMNY holds 25 shares of New York Canna common stock, representing the remaining 25% ownership interest in New York Canna..."

67. The NY Canna application submitted to the NYS DOH - to which attorney Scheer and all of the New Amsterdam members swore and certified as true -- also included the following statement solidifying EPMMNY's ongoing inclusion in the NY Canna business: "Together... Mr. Morrison and Mr. Bergin have helped design New York Canna's comprehensive operating plan, and will continue to make their extensive expertise, know-how, and connections in the medical marijuana industry available to New York Canna if it receives registration."

68. Later on July 2, attorney Scheer wrote to Feder and Givens in an apparent effort to placate their concerns:

Paula/David

New York Canna is a corporation - no Operating Agreement. There is a Certificate of Incorporation and Bylaws. The Bylaws are somewhat standard and were included in the package I sent to David yesterday. They may be revised based on the final version of the Term Sheet, which I'm working through, hopefully today. Coupled with the Bylaws will be Subscription Agreements from EPMMNY, LLC and from New Amsterdam Distributors, LLC to New York Canna which will provide additional evidence of the stock ownership. Again, these will be finalized at the same time as the Term Sheet. Right now, we have an agreement in principle and I'm working on the documents to get us all comfortable.

JBS

69. Despite such binding promises and assurances, Attorney Scheer failed and refused to provide the requested Shareholders' Agreements or a copy of the finalized application to Feder or any of EPMMNY's members.

70. On July 10, Attorney Scheer promised to "digitize the application and send it to the group or make it available on a secure cloud." Although attorney Scheer provided all NY Canna members with copies of the filing receipt signed by the NYSDOH indicating receipt of the application package, neither copies of the complete submitted application nor the digital thumb-drive copy were ever supplied to EPMMNY.

71. Thereafter, Feder continued to request that attorney Scheer complete the Shareholders' Agreement for NY Canna. Feder and the other EPMMNY members also requested full copies of NY Canna's submitted DOH medical cannabis application that had been promised by attorney Scheer.

72. On July 15, 2015, Feder wrote to attorney Scheer demanding copies of all of the parties' agreements and the entire NYSDOH medical cannabis application, which he had helped to prepare.

73. As a principal and member of EPMMNY, Feder was well within his rights to seek such documents, which comprised ordinary course business records of NY Canna.

74. Feder also sought the return of EPMMNY's valuable intellectual property, which EPMMNY had never agreed to provide as "work for hire." EPMMNY contributed its intellectual property to NY Canna for its usage, as a partnership contribution given EPMMNY's 25% vested equity membership in NY Canna.

75. Given their experience working for years in the recreational and medical

cannabis industry, EPMMNY's members knew that many companies that had submitted applications to the NYSDOH had paid substantial sums, in excess of \$1,000,000, for the type of intellectual property, application strategy, business acumen and reputation contributed to NY Canna's application by EPMMNY.

76. By this time, the members of EPMMNY began to fear for their investment and operational positions in NY Canna.

77. Rather than provide the requested documents, to which EPMMNY had a clear right, attorney Scheer continued his pattern of avoidance and obfuscation by responding to Feder's inquiries by such representations as follows:

David

You are a member of an LLC that is a shareholder of New York Canna. You are not an "owner of the company". The fact that you assisted with portions of the application do not give you "ownership" rights in the document. Many other people assisted with the application as well.

That said, the distribution of the full application is not my decision. It is a decision to be made by the officers and/or directors of New York Canna. I have provided you with portions of the application already and will seek guidance from the officers/directors of New York Canna with respect to the rest.

With respect to the Operating Agreement, I understand your concern and I am doing what I can to produce a fully signed document to you. Again, as I've told you, a signed version was submitted with the application.

Regards, Jeffrey

F. NY Canna is Awarded Sixth Place, but EPMMNY is Frozen Out

78. On or about August 1, 2015, the NYSDOH released the list of ranked applicants for a medical cannabis license in New York, the top five of which would be awarded licenses.

79. NY Canna came in sixth out of 43 applications submitted, which was disappointing, but which bode well for NY Canna's future, inasmuch as the NYSDOH had

intimated that the next five ranked applicants (6-10) would be in line to receive a license as soon as additional licenses were authorized by the NYSDOH.

80. As a result of finishing sixth, and with the prospect of being awarded a valuable medical cannabis license in the near future, NY Canna had the potential to become a very valuable business beginning in August 2015.

81. Unfortunately, as NY Canna became a potentially valuable entity, New Amsterdam, the 75% majority owner of NY Canna isolated and sought to disenfranchise EPMMNY, the 25% minority shareholder.

82. Once EPMMNY's members had brought the application project to fruition, the principals of the majority owner, New Amsterdam, simply deemed EPMMNY expendable and undertook a steady campaign, in coordination with attorney Scheer, to renege on their prior agreements with, and statements and promises to, EPMMNY.

83. NY Canna thereafter began to ignore corporate formalities, as neither Morrison, Bergin nor Feder were ever notified, apprised, consulted or advised of any NY Canna board or shareholder meetings, despite their status as officers, operation directors and board members of NY Canna.

84. New Amsterdam and its members further undertook to unilaterally change the corporate structure of NY Canna, transforming the entity into a limited liability company sometime in 2016, without the knowledge or consent of EPMMNY.

85. Throughout 2016, the principals of EPMMNY heard very little from attorney Scheer, Vavalo or anyone at New Amsterdam regarding NY Canna despite EPMMNY's repeated attempts to contact them. All of EPMMNY's requests for the long-promised shareholders' agreement were ignored or rejected.

86. In or around March 2016, Feder became aware that New Amsterdam's principals were taking a similar path with one of its members, Esposito. Upon information and belief, Esposito, a member of New Amsterdam from its inception, had filed a derivative lawsuit against New Amsterdam and its members alleging that those parties had undertaken to disenfranchise and marginalize him from New Amsterdam, much as they had with EPMMNY.

87. According to papers filed in the action Esposito v. Vavalo, et al., Supreme Court of the State of New York, County of New York, Index No. 651874/2016 (the Esposito Action), Esposito sought to preserve and recover equity in New Amsterdam that had been wrongfully taken from him by his majority partners. The Esposito Action included several of the defendants in this action, Vavalo, Falcone, Duval, Dixie and Harvey (the New Amsterdam Defendants), which shows a pattern and practice of minority shareholder oppression on the part of the New Amsterdam Defendants.

88. Later in 2016, attorney Scheer requested the tax identification number for EPMMNY, which he asserted was needed for a NY Canna tax filing.

89. Attorney Scheer's request once again confirmed and ratified EPMMNY's standing as a shareholder (now member) of NY Canna.

90. Aside from the aforesaid tax identification number request, by the end of 2016, it became even more apparent to EPMMNY that attorney Scheer and the New Amsterdam group were intent on disenfranchising and freezing EPMMNY out of the NY Canna business.

91. On November 20, 2016, principals of EPMMNY received notice from attorney Scheer that NY Canna was merging with another business known as NY Medicinal Research and Caring, LLC (NYMRC), a company that was providing financing for NY Canna, and that

EPMMNY's equity interest was being diluted by 50% to a 12.5% stake.

92. EPMMNY's members later learned that NYMRC was owned in whole or in part by defendant Acreage Holding's predecessor, High Street Capital Partners.

93. These actions were taken unilaterally by New Amsterdam, and the negotiations for same were never disclosed to, or authorized by, EPMMNY, and violated the agreement between New Amsterdam and EPMMNY that EPMMNY's 25% equity stake would not be diluted by additional investment.

94. In so doing, attorney Scheer and the New Amsterdam members had conspired with the incoming investors, including defendants NYMRC, NYCI Holdings LLC (NYCI), Impire Holdings LLC (Impire) and Acreage Holdings, to illegally divest EPMMNY of its holdings in NY Canna and split their ill-gotten gains amongst themselves.

95. It was also around this time, the end of 2016, that NY Canna and the New Amsterdam Defendants were actively seeking to induce Hague, DeQueiroz and Givens to abandon their agreements with EPMMNY and go to work exclusively for NY Canna and its spinoffs, including the Terradiol Group of companies.

96. On December 1, 2016, Feder responded to the purported merger notice by (a) rejecting the merger notice outright as a sham, and (b) demanding to inspect NY Canna's books and records.

97. Rather than provide the requested information, attorney Scheer wrote to Feder as follows:

David

New York Canna will not be providing the information requested until we are able to meet, in person, to review the current status and the current situation. A meeting is going to give us an opportunity to meet (since some of us have never met in person), to discuss the relationship, and to provide updates, as

appropriate, on the matters you have raised. Further, once the meeting occurs, appropriate documentation and information may then be provided to you and your team.

98. On December 30, 2016, attorney Scheer sent Feder an email requesting that Feder sign a Certification form that the personal information submitted on Feder's Appendix A in the original NY Canna application was still accurate, and an Authorization form to conduct a background check on Feder. On January 6, 2017, Feder responded to attorney Scheer's request as follows:

Jeff,

I have no problem with your firm doing the submission on an attorney/client based confidentiality, however, inasmuch as you are wearing numerous hats in this transaction, it may be inappropriate for you to be personally involved in that submission. Please give a name of an attorney in your firm to whom I can send it to in confidentiality. On that note, I'd appreciate your identifying the various hats you personally wear in the various entities in this transaction.

I have not heard from you, as of yet, as to whether this request for an additional certification and background check is being asked only of EPMMNY members, or is your group also going through the same additional process? If it is only the EPMMNY group, please explain why.

Finally, with regard to the new certification, please explain the January 10, 2017 deadline, by advising its origin and supplying me with documentation confirming same.

I remind you that about a year ago, in response to your proposed drafts of documents for New York Canna, I sent you revised versions of same, in order to conform to the terms we had agreed to at that time, and have been patiently awaiting your response to them since then. I sent you a reminder of those documents as recently as last month, but have still not received a response from you regarding same.

Please be reminded that the members of EPMMNY are anxiously awaiting our opportunity to execute an appropriate subscription agreement, setting forth the actual terms agreed to and will execute the ones prepared by me, if we don't hear from you.

Inasmuch as you know that we are ready to execute that agreement forthwith,

I cannot understand your continued refusal to supply us with copies of the documents Phil and I have requested on behalf of EPMMNY numerous times.

I anticipate hearing from you forthwith, regarding the name of the attorney in your firm to whom I should send my certification, and your response with regard to the corrected drafts I sent you last year.

99. Attorney Scheer concluded the exchange on January 6, 2017 as follows:

David

In response to your email:

1. Certification and Authorization/Background Check:

a. The documents that were sent to you last week were sent to all of the individuals who completed an Appendix A for New York Canna's initial submission of its application to be a registered organization last June (June 5, 2015 to be exact). No one individual, or group of individuals, was singled out.

b. After discussion with Dennis DuVal, the Certifications and Authorizations will be provided to Dennis, who will coordinate the background checks. There is no reason to run it through my office. The return of this document, and validation of the information on the Appendix A, is a condition of continued involvement with New York Canna. We cannot be in a position where a stakeholder (or potential stakeholder) is not qualified in accordance with New York law and regulations.

c. The January 10, 2017 date was determined by the New York Canna management team (John Vavalo and Dennis DuVal), based on certain expectations/indications from outside sources.

2. EPMMNY Subscription Agreement:

a. The revised documentation that you provided to me on June 4, 2015 was not agreed upon or accepted.

b. Shortly after the submission of the application on June 5, 2015, a Term Sheet was provided to EPMMNY, which has never been accepted or executed, despite numerous attempts to do so.

c. As a result of the efforts of the New York Canna management team over the past year and a half, and the terms of an outside investment, a revised subscription agreement was provided to EPMMNY on November 16, 2016 (you have a copy of that email and attachments already). That is the only offer

that is on the table at the moment. All previous offers and discussions are no longer valid.

A meeting is scheduled to take place in my office in Syracuse on January 11, 2017 at 11 AM to review the current status and the current situation. We have been trying to schedule this meeting for over a month. I do know that certain members of your team are planning on being in attendance. I prefer that our discussions on this matter take place, in person, on January 11, 2017. I believe that will be most productive for everyone.

100. By this email, Attorney Scheer effectively notified EPMMNY that it was not only frozen out of NY Canna, but that EPMMNY was totally disenfranchised.

101. Notwithstanding New Amsterdam's corporate maneuverings, which Feder rejected, Feder nonetheless cooperated in providing the requested limited certifications and authorizations requested by attorney Scheer.

102. Despite their standing as members, officers and directors of NY Canna, no member of EPMMNY, nor EPMMNY itself, were ever provided any notices of any meetings of the NY Canna board or shareholders and – as far as EPMMNY members knew -- no vote was taken to determine the direction of the NY Canna business, and no resolutions were adopted or passed authorizing EPMMNY's dilution or the merger with NYMRC.

103. Subsequently, at a meeting on January 11, 2017, between Hague and DeQueiroz on behalf of EPMMNY and, John Vavalo, Dennis Duval and Dominic Falcone on behalf of New Amsterdam, Vavalo advised EPMMNY's members that, in derogation of the prior oral and written agreements made by the New Amsterdam members, and confirmed by their attorney representative Scheer, EPMMNY's interest in NY Canna was being decreased by half, to 12.5% of NY Canna's outstanding stock, without approval, agreement or consideration of any kind. EPMMNY and its members were further to be deprived of their management fees from the business.

104. At that same meeting, in exchange for side deals that NY Canna would make with Hague and DeQueiroz directly, wherein they would both receive financial benefits (for Hague to operate the cultivation as an independent contractor/employee, and for DeQueiroz's separate company to provide and operate the extraction equipment independently from EPMMNY), Vavalo persuaded Hague and DeQueiroz to forego their fiduciary duties as managing members of EPMMNY, - to represent and pursue the interests of EPMMNY, and instead to try to convince their EPMMNY partners to accept the terms of this "new deal."

105. The following month, February 2017, unbeknownst to EPMMNY or its members, attorney Scheer and the New Amsterdam majority shockingly submitted a revised medical cannabis application to the NYSDOH on behalf of NY Canna.

106. This revised application - which is a sworn document and purports to accurately disclose the ownership interests of NY Canna - falsely states as follows, in pertinent part:

Description of Corporate Restructuring:

New York Canna, Inc. was initially formed on April 24, 2015. The initial shareholders of New York Canna, Inc., as stated in the original Application, were intended to be New Amsterdam Distributors, LLC (a New York limited liability company; "NAD") and EPMMNY, LLC (a New York limited liability company; "EPMMNY"). However, NAD and EPMMNY were unable to reach an agreement as to EPMMNY's contributions to the operating entity and the terms of investment. Accordingly, the terms of EPMMNY's equity were never finalized and the entity is not included as a stakeholder of the applicant going forward. Therefore, the sole shareholder of New York Canna, Inc. prior to any of the events described below was New Amsterdam Distributors, LLC.

107. This breathtakingly deceptive declaration by attorney Scheer and NY Canna's principals is an outright admission that they had misappropriated and stolen EPMMNY's

entire 25% equity stake in NY Canna, and redistributed the shares amongst themselves and others, including defendants NYMRC, NYCI, Impire and Acreage Holdings, and further confirms both the contractual breaches and the brazen fraud and conspiracy they perpetrated on EPMMNY.

108. Around the same time, EPMMNY members learned that Philip Hague – a member and manager of EPMMNY – had defected from EPMMNY, and begun working for NY Canna directly, in derogation of his fiduciary and good faith duty owed EPMMNY, as well as his specific commitments not to do so.

109. Vavalo and his comrades at New Amsterdam had not only stolen EPMMNY's equity in NY Canna but had poached its managing member and President as well.

110. Hague had long intimated to EPMMNY members that he had been approached several times by Vavalo and attorney Scheer to work “independently” of EPMMNY, but that he would not do so given his loyalty to EPMMNY and his status as its managing member and President.

111. At a team meeting, Hague informed the EPMMNY members of NY Canna's efforts to court specific investors (upon information and belief, NYMRC, NYCI, Impire and Acreage Holdings) who were prepared to invest into NY Canna, but required NY Canna to provide them with the specific build-out costs and plans for the proposed medical cannabis manufacturing facility before finalizing their investment. Hague admitted that NY Canna was pushing him to provide them with this information because, independent from EPMMNY, the New Amsterdam members had no cannabis business experience and were unable to provide same to the investors without EPMMNY-member assistance.

112. It was resolved at that time by all the EPMMNY members (including Hague)

that Hague would withhold said vital information so as to enable EPMMNY to be in a position to first resolve the issue of the Shareholder Agreement, and thereby protect its interests from NY Canna's attempt to dilute or otherwise jeopardize EPMMNY equity holdings.

113. Nonetheless, upon information and belief, Hague gave into the inducements, seduction and contractual interference by the New Amsterdam members and attorney Scheer, and betrayed EPMMNY and his partners at EPMMNY by assisting NY Canna in, and receiving compensation for: preparing the build-out costs associated with the undertaking for the investor; working with NY Canna's architects to design and build out the NY Canna cultivation facility; and overseeing and managing the build-out and operations of the cultivation operation -- all separate from, and independent of EPMMNY.

114. Hague's aforementioned critical assistance to NY Canna directly enabled it to successfully enter into agreements with the investors (NYMRC, NYCI, Impire, and Acreage Holdings) which entities conspired to misappropriate EPMMNY's ownership of NY Canna.

115. Hague's assistance to NY Canna and its affiliates also included making use of the proprietary medical cannabis standard operating procedures, equipment, build-out specifications, technology, systems and designs written and provided by EPMMNY for use in the NY Canna application.

116. This intellectual property belongs to EPMMNY, is highly valuable and EPMMNY has received no compensation or consideration for it, nor has EPMMNY given authority, license or title to Hague or NY Canna to make use of this intellectual property without consent of EPMMNY.

117. Upon information and belief, this intellectual property, as well as the other intellectual property disclosed in the NY Canna application, was then further exploited by NY

Canna and its affiliates for use on NY Canna's successor and co-defendant Terradiol Ohio LLC's application for a medical cannabis license on the State of Ohio.

G. Defendants Use EPMMNY's Contributions to Establish Separate Ventures

118. Once NY Canna finished in sixth place and was immediately eligible to be awarded a medical cannabis license by the NYSDOH, New Amsterdam's CEO, John Vavalo, began aggressively promoting his (and NY Canna's) alleged cannabis competency so as to expand the NY Canna business, using the intellectual property that had been contributed by EPMMNY, as well as the perceived "track record" of having won such a highly valuable and prestigious license.

119. Vavalo created a company known as Terradiol Management Company, LLC (Terradiol MC). Upon information and belief, the focus of Terradiol MC is to capitalize on the knowledge and expertise it had received from EPMMNY and its members, including Hague, the EPMMNY member who had defected, to own, operate, advise and direct other companies who seek medical and/or recreational cannabis licenses.

120. Vavalo and his partners at New Amsterdam have also created Terradiol Ohio, LLC (Terradiol OH), an entity that is applying for a medical cannabis business licenses in Ohio using the intellectual property and personnel, including Hague and Givens, plundered from EPMMNY, as well as the NY Canna license itself (then known as "Terradiol"), which they used to deceptively misrepresent their purported "track record" and experience in the cannabis industry.

121. EPMMNY's members are further advised that Vavalo has pirated EPMMNY's intellectual property for use by companies that have applied for medical cannabis licenses in

Pennsylvania and Maryland, among other jurisdictions.

H. NY Canna is Acquired by Acreage Holdings

122. In May 2017, the NYSDOH awarded NY Canna a license to operate a medical cannabis business in New York State, thereby exponentially increasing the value of NY Canna equity.

123. Prior thereto, in or around November 2016, Morrison met and began working with Kevin Murphy ("Murphy") and his company, High Street Capital Partners, LLC ("High Street") (now Acreage Holdings), consulting on High Street's cannabis projects in States such as Illinois and Massachusetts, assisting with the design, build-out and construction of their cultivation and manufacturing facilities.

124. During their initial meetings, and throughout his time working with High Street, discussions took place wherein Morrison disclosed to Murphy and his team that Morrison and his EPMMNY team had played indispensable roles in applying for a New York medical cannabis license, under the NY Canna application, and that they had successfully earned the 6th highest score in the State and were awaiting the receipt of their license so as to begin managing NY Canna as its 25% owner.

125. In September 2017, Feder learned from George Allen (Allen), then Chief Financial Officer (now President) of High Street, that High Street was searching for general counsel. Mr. Allen approached Feder, an attorney with experience in the cannabis industry, to determine if Feder was interested and if he would be a good fit for the position.

126. Feder, although interested in the concept of the opportunity, was concerned about a possible conflict of interest, as Feder had since learned that High Street was allegedly

an investor, or was considering investing, in NY Canna. Feder conveyed his concerns to Allen, and advised Allen that EPMMNY was a 25% equity shareholder of NY Canna, and that such situation would likely cause a conflict of interest in Feder's possible role as general counsel of High Street.

127. As such, High Street has known, or should have known, since a date no later than September 2017, but as early as November 2016, if not earlier -- through its current President, George Allen,; through its CEO, Kevin Murphy; or otherwise through the publicly available NY Canna application documents available on the NYSDOH website, which clearly states EPMMNY's ownership of 25% of NY Canna -- that EPMMNY claims a 25% equity share of NY Canna.

128. Upon information and belief, High Street, now existing as Acreage Holdings, has invested in NY Canna and has been allocated all or part of the NY Canna equity held by EPMMNY, for which EPMMNY was paid no consideration. High Street/Acreage Holdings invested in NY Canna with actual and constructive knowledge of EPMMNY's outstanding claims, rights and entitlements, and New Amsterdam's wrongful attempt to transfer EPMMNY's stolen equity.

129. EPMMNY's members have only recently learned that Acreage Holdings has purchased the remaining NY Canna equity held by New Amsterdam, leaving Acreage Holdings as the purported sole shareholder of NY Canna.

130. Acreage Holdings has also removed all remaining New Amsterdam officers, including Vavalo and Duval, from the management of NY Canna, thereby leaving NY Canna a mere shell of the company actually represented on the application to the NYSDOH, to be entrusted to operate a NYSDOH medical cannabis business, in accordance with the standard

operating procedures that the EPMMNY members developed and prepared.

131. At no time during the process of High Street's acquisition of NY Canna was EPMMNY ever consulted, advised or notified, nor did EPMMNY give its approval or consent thereto.

132. Upon information and belief, Acreage Holdings has since represented its alleged ownership and control over NY Canna – owner of one of the few coveted New York medical cannabis licenses -- to be one of the crowns in its cannabis business portfolio, which has wrongfully enabled Acreage Holdings to (a) successfully raise hundreds of millions of dollars from investors, (b) induce high profile persons to join their company as employees, advisors and board members, and (c) facilitate further investment from the general public by becoming a publicly traded entity on the Canadian stock exchange.

133. Acreage Holdings's current plan to "go public" is not through a traditional IPO, whereby the company would be required to disclose its financials and details of its assets. Such a process would inevitably reveal that Acreage lacks proper title to claim ownership of NY Canna's equity.

134. Instead, quite tellingly, Acreage Holdings has opted to go public through a "reverse merger" with a Canadian shell corporation, a process with far less scrutiny, thereby allowing Acreage to present a high profile (but highly unclear) story of their "holdings" for the public to buy into.

135. Although Acreage Holdings is not named on the supplemental NY Canna application as the direct owner of the NY Canna license, Acreage Holdings has represented its alleged control/ownership/management over NY Canna in order to raise money from the public based upon the value of Y Canna's coveted New York medical cannabis business

license.

136. EPMMNY's members understand that Hague remains in the employ of NY Canna, its successors and affiliates, including Acreage Holdings, managing and operating their New York medical cannabis business as well as others related cannabis businesses.

137. Notably, Acreage Holdings and its principals have established a pattern and practice of contractual breach and fraudulent conduct by inducing cannabis business professionals to perform valuable services, only to renege on promised consideration.

138. In the federal court action Silver, et al. v. High Street Capital Partners, LLC, et al., Eastern District of Pennsylvania, Docket No. 2:18-cv-00020-JP (the Silver Action), the plaintiffs alleged that defendant Acreage Holdings, through its prior incarnation as High Street, conspired "to dupe Plaintiff Harris Silver into helping them obtain a cannabis license from Pennsylvania and then cheat Mr. Silver out of the compensation they had agreed to pay him" (Case 2:18-cv-00020-JP, Document 1, Filed 01/03/18, Page 2 of 30).

139. The facts set forth in the instant Verified Complaint, in the Verified Complaint and affidavits submitted in the Esposito Action and in the Amended Verified Complaint in the Silver Action show a pattern of Defendants' actions against innocent victims. The allegations in the Esposito Action and Silver Action mirror the *modus operandi* employed by Defendants in this action: parties who find, retain and exploit cannabis industry professionals for their names, credibility, experience, expertise and intellectual property, to prepare applications and perform management and operational tasks, all the while fully intending to renege on promised compensation, so as to take all the credit of the success for themselves, and thereafter stripping the newly licensed company of any trace of the professionals represented in the submitted applications.

140. The pressure and chaos brought on by imminent filing deadlines provide cover for Acreage Holdings' subterfuge, much as with the New Amsterdam Defendants and attorney Scheer in the instant action. Then, once the application is filed and the license awarded, industry professionals like Silver, Esposito and EPMMNY and its members are expendable and tossed aside, and subsequently quieted by an off-record settlement

141. Such reprehensible and underhanded conduct is actionable at equity and at law and the perpetrators must face substantial legal exposure, as High Street learned in the Silver Action, and as the Defendants should learn from this Action.

FIRST CAUSE OF ACTION
(Breach of Contract for Ownership
Against Defendants New Amsterdam)

142. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 141 hereinabove as though they were fully set forth at length herein.

143. EPMMNY entered into a contract with defendant New Amsterdam, pursuant to which EPMMNY was to provide expertise, services and intellectual property for New Amsterdam's benefit in consideration for a non-dilutable twenty-five percent (25%) share of the equity of NY Canna as well as operational control and corresponding compensation.

144. EPMMNY performed its contractual duties, which resulted in NYSDOH awarding NY Canna a license to operate a medical cannabis business in New York State.

145. New Amsterdam breached the contract with EPMMNY by (a) failing to provide EPMMNY with 25% of the equity of NY Canna, (b) misappropriating EPMMNY's intellectual

property and (c) inducing EPMMNY's members to leave EPMMNY and work for NY Canna directly.

146. EPMMNY has sustained damages as a result of New Amsterdam's breach in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

SECOND CAUSE OF ACTION

(Breach of Contract for Management
Against Defendants New Amsterdam and NY Canna)

147. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 146 hereinabove as though they were fully set forth at length herein.

148. EPMMNY entered into a contract with defendants New Amsterdam and NY Canna, pursuant to which EPMMNY was to provide expertise, services and intellectual property for New Amsterdam's benefit in consideration for non-dilutable twenty-five percent (25%) of the equity of NY Canna as well as operational control and corresponding compensation.

149. EPMMNY performed its contractual duties, which resulted in NYS DOH awarding NY Canna a license to operate a medical cannabis business in New York State.

150. New Amsterdam and NY Canna breached the contract with EPMMNY by failing to provide EPMMNY with operational control of NY Canna and corresponding compensation.

151. EPMMNY has sustained damages as a result of New Amsterdam's breach in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

THIRD CAUSE OF ACTION

(Breach of the Duty of Good Faith and Fair Dealing
Against Defendants New Amsterdam and NY Canna)

152. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 151 hereinabove as though they were fully set forth at length herein.

153. By (a) failing to provide EPMMNY with 25% of the equity of NY Canna, (b) misappropriating EPMMNY's intellectual property and (c) inducing EPMMNY's members to leave EPMMNY and work for NY Canna directly, New Amsterdam and (d) misappropriating EPMMNY's operational control and compensation, defendants New Amsterdam and NY Canna breached the duty of good faith and fair dealing inherent in any contract undertaken in the State of New York.

154. EPMMNY has sustained damages as a result of New Amsterdam's breach in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

FOURTH CAUSE OF ACTION

(Breach of Fiduciary Duty
Against Defendant Hague)

155. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 154 hereinabove as though they were fully set forth at length herein.

156. By virtue of his status as co-member and manager of EPMMNY, defendant Hague owed EPMMNY and its other members a fiduciary duty.

157. Defendant Hague breached his fiduciary duty by, *inter alia*, abandoning his duties as a member of EPMMNY, violating his commitments to protect EPMMNY's interests, violating his duty of loyalty in his capacity as EPMMNY's Manager, leaving EPMMNY to perform services for Defendants and conveying EPMMNY's intellectual property to Defendants, thereby aiding them in misappropriating EPMMNY's interest in NY Canna.

158. EPMMNY has sustained damages as a result of Hague's breach in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

FIFTH CAUSE OF ACTION

(Diversion of Corporate
Opportunity Against Defendant Hague)

159. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 158 hereinabove as though they were fully set forth at length herein.

160. At all times mentioned herein, Defendant Hague was a member and officer of EPMMNY, and so was an EPMMNY corporate fiduciary.

161. Without the consent of his fellow members in EPMMNY, Defendant Hague diverted and exploited for his own benefit an opportunity that should be deemed an asset of EPMMNY.

162. The obligation of loyalty implied by the relationship between an officer and member of a limited liability company rests upon the rule that a person who undertakes to act for another shall not in the same matter act for himself.

163. Defendant Hague assumed for his own interest and benefit the opportunity offered and promised to EPMMNY to manage and operate the NY Canna business.

164. EPMMNY has sustained damages as a result of Hague's wrongful conduct in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

SIXTH CAUSE OF ACTION

(Breach of Fiduciary Duty Against Defendants
New Amsterdam Distributors, LLC, John Vavalo,
Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey)

165. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 164 hereinabove as though they were fully set forth at length herein.

166. By virtue of their status as co-members and/or managers of NY Canna, defendants New Amsterdam Distributors, LLC, John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey owed EPMMNY and its members a fiduciary duty.

167. Defendants New Amsterdam Distributors, LLC, John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie, Patrick Harvey breached their fiduciary duty by, *inter alia*, freezing EPMMNY out of NY Canna and depriving EPMMNY of its 25% equity stake in NY Canna.

168. EPMMNY has sustained damages as a result of New Amsterdam and John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey's breach in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

SEVENTH CAUSE OF ACTION

(Aiding and Abetting Breach of Fiduciary Duty
Against Defendants John Vavalo, Dominic Falcone,
Dennis T. Duval, Dino Dixie, Patrick Harvey,
Ian DeQueiroz, Mana Labs, LLC and Jeffrey Scheer, Esq.)

169. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 168 hereinabove as though they were fully set forth at length herein.

170. Defendant Hague breached the fiduciary duty owed EPMMNY and its other members, as aforescribed.

171. Defendants John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie, Patrick Harvey, Ian DeQueiroz, Mana Labs, LLC and Jeffrey Scheer, Esq. knew or should have known that Hague owed EPMMNY and its members a fiduciary duty.

172. Defendants John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie, Patrick Harvey, Ian DeQueiroz, Mana Labs, LLC and Jeffrey Scheer, Esq. knowingly induced and/or participated and/or aided and abetted the breach of fiduciary duty by Defendant Hague.

173. EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

EIGHTH CAUSE OF ACTION

(Aiding and Abetting Breach of Fiduciary
Duty Against Defendants Acreage Holdings,
New York Medicinal Research and Caring LLC,,
NYCI Holdings LLC and Impire State Holdings, LLC)

174. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 173 hereinabove as though they were fully set forth at length herein.

175. Defendant Hague breached the fiduciary duty owed EPMMNY and its members, as aforescribed.

176. Defendants New Amsterdam Distributors, LLC, John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey breached their fiduciary duty owed to EPMMNY and its members, as aforescribed.

177. Defendant Acreage Holdings knew or should have known that Hague owed EPMMNY and its members a fiduciary duty.

178. Defendants Acreage Holdings, NYMRC, NYCI and Impire State knew or should have known that defendants New Amsterdam Distributors, LLC, John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey owed a fiduciary duty owed to EPMMNY and its members.

179. Defendants Acreage Holdings, NYMRC, NYCI and Impire State knowingly induced and/or participated and/or aided and abetted the breach of fiduciary duty by Defendants Hague, New Amsterdam Distributors, LLC, John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie, Patrick Harvey, in order for it to gain financial benefit in the form of equity ownership in NY Canna, as well as bragging rights for its press releases during its process of "going public" through a reverse merger onto the Canadian stock exchange.

180. EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

NINTH CAUSE OF ACTION**(Unjust Enrichment Against All Defendants)**

181. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 164 hereinabove as though they were fully set forth at length herein.

182. At all times mentioned herein, Defendants knew or should have known that EPMMNY was a 25% equity partner in the NY Canna business venture. EPMMNY's members performed substantial services and provided valuable expertise and intellectual to NY Canna at Defendants' behest.

183. Defendants were enriched at EPMMNY's great expense and loss when EPMMNY was deprived of its 25% equity in NY Canna.

184. It is against equity and good conscience to permit Defendants to retain EPMMNY's 25% equity ownership stake in NY Canna and/or any successor companies without paying consideration to EPMMNY.

185. EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

TENTH CAUSE OF ACTION**(Conversion Against All Defendants)**

186. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 185 hereinabove as though they were fully set forth at length herein.

187. As set forth herein, EPMMNY has a possessory right to, or interest in, 25% of the equity ownership of NY Canna and/or its successors, as well as the intellectual property provided to NY Canna during the medical cannabis application process.

188. Defendants' collective dominion over EPMMNY's 25% equity stake in NY Canna and/or its successors and EPMMNY's intellectual property is in derogation of EPMMNY's rights and interests.

189. EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

ELEVENTH CAUSE OF ACTION

(Quantum Meruit Against All Defendants)

190. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 188 hereinabove as though they were fully set forth at length herein.

191. Members of EPMMNY performed valuable services as aforescribed at the behest of and for the benefit of Defendants in good faith, based on the Statements and promises made by Defendants.

192. Defendants accepted the services and/or received the benefits of the services rendered by EPMMNY's members without complaint or protest, and were enriched as a result. EPMMNY expected to be compensated therefor.

193. The reasonable value of such services is equal to the value of 25% of the equity of NY Canna and/or its successors but in no event less than One Hundred Million Dollars (\$100,000,000.00).

TWELFTH CAUSE OF ACTION

(Accounting Against NY Canna, New Amsterdam
Terradiol Management Company, LLC, Terradiol Ohio, LLC,
NYCI Holdings LLC and NY Medicinal Research & Caring, LLC)

194. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 193 hereinabove as though they were fully set forth at length herein.

195. As a rightful owner of 25% of the equity of NY Canna and its successors, EPMMNY has the right to an accounting of NY Canna's books and records, as well as those of its successors and alter egos, including Terradiol Management Company, LLC, Terradiol Ohio, LLC, NYCI Holdings LLC and NY Medicinal Research & Caring, LLC.

THIRTEENTH CAUSE OF ACTION

(Fraud Against All Defendants)

196. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 195 hereinabove as though they were fully set forth at length herein.

197. The many oral Statements and written representations made by Defendants contained in emails, letters and NYS DOH application materials, submissions and documents that EPMMNY (a) was a 25% owner of NY Canna equity and (b) would be responsible for ongoing operations of NY Canna were false representations of fact.

198. Defendants were aware that they had no intention of honoring or complying with such Statements when made, and that Defendants never had any intention of providing EPMMNY with 25% of the equity of NY Canna.

199. As a result thereof, such false statements of fact were false when made by Defendants, and were made by Defendants to induce EPMMNY's reliance thereupon.

200. EPMMNY's members justifiably relied on such Statements.

201. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

FOURTEENTH CAUSE OF ACTION
(Promissory Estoppel Against All Defendants)

202. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 201 hereinabove as though they were fully set forth at length herein.

203. Defendants clearly and unambiguously promised that EPMMNY owned a non-dilutable 25% interest in the equity of NY Canna, in return for the services and intellectual property of EPMMNY in the medical cannabis application process.

204. EPMMNY's members justifiably relied on such promises and agreements.

205. Defendants subsequently reneged on all such promises and agreements without justifiable reason or excuse.

206. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

FIFTEENTH CAUSE OF ACTION
(*De Facto* Merger Against Defendants
Terradiol MC and Terradiol OH)

207. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 206 hereinabove as though they were fully set forth at length herein.

208. Defendants Terradiol MC and Terradiol OH must be held liable and legally responsible for the torts, including fraud, committed by New Amsterdam and its members, officers, directors and affiliates against EPMMNY, as, upon information and belief,

(a) Terradiol MC/Terradiol OH and New Amsterdam have continuity of ownership;

(b) New Amsterdam has ceased ordinary business operations and is in the process of winding down and dissolving;

(c) Terradiol MC/Terradiol OH's assumption of the liabilities of New Amsterdam are necessary for the uninterrupted continuation of New Amsterdam's business; and

(d) there is a continuity of management, personnel, physical location, assets and general business operation between Terradiol MC/Terradiol OH and New Amsterdam.

209. Accordingly, EPMMNY demands that this Court find that Terradiol MC and Terradiol OH are the successors to and alter egos of New Amsterdam and therefore liable for the debts and liabilities of New Amsterdam.

SIXTEENTH CAUSE OF ACTION

*(De Facto Merger Against
Defendant Acreage Holdings)*

210. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 209 hereinabove as though they were fully set forth at length herein.

211. Defendant Acreage Holdings should be held liable and legally responsible for the torts, including fraud, committed by New Amsterdam and its members, officers, directors and affiliates against EPMMNY, as, upon information and belief,

(a) Acreage Holdings and New Amsterdam have continuity of ownership;

(b) New Amsterdam has ceased ordinary business operations and is in the process of winding down and dissolving;

(c) Acreage Holdings assumption of the liabilities of New Amsterdam are necessary for the uninterrupted continuation of New Amsterdam's business; and

(d) there is a continuity of management, personnel, physical location, assets and general business operation between Acreage Holdings and New Amsterdam.

212. Accordingly, EPMMNY demands that this Court find that Acreage Holdings is the successor to and alter ego of New Amsterdam and therefore liable for the debts and liabilities of New Amsterdam.

SEVENTEENTH CAUSE OF ACTION
(Illegal Freeze-Out Merger Against
NY Medicinal Research and Caring, LLC,)

213. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 112 hereinabove as though they were fully set forth at length herein.

214. The merger of NY Canna with NY Medicinal Research and Caring, LLC was undertaken without notice to EPMMNY, nor was EPMMNY offered the option of selling its 25% equity share to NY Canna at fair market value.

215. Following the merger between NY Canna and NY Medicinal Research and Caring, LLC, EPMMNY was frozen out of NY Canna, denied its rightful equity and eliminated from ongoing operations.

216. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

EIGHTEENTH CAUSE OF ACTION

(Misappropriation of Trade Secrets Against All Defendants)

217 Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 216 hereinabove as though they were fully set forth at length herein.

218. The intellectual property provided by EPMMNY to NY Canna during the medical cannabis application process constituted trade secrets. In fact, much of said trade secrets were identified as such during the application process during which sections of the application were redacted from the public version of the application and were accordingly marked "This Material is Exempt from FOIL Disclosure-Contains Trade Secrets and Critical Infrastructure Information" and/or "Redacted pursuant to N.Y. Public Officers Law, Art. 6."

219. EPMMNY provided the trade secrets to NY Canna based on the agreement with New Amsterdam that EPMMNY was entitled to 25% of the non-dilutable equity of NY Canna and would have operational control of NY Canna if awarded a license.

220. NY Canna, New Amsterdam, the New Amsterdam Defendants and their successors and affiliates are using EPMMNY's trade secrets in breach of their agreement, as NY Canna and New Amsterdam have not provided EPMMNY with 25% of the non-dilutable equity of NY Canna.

221. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

NINETEENTH CAUSE OF ACTION

(Fraudulent Conveyance
Against NY Canna)

222. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 221 hereinabove as though they were fully set forth at length herein.

223. EPMMNY is a creditor of NY Canna, as NY Canna has failed to pay EPMMNY any consideration for EPMMNY's 25% equity share and intellectual property, nor for the application submission work or the agreed management fee, though duly demanded.

224. Upon information and belief, NY Canna has since transferred and conveyed EPMMNY's 25% equity share, intellectual property and entitlement to manage and operate the Ny Canna business to other entities, including without limitation NYCI, Terradiol MC, Terradiol OH and Acreage Holdings.

225. Upon information and belief, such transfers were made at a time that NY Canna was not an operational entity and was insolvent.

226. Such transfers were made without fair consideration with the intent to defraud and hide such assets from EPMMNY.

227. Such transfers were made in violation of New York Debtor and Creditor Law §273-276, et al.

228. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

TWENTIETH CAUSE OF ACTION

(Declaratory Judgment Against All Defendants)

229. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 228 hereinabove as though they were fully set forth at length herein.

230. A justiciable controversy exists between Plaintiff and Defendants, to wit, Plaintiff's claim for 25% of the non-dilutable equity of NY Canna and/or its successors.

231. Plaintiff demands that this Court issue a judgment declaring that Plaintiff is the rightful owner of 25% of the non-dilutable equity of NY Canna, its affiliates and successors, including Terradiol MC, Terradiol OH, NYCI Holdings LLC, New Amsterdam, Impire State Holdings, LLC, Acreage Holdings., and NY Medicinal Research & Caring, LLC.

TWENTY-FIRST CAUSE OF ACTION

(Injunctive Relief Against All Defendants)

232. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 231 hereinabove as though they were fully set forth at length herein.

233. Plaintiff will suffer irreparable harm if the relief sought herein is not granted.

234. The equities balance in favor of Plaintiff as Plaintiff seeks only the lawful return of its 25% equity stake in NY Canna and/or successors and operational control of NY Canna. Defendants will suffer no harm or prejudice in the event the order is granted as requested.

235. Based on the foregoing, a preliminary and permanent injunction must be issued against each of the Defendants barring and prohibiting each of them from taking any action to convey or encumber any of the assets of NY Canna and/or its successors.

TWENTY-SECOND CAUSE OF ACTION

(Constructive Trust Against Defendants New Amsterdam,
John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey)

236. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 235 hereinabove as though they were fully set forth at length herein.

237. By virtue of their status as co-members and managers of NY Canna, defendants New Amsterdam Distributors, LLC, John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey owed EPMMNY and its members a fiduciary duty.

238. Said Defendants clearly and unambiguously promised EPMMNY a non-dilutable 25% interest in the equity of NY Canna in return for the services and intellectual property of EPMMNY in the medical cannabis application process.

239. EPMMNY transferred its intellectual property to NY Canna and said Defendants in reliance upon such promises.

240. Defendants were unjustly enriched as a result.

241. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

TWENTY-THIRD CAUSE OF ACTION

(Minority Shareholder Oppression and Freeze-Out Against New Amsterdam, John Valalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey)

242. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 241 hereinabove as though they were fully set forth at length herein.

243. As stated herein, the conduct of New Amsterdam and its members, as the majority owner of 75% of the equity of NY Canna, has substantially defeated EPMMNY's expectation to become a 25% non-dilutable equity owner of NY Canna. EPMMNY further reasonably expected New Amsterdam and its members to fulfill their fiduciary obligations to EPMMNY, the minority equity owner and to equally protect the interests of all of the members of NY Canna.

244. Objectively viewed, EPMMNY's expectation was both reasonable under the circumstances and was central to EPMMNY's decision to join the NY Canna venture.

245. New Amsterdam and its members have unlawfully oppressed and frozen out EPMMNY from NY Canna and its successors.

246. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

TWENTY-FOURTH CAUSE OF ACTION

(Legal Malpractice Against Defendants
Jeffrey Scheer, Esq. and Bond, Schoeneck & King PLLC)

247. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 246 hereinabove as though they were fully set forth at length herein.

248. Defendants Jeffrey Scheer, Esq., and his firm, Bond, Schoeneck & King PLLC represented NY Canna and the interests of its members, including EPMMNY, during the formation of NY Canna and throughout the NYS DOH medical cannabis application process.

249. Said Defendants were negligent and failed to exercise that degree of care, skill, and diligence commonly possessed and exercised by an ordinary member of the legal community, in that said defendants (a) failed to act or otherwise prevent EPMMNY from losing its 25% non-dilutable equity interest in NY Canna and intellectual property provided to the venture and (b) facilitated the participation of NY Canna in the illegal conduct described herein.

250. Such negligence was the proximate cause of the actual damages sustained by EPMMNY and NY Canna

251. But for said defendant's negligence, (a) EPMMNY would not have lost its 25% non-dilutable equity interest in NY Canna and intellectual property provided to the venture, and would have had operational control of NY Canna and (b) NY Canna would not have undertaken the illegal conduct alleged herein and which has exposed NY Canna to a substantial damages award.

252. As a result, EPMMNY and NY Canna have collectively sustained damages as a result in an amount to be determined at trial but in no event less than Two Hundred Million Dollars (\$200,000,000.00).

TWENTY-FIFTH CAUSE OF ACTION
(Tortious Interference with Potential
Business Opportunity Against All Defendants)

253. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 252 hereinabove as though they were fully set forth at length herein.

254. EPMMNY and New Amsterdam agreed that EPMMNY would maintain operational control of NY Canna, as EPMMNY's members, including Phillip Hague, possessed skills and expertise to perform such operative functions.

255. By luring Phillip Hague away from EPMMNY, Defendants New Amsterdam, the New Amsterdam members, Terradiol MC, Terradiol OH, NYCI Holdings LLC, New Amsterdam Distributors, LLC, Impire State Holdings, LLC, Acreage Holdings and NY Medicinal Research & Caring, LLC used wrongful means to deprive EPMMNY of a potential business opportunity, to wit, the operation management and control of the NY Canna business and corresponding compensation.

256. EPMMNY was further deprived of the potential business opportunity to operate the business by way of the sale of EPMMNY's ownership to Impire State Holdings, LLC, which new or should have known that the EPMMNY team was listed on the application as a 25% owner and that its members were listed as the operating personnel.

257. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

TWENTY-SIXTH CAUSE OF ACTION

(Tortious Interference with Contract
Against Defendant Acreage Holdings,
NYCI Holdings LLC and Impire State Holdings, LLC)

258. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 257 hereinabove as though they were fully set forth at length herein.

259. A valid contract exists between EPMMNY and New Amsterdam. Defendants Acreage Holdings, NYCI Holdings LLC and Impire State Holdings, LLC were aware of the contract between EPMMNY and New Amsterdam.

260. Defendants Acreage Holdings, NYCI Holdings LLC and Impire State Holdings, LLC intentionally and improperly procured a breach of the contract by New Amsterdam.

261. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

TWENTY-SEVENTH CAUSE OF ACTION
(Specific Performance Against
Defendants New Amsterdam and NY Canna)

262. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 261 hereinabove as though they were fully set forth at length herein.

263. For the reasons set forth herein, the Court should issue an Order directing Defendants New Amsterdam and NY Canna to specifically perform the terms of the contract between EPMMNY and New Amsterdam, restoring EPMMNY as a fully-vested and undiluted owner of 25% of the equity of NY Canna and permitting EPMMNY and its members to operate and manage the business of NY Canna.

TWENTY-EIGHTH CAUSE OF ACTION
(Securities Fraud Against All Defendants)

264. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 263 hereinabove as though they were fully set forth at length herein.

265. Membership interests in NY Canna, a manager-managed LLC, are securities covered by Section 10(b) of the Securities Exchange Act of 1934, 15 U.S.C. § 78j(b), and Rule 10b-5 promulgated thereunder, 17 C.F.R. § 240.10b-5.

266. Defendants John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey made material factual representations to EPMMNY by repeatedly promising EPMMNY (a) a 25% non-dilutable equity position in NY Canna and (b) operational and management control of NY Canna following a successful registration application, even though Defendants had no intention of ever keeping those promises. Thus, the fraudulent Statements of Defendants were made in connection with the purchase or sale of securities.

267. Said Defendants intended EPMMNY's members to rely on those false Statements; and EPMMNY's members did, in fact, rely on those Statements.

268. The false statements of said Defendants caused EPMMNY and its members to suffer damages by inducing them to perform work for which they have not been fully and properly compensated.

269. In making the false statements, said Defendants acted as the agents of Defendants New Amsterdam, NY Canna, Terradiol MC, Terradiol OH, NYCI Holdings LLC, New Amsterdam Distributors, LLC, Impire State Holdings, LLC, Acreage Holdings and NY Medicinal Research & Caring, LLC. Accordingly, Defendants New Amsterdam, NY Canna, Terradiol MC, Terradiol OH, NYCI Holdings LLC, New Amsterdam Distributors, LLC, Impire State Holdings, LLC, Acreage Holdings and NY Medicinal Research & Caring, LLC are vicariously liable for those false statements.

270. As a result, EPMMNY has sustained damages as a result in an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

TWENTY-NINTH CAUSE OF ACTION

(Derivative Action on Behalf of NY Canna For
Waste and Mismanagement of Corporate Assets Against New Amsterdam,
John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey)

271. Plaintiff repeats and realleges each and every allegation contained in paragraphs numbered 1 through 270 hereinabove as though they were fully set forth at length herein.

272. EPMMNY is a member of NY Canna, as alleged herein, and possesses the standing to sue derivatively on its behalf.

273. EPMMNY has not demanded that the Defendants institute the action herein commenced by EPMMNY as the Defendants were at all times herein mentioned the only other remaining members of NY Canna, and any such demand made upon them would have been futile because, in effect, it would have required them to institute an action against themselves. Further, any demand made would be futile in that a majority of the current board of managers of NY Canna is interested in maintaining and benefitting from the challenged transactions.

274. As described herein, Defendants have frozen EPMMNY out of the operations of NY Canna and converted EPMMNY's equity share in NY Canna.

275. EPMMNY was and is a vital component to the operations of NY Canna and, without the skills and expertise of EPMMNY's members, the continued existence of NAD LLC is imperiled.

276. The transfer of assets from NY Canna to NYCI, including without limitation the NY Canna cannabis business license and EPMMNY's intellectual property, was done in exchange for little or no consideration.

277. Further, NY Canna members, including New Amsterdam and its members, John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey have acted in their own self-interest instead of that of NY Canna and its members by using assets of NY Canna to support a leveraged buyout to profit personally.

278. The decisions and actions made by New Amsterdam, John Vavalo, Dominic Falcone, Dennis T. Duval, Dino Dixie and Patrick Harvey lacked legitimate business purpose and were tainted by conflict of interest, self-dealing, bad faith and fraud.

279. As a result of said actions on the part of the Defendants, NY Canna has sustained and suffered losses, expenses, and damages in an amount to be determined at the trial of this matter.

Wherefore, Plaintiff demands judgment, on its own and on behalf of NY Canna, against Defendants as follows:

A. an amount to be determined at trial but in no event less than One Hundred Million Dollars (\$100,000,000.00).

B. Punitive and exemplary damages in an amount to be determined at trial, but in no event less than Three Hundred Million Dollars (\$300,000,000.00).

C. Reasonable attorney's fees incurred by Plaintiff in connection with its prosecution of this action;

D. The costs and disbursements of this action, and

E. Such other, further, and different relief as to the court may seem just and proper.

**Dated: New York, New York
November 2, 2018**

**Woods Lonergan, PLLC
Attorneys for Plaintiff**




**Lawrence R. Lonergan, Esq.
280 Madison Avenue, Suite 300
New York, NY 10016
(212) 684-2500**

VERIFICATION

STATE OF NEW YORK)
 SS.:
COUNTY OF NEW YORK)

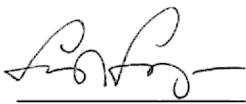
David Feder, being duly sworn, deposes and says:

I am a member of plaintiff EPMMNY LLC and am fully familiar with the facts and circumstances of this action. I have read the foregoing Complaint and believe the facts stated therein to be true and complete to my personal knowledge, except to those statements made upon information and belief, and, as to such statements, I believe them to be true.



David Feder

Sworn to before me this 2nd
day of November, 2018



Notary Public

LAWRENCE R. LONERGAN
NOTARY PUBLIC, STATE OF NEW YORK
Registration No. 02L06379552
Qualified in New York County
Commission Expires August 20, 2022