

IN THE CIRCUIT COURT OF JACKSON COUNTY MISSOURI
16TH JUDICIAL CIRCUIT
AT KANSAS CITY

CPC OF MISSOURI – SMITHVILLE, LLC,
and GF SAINT MARY LLC, Individually and
on Behalf of All Others Similarly Situated

Plaintiffs,

v.

GOOD DAY FARM RETAIL
MANAGEMENT, LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

3 LEAF HEALTH, LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

6 EAGLE INVESTMENTS, LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

BELEAF MEDICAL LLC,

Serve at:
C T CORPORATION SYSTEM
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

BOONVILLE 4 PARTNERS, LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

Case No. _____

DEMAND FOR JURY TRIAL

BOOTHEEL CANNACARE DISPENSARY
LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

BOOTHEEL CANNACARE LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

BOOTHEEL CANNACARE COLUMBIA
LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

BUFFALO MMD INVESTMENTS, LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

CARROLLTON GROW OPERATIONS LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

CHAFFEE CULTIVATION LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

CASSVILLE GP LLC,

Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

CC R&M OPERATIONS, LLC,

Serve at:

REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

CCMRB RETAIL LLC,
Serve at:
C T CORPORATION SYSTEM
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

COMO HEALTH LLC,
Serve at:
Jason M. Corrado
5109 Buckeye Dr
Columbia, MO 65203

DISTRICT 8 OPERATIONS, LLC,
Serve at:
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INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

DREAM LEAF, LLC,
Serve at:
Malik S. Iqbal
3942 Broadway
Kansas City, MO 64111

FP3-GRAND LLC,
Serve at:
SPRA Corp.
120 S Central Ave., Suite 1600
Saint Louis, MO 63105

GOSHAN MMD, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

GRASSROOTS OPCO MO, LLC,
Serve at:
INCorp SERVICES, INC.
1531 E Bradford Pkwy Ste 200
Springfield, MO 65804-6564

HANMOCHILL RETAIL, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B

Saint Louis, MO 63129-4275

HEYA KIRKSVILLE RETAIL LLC,
Serve at:
MISSOURI BUSINESS SERVICES, INC.
9666 Olive Blvd, Suite 690
St. Louis, MO 63132

JACKSON DISPENSARY HOLDINGS, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

JAIS LLC,
Serve at:
CSC-LAWYERS INCORPORATING
SERVICE COMPANY
221 Bolivar Street
Jefferson City, MO 65101

JK MMD INVESTMENTS, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
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MACON DISPO, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
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MISSOURI NATURAL RE-SOURCE, LLC,
Serve at:
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MMD INDEPENDENCE MISSOURI, LLC,
Serve at:
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INC.
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NEW MADRID DISPENSARY, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.

5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

ORGANIC REMEDIES MO, INC.,
Serve at:
Ben Stelter-Embry
1600 Genessee
Suite 956
Kansas City, MO 64102

ORGANIC RETAIL DISPENSARIES, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
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OZARKS MMD, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
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P-MAC DISTRICT 3 LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
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SEMO DISPO OPERATIONS, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

ST. CLAIRE DIS179, INC.,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

STL DISPENSARIES 51, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

SW RETAIL HOLDINGS, LLC,
Serve at:

C T CORPORATION SYSTEM
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

THF PARTNERS LLC,
Serve at:
Registered Agents Inc.
117 S. Lexington St.
Suite 100
Harrisonville, MO 64701

TRUE LEVEL INVESTMENTS, INC.,
Serve at:
C T CORPORATION SYSTEM
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

UNIVERSITY CITY DISPENSARY, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
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VMO RETAIL, LLC,
Serve at:
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INC.
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WILD MMD INVESTMENTS, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
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ZORRO RETAIL LLC,
Serve at:
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INC.
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BON VERT VENTURES LLC,
Serve at:
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INC.
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FLY ROUTE ADVISORS, LLC,
Serve at:

REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

MISSOURI VERTICAL INVESTMENTS
LLC,
Serve at:
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INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

V-THREE RETAIL HOLDINGS, LLC,
Serve at:
REGISTERED AGENT SOLUTIONS,
INC.
5661 Telegraph Rd Ste 4B
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GOOD DAY FARM MISSOURI LLC,
Serve at:
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INC.
5661 Telegraph Rd Ste 4B
Saint Louis, MO 63129-4275

GOOD DAY FARM MISSOURI HOLDINGS,
LLC,
Serve at:
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ALEX GRAY,
Serve at:
5001 Crestwood Dr.
Little Rock, AR 72207

ANTHONY CIESLAK,
Serve at:
315 Rock St., Apt 1506
Little Rock, AR 72202

TREVOR LAVY,
Serve at:
5139 Delilah Ln
Fayetteville, AR 72704

REID DOVE,
Serve at:
3104 Foxridge Road
Dothan, AL 36303

STEPHEN L. LAFRANCE,
Serve at:
521 President Clinton Ave., Apt. 1303
Little Rock, AR 72201

R. ERIC THORNTON,
Serve at:
702 East College St., Suite 200
Dickson, TN 37055

JAMES MITCHELL MASSEY,
Serve at:
6529 E. Autumns Ridge Dr.
Fayetteville, AR 72701

TODD DENTON,
Serve at:
121 Waterview Garden Ln
Roland, AR 72135

and

JOHN/JANE DOES 1-100.

Defendants.

VERIFIED PETITION FOR DAMAGES AND INJUNCTIVE RELIEF

Plaintiffs CPC of Missouri – Smithville, LLC, and GF Saint Mary LLC (together, “Plaintiffs”) for their Petition against Cartel Defendants Good Day Farm Retail Management LLC; 3 Leaf Health, LLC, 6 Eagle Investments, LLC, BeLeaf Medical LLC, Boonville 4 Partners, LLC, Bootheel CannaCare Dispensary LLC, Bootheel CannaCare LLC, Bootheel CannaCare Columbia LLC, Buffalo MMD Investments, LLC, Carrollton Grow Operations LLC, Chaffee Cultivation LLC, Cassville GP LLC, CC R&M Operations, LLC, CCMRB Retail LLC, Como Health LLC, District 8 Operations, LLC, Dream Leaf, LLC, FP3-Grand LLC, Goshan MMD, LLC, Grassroots OpCo MO, LLC, HanMoChill Retail, LLC, Heya Kirksville Retail LLC, Jackson Dispensary

Holdings, LLC, Jais LLC, JK MMD Investments, LLC, Macon Dispo, LLC, Missouri Natural Resource, LLC, MMD Independence Missouri, LLC, New Madrid Dispensary, LLC, Organic Remedies MO, Inc., Organic Retail Dispensaries, LLC, Ozarks MMD, LLC, P-MAC District 3 LLC, SEMO Dispo Operations, LLC, St. Claire DIS179, Inc., STL Dispensaries 51, LLC, SW Retail Holdings, LLC, THF Partners LLC, True Level Investments, Inc., University City Dispensary, LLC, VMO Retail, LLC, Wild MMD Investments, LLC, Zorro Retail LLC, Bon Vert Ventures, LLC, Fly Route Advisors, LLC, Missouri Vertical Investments LLC, V-Three Retail Holdings LLC, Good Day Farm Missouri LLC, Good Day Farm Missouri Holdings, LLC, Alex Gray, Anthony Cieslak, Trevor Lavy, Reid Dove, Stephen LaFrance, R. Eric Thornton, James Mitchell Massey, Todd Denton, and John/Jane Does 1-100 (collectively the “Defendants”) respectfully bring this action and allege on behalf of themselves and all others similarly situated that:

SUMMARY OF ACTION

1. This case arises from Defendants’ deliberate and coordinated effort to subvert Missouri’s competitive cannabis marketplace for their own financial gain. Missouri voters legalized recreational cannabis in 2022 with a clear mandate: a fair, regulated marketplace where licensed businesses could compete on the merits of their products.

2. Plaintiffs, Missouri wholesalers licensed to cultivate and/or manufacture cannabis products, built their businesses on that framework by, *inter alia*, investing in facilities, employees, and brands to serve the Missouri market. Because Defendants’ anticompetitive conduct is now threatening to irreparably damage the entire Missouri market, Plaintiffs bring this suit on their own behalf and a class of similarly situated wholesalers in the Missouri cannabis industry (defined

below and referred to as “the Class” or collectively with Plaintiffs as the “Non-Cartel Wholesalers”).

3. Good Day Farm—a vertically integrated cannabis company that is headquartered in Arkansas (with operations in Missouri)—saw Missouri’s nascent cannabis market as an opportunity to extract illegal profits by restraining competition. To realize its vision, Good Day Farm recruited other cannabis license holders to form an illegal cartel (the “GDF Cartel”) that is comprised of independently owned dispensaries and their affiliated wholesalers who—as part of joining the GDF Cartel—agreed to turn over control of their businesses to common management personnel within Good Day Farm. As a consequence, all competitors in the GDF Cartel operate according to the commercial decisions of their ringleader, Good Day Farm.

4. Good Day Farm’s participation in the GDF Cartel is consistent with its view that *“the key to performance in the Missouri market is to scale limited license retail”* dispensaries. Attach. 1, Good Day Farm 2025 Q1 Investor Presentation: Missouri Retail Opportunity Q1 2025 (“2025 Q1 Investor Presentation”) (emphasis in original); Attach. 2, Good Day Farm 2025 Q1 Investor Presentation: Missouri Retail Opportunity Q2 2025 (“2025 Q2 Investor Presentation”). But Good Day Farm’s desire to increase the number of dispensaries under its control is limited by the Missouri Constitution, which expressly bars any “entity or entities under substantially common control, ownership, or management” from being “an owner of more than ten percent of the total marijuana dispensary facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.” Mo. Const. art. XIV, § 1.3(9).

5. To circumvent the Missouri Constitution’s limits on common ownership, control, or management of cannabis facility licenses and evade regulatory oversight, Good Day Farm and its co-conspirators have built the GDF Cartel by arranging for third parties to invest in limited

liability companies—which Good Day Farm refers to as “verticals”—that then acquire additional dispensary and cultivation and processing facilities. These investors are told in advance that the limited liability company, or “vertical,” they are investing in will be “managed” by Good Day Farm or an entity affiliated with Good Day Farm, and that “*no investor should invest . . . unless such investor is willing to entrust all aspects of the management of the Company to the Manager.*” Attach. 3, Confidential Private Placement Memorandum for Bon Vert Ventures, LLC, dated April 10, 2025 (“Private Placement Memorandum” or “PPM”) (emphasis added).

6. Currently, the Cartel consists of four different verticals—consisting of a total of at least sixty-one (61) dispensaries that operate under at least five (5) different brand names: Good Day Farm, CODES, Greenlight, Fresh Karma, and 3Fifteen Primo -- through which Defendants have colluded, and continue to collude, to: (i) purchase cannabis products from non-Cartel Wholesalers at artificially depressed prices, (ii) carry substantially the same products in their dispensaries to the substantial exclusion of the non-Cartel Wholesalers’ products , (iii) compel non-Cartel Wholesalers with retail dispensary operations to buy finished products from Defendants’ cultivation and processing facilities as a condition to those non-Cartel Wholesalers selling their wholesale products to the Cartel’s dispensaries, (iv) boycott non-Cartel Wholesalers that refuse to agree to the Cartel’s anticompetitive demands, and (v) otherwise act in an anticompetitive manner to suppress competition and extract supercompetitive margins at the expense of wholesalers and consumers.

7. Defendants further their conspiracy by:
- a. Holding quarterly meetings for non-Cartel Wholesalers to try and “sell” their products into the GDF Cartel. Upon information and belief, the Cartel uses these meetings to determine what products will be acquired by which Cartel members,

and at what prices, thereby avoiding competition among the Cartel's members for purchasing from wholesalers not affiliated with the Cartel;

- b. Sending out price demands to non-Cartel Wholesalers on behalf of all Cartel members. Notably, these price demands are made on a "FILL or KILL" basis, meaning that the third-party wholesalers can either accede to the Cartel's price and quantity demands "as is" or the order will be cancelled;
- c. Requiring non-Cartel Wholesalers to pay Defendants for any retail discounts that apply to their products sold in the Cartel's dispensaries (even though most other retailers would, at a minimum, share in that expense); and
- d. Maintaining "partner scorecards" that purport to compare (i) the Cartel's purchases of products from any non-Cartel Wholesaler (across all sixty-plus Cartel affiliated stores), with (ii) non-Cartel Wholesaler's purchases from the GDF Cartel.

8. To be sure, the Cartel's anticompetitive conduct does *not* result in lower prices or higher quality for Missouri's retail consumers. In fact, one Good Day Farm employee boasted on LinkedIn in October 2025 that "*given our market share, we've done more to keep prices stable than crater them by not dropping prices*" (emphasis added).

9. In short, the GDF Cartel was designed to dominate Missouri's cannabis market and exploit Missouri's licensing structure to suppress competition for wholesale cannabis purchases, extract anticompetitive illegal profits from the Missouri economy, and wield a collective level of market power that cannot be maintained by a single company under the Missouri Constitution. In Good Day Farm's words, the GDF Cartel's size "allows" Defendants to "leverage [the Cartel's] retail commerce *to extract gross margin from third party vendors,*" that "*directly translat[e] to higher earnings*" Defendants. Attach. 1, 2025 Q1 Investor Presentation (emphasis added).

10. Plaintiffs and other non-Cartel Wholesalers have had little practical recourse to combat Defendants' anticompetitive conduct. Missouri law prohibits cultivators and processors from selling cannabis directly to consumers: instead, they may only sell their products to the 224 retail dispensaries licensed by Missouri's DHSS. Plaintiffs and other independent wholesalers, therefore, have no viable alternative but to submit to the Cartel's unlawful pricing and allocation demands or be shut out of a significant portion of the market.

11. Ultimately, the GDF Cartel has—through a combination of price-fixing, product- and supplier-allocation agreements, and coordinated exclusionary conduct—unlawfully seized control of the Missouri retail dispensary market that serves as the sole channel through which Plaintiffs can legally reach consumers. This, in turn, has led to lost profits and the deprivation of scale necessary for efficient operations.

12. The GDF Cartel's collective market power constitutes a buy-side monopoly (also called a "monopsony"), created through collusion and exclusionary conduct in violation of (i) section 416.031(2),¹ which makes it "unlawful to monopolize, attempt to monopolize, or conspire to monopolize trade or commerce in this state," and (ii) Missouri's Constitution.

13. Accordingly, Plaintiffs seek declaratory and injunctive relief on behalf of themselves and the Class to stop Defendants' violations of the Constitution and antitrust laws in order to protect independent wholesalers, consumers, and the long-term integrity of Missouri's legal cannabis industry. In addition, Plaintiffs individually seek to recover the damages they have suffered as a result of Defendants' anticompetitive conduct.

¹ All statutory references are to RSMo 2016 as currently supplemented.

PARTIES

14. Plaintiff GF Saint Mary LLC (“VIBE Cannabis”), is a limited liability company organized under the laws of the state of Missouri with its principal place of business in Saint Louis, Missouri. The direct and indirect members of VIBE Cannabis are limited liability companies. But ultimately, the individual members of VIBE Cannabis are Missouri residents. VIBE Cannabis produces VIBE-branded cannabis products. Missouri issued VIBE Cannabis two cannabis cultivation licenses and a cannabis manufacturing license in December 2019 and January 2020. VIBE Cannabis has been in operation during the entire period from December 8, 2022 to the present (the “Class Period”), and the company is registered to do and regularly transacts business in the state.

15. Plaintiff CPC of Missouri—Smithville, LLC (“Local Cannabis”) is a limited liability company organized under the laws of the state of Missouri with its principal place of business in Riverside, Missouri. Local Cannabis is wholly owned by Calyx Peak, Inc., which is a Delaware Corporation whose principal place of business is Missouri. It produces Local Cannabis-branded cannabis products. Missouri issued Local Cannabis a cannabis cultivation license and a cannabis manufacturing license during the relevant Class Period, and the company is registered to do and regularly transacts business in the state.

16. Defendant Good Day Farm is the largest dispensary branded chain in the Missouri cannabis market. It is affiliated with a multi-state operator headquartered in Little Rock, Arkansas. Good Day Farm Retail Management, LLC is an Arkansas limited liability company with its headquarters in Little Rock, Arkansas, which is registered to do business in Missouri with its registered address in Saint Louis, Missouri. Good Day Farm Retail Management, LLC, on

information and belief, manages and oversees each of the Good Day Farm-branded cannabis retail operations in Missouri, and acts in furtherance of the conspiratorial activities of the GDF Cartel.

17. Each of the following entities holds one or more licenses to operate a cannabis retail establishment and operates such an establishment under the Good Day Farm brand (the “Good Day Farm Dispensaries”): 6 Eagle Investments, LLC, BeLeaf Medical LLC, Boonville 4 Partners, LLC, Bootheel CannaCare Dispensary LLC, Buffalo MMD Investments, LLC, Goshan MMD, LLC, JK MMD Investments, LLC, MMD Independence Missouri, LLC, New Madrid Dispensary, LLC, Ozarks MMD, LLC, St. Claire DIS179, Inc., STL Dispensaries 51, LLC, University City Dispensary, LLC, VMO Retail, LLC, Wild MMD Investments, LLC, and Zorro Retail LLC.

18. In total, there are sixteen entities that hold twenty-one dispensary licenses that operate under the Good Day Farm brand name.

19. Bootheel CannaCare Columbia LLC holds a cannabis manufacturing license and operates under the Good Day Farm brand.

20. Cassville GP LLC holds a cannabis cultivation license and operates under the Good Day Farm brand.

21. Each of Good Day Farm Retail Management, LLC, the Good Day Farm Dispensaries, Bootheel CannaCare Columbia LLC, and Cassville GP LLC is registered to do, and regularly transacts business in, the state of Missouri, and together they are referred to herein as “Good Day Farm.”

22. Codes is the second largest dispensary chain in the Missouri cannabis market. Each of the following entities holds a license to operate a cannabis retail establishment and operates such an establishment under the Codes brand: 3 Leaf Health, LLC, Bootheel CannaCare LLC, CC

R&M Operations, LLC, District 8 Operations, LLC, HanMoChill Retail, LLC, Heya Kirksville Retail LLC, Jackson Dispensary Holdings, LLC, Jais LLC, Macon Dispo, LLC, Missouri Natural Re-Source, LLC, Organic Remedies MO, Inc., Organic Retail Dispensaries, LLC, P-MAC District 3, LLC, and SEMO Dispo Operations, LLC (collectively the “Codes Dispensaries”).

23. The twenty Codes-branded dispensaries are owned by fourteen entities.

24. Chaffee Cultivation LLC and Carrollton Grow Operations LLC each hold a cannabis cultivation license and operate under the Codes brand.

25. Each of the Codes Dispensaries, Chaffee Cultivation LLC, and Carrollton Grow Operations LLC is registered to do, and regularly transacts, business in the state of Missouri, and together they are referred to as “Codes.”

26. Greenlight is a chain of cannabis retail stores in Missouri. Each of the following entities holds one or more licenses to operate a cannabis retail establishment and operates such an establishment under the Greenlight brand: Como Health LLC, Dream Leaf LLC, FP3-Grand LLC, Grassroots OpCo MO, LLC, Ozark Mountain Healing LLC, and THF Partners LLC. Each is registered to do and regularly transacts business in the state of Missouri, and together they are referred to as “Greenlight.”

27. Fresh Karma is a chain of cannabis retail stores in Missouri. CCMRB Retail LLC, Como Health LLC, and SW Retail Holdings, LLC each hold a license to operate a cannabis retail establishment, and True Level Investments, Inc. holds licenses to operate four cannabis retail establishments, and each operates under the Fresh Karma brand. True Level Investments, Inc. hold a cannabis manufacturing license. Each of CCMRB Retail LLC, Como Health LLC, SW Retail Holdings LLC, and True Level Investments, Inc. is registered to do, and regularly transacts, business in the state of Missouri, and are referred to together as “Fresh Karma.”

28. 3Fifteen Primo is a chain of cannabis retail stores in Missouri. Como Health LLC holds licenses to operate five cannabis retail establishments. It operates two of them under the 3Fifteen Primo brand and one under the Cookies brand. The fourth and fifth licenses were previously operated under the 3Fifteen Primo brand but have recently begun operating under the Greenlight brand and Fresh Karma brand, respectively. Como Health LLC is registered to do, and regularly transacts, business in the state of Missouri and is referred to as “3Fifteen Primo.”

29. Throughout the Class Period each of the retail groups in the GDF Cartel (*i.e.*, the Good Day Farm Dispensaries, the Codes Dispensaries, Greenlight, 3Fifteen Primo, and Fresh Karma) has been a horizontal competitor in the retail sale of, and the wholesale purchase of, cannabis products sold in the state of Missouri. In addition, Chaffee Cultivation LLC, Carrollton Grow Operations LLC, Bootheel CannaCare Columbia LLC, and Cassville GP LLC, CCMRB Processing LLC, and True Level Investments, Inc. are wholesale producers who are members of the GDF Cartel and are parties to, *inter alia*, exclusive dealing arrangements.

30. Bon Vert Ventures, LLC (“Bon Vert”) is a Missouri limited liability company that Defendants created to acquire five (5) dispensaries from Como Health LLC and three (3) dispensaries from True Level Investments, Inc. Upon information and belief, Bon Vert’s headquarters is 425 W. Capitol Avenue, Suite 1400, Little Rock, Arkansas, 72201, which is the same address as Good Day Farm’s corporate headquarters.

31. Missouri Vertical Investments LLC is a Missouri limited liability company doing business under the fictitious business name “Codes,” with a principal place of business at 425 W. Capitol Avenue, Suite 1400, Little Rock, Arkansas, 72201, which is the same address as Good Day Farm’s corporate headquarters.

32. V-Three Retail Holdings LLC is a Missouri limited liability company with a principal place of business at 425 W. Capitol Avenue, Suite 1400, Little Rock, Arkansas, 72201, which is the same address as Good Day Farm's corporate headquarters. Upon information and belief, V-Three Retail Holdings was created as part of the GDF Cartel's acquisition of the Greenlight dispensaries.

33. Good Day Farm Missouri LLC, is a Missouri limited liability company with a principal place of business at 400 W. Capitol Avenue, Suite 2910, Little Rock, Arkansas, 72201.

34. Good Day Farm Missouri Holdings, LLC is a Missouri limited liability company with a principal place of business at 400 W. Capitol Avenue, Suite 2910, Little Rock, Arkansas, 72201.

35. Fly Route Advisors, LLC is a limited liability company organized by an employee of Good Day Farm and set up for the purpose of managing the operations of dispensaries acquired by Bon Vert. Upon information and belief, Fly Route Advisors maintains the same corporate headquarters as Good Day Farm.

36. Alex Gray is Good Day Farm's Chief Strategy Officer and President of Sales. Upon information and belief, Mr. Gray is a resident of the state of Arkansas.

37. Anthony Cieslak is the Chief Operating Officer of Good Day Farm and is a member of the Board of Directors for Bon Vert. Upon information and belief, Mr. Cieslak is a resident of the state of Arkansas.

38. Trevor Lavy is a member of the Board of Directors for Bon Vert. Upon information and belief, Mr. Lavy is a resident of the state of Arkansas.

39. Reid Dove is an investor in Good Day Farm. Mr. Dove is, or during the relevant period was, a Manager of the Manager of Good Day Farm Missouri Holdings LLC. Upon information and belief, Mr. Dove is a resident of the state of Alabama.

40. Stephen LaFrance is a major investor in, and has held a range of important roles in connection with, the GDF Cartel. On information and belief, Mr. LaFrance's roles in connection with the GDF Cartel includes Vice Chairman, Chairman, and Executive Officer of Good Day Farm, a Manager of the Manager of Good Day Farm Missouri Holdings LLC, and a Director of V-Three Retail Holdings LLC. Upon information and belief, Mr. LaFrance is a resident of the state of Arkansas.

41. R. Eric Thornton is, or during relevant events was, a Manager of the Manager of Good Day Farm Missouri Holdings LLC. Upon information and belief, Mr. Thornton is a resident of the state of Tennessee.

42. James Mitchell Massey is, or during relevant events was, a Manager of Missouri Vertical Investments LLC. Upon information and belief, Mr. Massey is a resident of the state of Arkansas.

43. Todd Denton is an investor in Good Day Farm (and/or one of its related entities) and is a member of the Board of Directors for Bon Vert. Upon information and belief, Mr. Denton is a resident of the state of Arkansas.

44. John/Jane Does 1-100 represent other as yet unidentified individuals and entities who, upon information and belief, knowingly joined the GDF Cartel conspiracy and took actions to further the goals of the conspiracy.

JURISDICTION AND VENUE

45. This Court has jurisdiction over Defendants because (i) they are limited liability companies or other corporate entities registered to do business in Missouri and have been issued licenses from the Missouri Department of Health and Senior Services (“DHSS”) to sell and produce cannabis products, and/or (ii) they are individuals who conduct business in the state of Missouri.

46. Defendants have intentionally availed themselves of the markets in the state of Missouri by virtue of their licenses with the state of Missouri to sell and produce cannabis products, as well as the promotion and sale of their products such that jurisdiction by Missouri courts is appropriate.

47. The anticompetitive conduct alleged herein has been directed at, and had the intended effect of, causing injury to Plaintiffs and the Class, residing in, located in, or doing business in this state.

48. Venue is proper in this Court pursuant to section 416.121 because each of the following Cartel Defendants operates a licensed cannabis retail establishment in Jackson County: Defendant Dream Leaf LLC operates a licensed cannabis retail establishment at 8500 Ward Parkway, Kansas City, Missouri, in Jackson County; Defendant Grassroots OpCo MO, LLC operates a licensed cannabis retail establishment at 3721 South Noland Road, Independence, Missouri, in Jackson County; Defendant MMD Independence Missouri, LLC operates a licensed cannabis retail establishment at 16820 East US Highway 24, Independence, Missouri, in Jackson County; Defendant Organic Remedies MO, Inc. operates a licensed cannabis retail establishment at 668 East Red Bridge Road, Kansas City, Missouri, in Jackson County; Defendant THF Partners LLC operates a licensed cannabis retail establishment at 13531 Madison Avenue, Kansas City,

Missouri, in Jackson County; Defendant True Level Investments, Inc. operates a licensed cannabis retail establishment at 240 East Linwood Boulevard, Kansas City, Missouri, in Jackson County; and Defendant VMO Retail, LLC operates a licensed cannabis retail establishment at 10420 Blue Ridge Boulevard, Kansas City, Missouri, in Jackson County. Each of these Cartel Defendants resides in, or has an officer, agent or representative in, or that may be found in, Jackson County.

CLASS ACTION ALLEGATIONS

49. Plaintiffs bring this action on behalf of themselves, and all others similarly situated pursuant to Rule 52.08.

50. The “Class” is hereby defined as the cannabis wholesalers who have held an active (approved to operate) cannabis cultivation or cannabis manufacturer license issued by the state of Missouri since December 8, 2022 to the present, and are not (i) a member of the GDF Cartel, or (ii) a division, subsidiary, predecessor, or affiliate of a member of the GDF Cartel.

51. Excluded from the Class are the following persons or entities: (i) all persons and entities who have not been authorized or licensed to conduct a cannabis-related cultivation or manufacturing business under the state of Missouri; (ii) Defendants; (iii) any of Defendants’ parent companies, divisions, subsidiaries, predecessors, and affiliates; (iv) any of Defendants’ owners, members, officers, directors, management, employees, or agents; (v) the judges and chambers staff assigned to this case, as well as the members of their immediate families; (vi) all jurors assigned to this case; and (vii) any legal entity not listed in Schedule A.

52. The Class is not a fail-safe class. The list appearing in Schedule A is not based on merits determinations, but rather based on publicly available records of entities that have held operational licenses issued by the state of Missouri, excluding Defendants and others that are, on information and belief, affiliated with Defendants. As such, the Class is definite and ascertainable.

53. The Class is comprised of no more 93 legal entities.

54. Plaintiffs reserve the right to expand, change, or modify the class definition based upon discovery and further investigation.

55. Plaintiffs' claims are typical of those of the Class, including because Plaintiffs and all Class members were injured by the same wrongful conduct.

56. In particular, Plaintiffs and all members of the Class were injured by Defendants' conspiracy to (i) fix wholesale prices at which they would purchase cannabis products from Plaintiffs and other Class members, (ii) artificially limit the products sold in Defendants' dispensaries, (iii) require Plaintiffs and other Class members to pay for the retail discounts that the GDF Cartel applies to their products in Defendants' dispensaries, (iv) effectively boycott those Class members that refused to comply with the GDF Cartel's demands, and (v) foreclose Plaintiffs' and other Class members' ability to access a significant portion of consumer demand through distribution channels controlled by the Cartel Defendants.

57. As a result of Defendants' misconduct, Plaintiffs and other Class members were paid less for cannabis products than they otherwise would have been paid in a free and competitive marketplace.

58. Thus, the injunctive relief sought by Plaintiffs is common to all members of the Class.

59. Plaintiffs will fairly and adequately protect and represent the interests of the Class. The interests of the Plaintiffs are not antagonistic to other members of the Class.

60. Defendants' anticompetitive and unlawful conduct gives rise to numerous questions of law or fact common to the entire Class, including, but not limited to:

- a. Whether Defendants engaged in a contract, combination, or conspiracy among themselves to fix, maintain, or stabilize the price of wholesale cannabis products purchased in the state of Missouri;
- b. Whether Defendants monopolized, conspired to monopolize, or attempted to monopolize, the sale of wholesale cannabis products in the state of Missouri;
- c. Whether Defendants conspired not to compete with one another and instead to make collective decisions as to the commercial terms of wholesale cannabis purchases in Missouri, including which cannabis products Defendants would purchase from which wholesalers to stock in their dispensaries;
- d. Whether Defendants boycotted, threatened to boycott, or otherwise collectively retaliated against wholesalers who would not agree to commercial terms dictated by GDF Cartel for all Cartel dispensaries;
- e. Whether Defendants' concerted conduct suppressed competition for wholesale cannabis purchases in Missouri and caused the prices of wholesale cannabis products to be artificially depressed;
- f. Whether Defendants' collusion and unfair methods of competition unjustly enriched Defendants at the expense of Plaintiffs and the Class by increasing Defendants' retail profit margins, diverting wholesale purchases to Cartel-affiliated wholesalers, and suppressing competition for Cartel-affiliated cannabis products sold in Missouri dispensaries, as well as the amount of such unjust enrichment; and
- g. Whether Defendants' concerted conduct caused injury to the members of the Class and to competition in Missouri.

61. These and other questions of law and fact that are common to the Class predominate over any questions affecting the Class members individually.

62. Plaintiffs are represented by counsel who have litigated cannabis-related cases and antitrust cases throughout the country and who are experienced and competent in the prosecution of complex class action, antitrust, and unfair competition litigation.

63. Plaintiffs anticipate no unusual difficulties in the management of this litigation as a class action.

64. Class action treatment is a superior method for the fair and efficient adjudication of the issues of liability and injunctive relief in the instant controversy because such treatment will permit a large number of similarly situated persons to prosecute their common claims and major issues common to individual claims in a single forum simultaneously, efficiently, and without the unnecessary duplication of effort and expense that numerous individual actions would engender.

65. The benefits of proceeding as a class action, which includes providing injured persons or entities with a method of obtaining redress for claims that might not be practicable for them to pursue individually, substantially outweigh any difficulties that may arise in management of this class action.

66. As licensed cannabis companies properly registered with the DHSS, the addresses of the Class members are available and easily obtainable. Notice can be provided to Class members by a combination of published notice, first-class mail, and electronic mail using techniques and a form of notice similar to those customarily used in class actions arising under the laws of the state of Missouri.

FACTUAL ALLEGATIONS

A. The Missouri Adult-Use Cannabis Industry

67. In 2022, Missouri voters approved Missouri's Constitutional Amendment 3 ballot measure, which legalized recreational cannabis in the state.

68. This 2022 measure amended Article XIV of the Missouri Constitution, which had legalized medical cannabis in Missouri in 2018, to add provisions governing the legalization, regulation, and taxation of cannabis for adults over the age of 21.

69. Following the amendment, licensed entities in Missouri could legally grow, process, and sell cannabis products to of-age consumers who could then purchase those products for recreational consumption.

70. Article XIV of the Missouri Constitution requires that all cannabis operations in Missouri be strictly regulated via rules promulgated and administered by the DHSS.

71. The DHSS issues licenses that are required for the legal operation of different types of facilities in the Missouri adult-use cannabis supply chain, including for the cultivation, manufacturing, and dispensing of cannabis.

72. The adult-use cannabis industry in Missouri includes participants at three levels of the production and distribution chain:

- a. "Cultivators" grow cannabis plants for distribution that they then distribute to processors or dispensaries.
- b. "Processors" (or "manufacturers") process cannabis plants into cannabis products (often called "finished goods") such as edibles, tinctures, topicals, vapes, and other forms, which they then distribute to dispensaries under various branded names (*e.g.*, Space Cadet, VIBE Cannabis, Franklin's, and others).

- c. “Dispensaries” are the retail establishments that are licensed by DHSS to sell cannabis products directly to consumers in Missouri.

73. Missouri prohibits cultivators and processors from selling cannabis products directly to consumers.

74. Entities may simultaneously hold cultivation, processing, and/or dispensary licenses, which allows cannabis companies to be vertically integrated, *i.e.*, operate across multiple levels of the supply chain.

75. Cannabis operators in Missouri are neither required to be, nor prohibited from, being vertically integrated.

76. All cannabis sold in Missouri dispensaries is grown and processed by Missouri-licensed cultivators and manufacturers operating within state lines, which the DHSS Division of Cannabis Regulation (“DCR”) carefully tracks² from initial cultivation to final retail sale, to ensure the entire cannabis supply chain, including wholesale cannabis sales to dispensaries, is geographically limited to Missouri. *See* Mo. Const. art. XIV, § 2 (stating the purpose of legalization is to “prevent the diversion of marijuana to illicit markets” and “ensure the security of marijuana facilities”); *see also* 19 CSR 100-1.130 (requiring that “[e]ach licensee shall use the state-wide track and trace system as its system of record to track marijuana product from seed . . . until the marijuana product is [] purchased”).

77. The 2022 amendment automatically granted comprehensive licenses (*i.e.*, both medical and adult use licenses) to any cultivation, manufacturing, or dispensary facility that held an active medical cannabis facility license at the time of the amendment.

78. As such, established medical cannabis facilities in Missouri were able to enter the

² Missouri’s Division of Cannabis Regulation requires all licensees to use the same software system, Metrc, to track cannabis products from seed to sale. *See* Metrc, <https://www.metrc.com/partner/missouri/> (last visited Mar. 24, 2026).

adult-use cannabis market immediately upon its inception.

79. At all times relevant hereto, Missouri law has restricted the number of licenses that could be owned or controlled in each category of license.

80. From December 6, 2018, to December 7, 2022, the Missouri Constitution contained the following restriction on the number of licenses the DHSS could issue to a commonly owned, controlled, or managed entity as a part of its medical cannabis program:

No more than five medical marijuana dispensary facility licenses shall be issued to any entity under substantially common control, ownership, or management.

Mo. Const. art. XIV, § 1.3(9).

81. The 2022 measure amended this section to change the limit to a percentage of outstanding licenses, extend its application to all medical and adult-use licenses, and, importantly, to convert it from a limitation on the *regulator's* licensing authority to a prohibition against *licensed entities* under common control, ownership, or management collectively owning more than 10% of outstanding licenses:

An entity or entities under substantially common control, ownership, or management may not be an owner of more than ten percent of the total marijuana dispensary facility licenses outstanding under ***both sections 1 and 2*** of this Article at any given time, rounded down to the nearest whole number.

Mo. Const. art. XIV, § 1.3(9) (emphasis added).

82. DCR defines “substantially common control, ownership, or management” as “the power to direct or cause the direction of the management or policies of a facility, in light of the totality of the circumstances, including through financial or voting interests, by contract, or otherwise.” 19 CSR 100-1.010(91).

83. The 2022 measure also added Section 2 of Article XIV of the Missouri Constitution to regulate cannabis, which contained the following restriction:

An entity may not be an owner of more than ten percent of the total marijuana dispensary facility licenses outstanding under both sections 1 and 2 of this Article at any given time, rounded down to the nearest whole number.

Mo. Const. art. XIV, § 2.4(10).³

84. These same restrictions equally apply to cultivation licenses and manufacturing licenses. Mo. Const. art. XIV, §§ 1.3(8), 1.3(10), 2.4(9), 2.4(11).

85. Both Articles 1 and 2 provide that an owner is “an individual who has a financial (other than a security interest, lien, or encumbrance) or voting interest in ten percent or greater of a marijuana facility.” *Id.* at §§ 1.2(17) & 2.2(21) (collectively, the “Ten-Percent Licensing Cap”).

86. Missouri’s DHSS has thus far authorized 224 retail dispensaries to operate, which means that no more than 22 dispensaries may be under “substantially common control, ownership or management” pursuant to the Ten-Percent Licensing Cap.

B. Missouri’s Cannabis Industry in the Context of the Broader Federal Landscape

87. The amendment permitting adult-use cannabis in Missouri took effect on December 8, 2022, and the first retail sales of recreational cannabis in Missouri occurred on February 3, 2023.

88. By 2025, annual cannabis retail sales in the state of Missouri totaled \$1.52 billion.

89. As Good Day Farm’s management observed, Missouri’s strict limitations on the total number of dispensary licenses in the state makes Missouri one of “the most attractive recreational cannabis markets in the entire United States.”

90. Because recreational cannabis remains illegal under federal law, states with cannabis regimes (including Missouri) prohibit their licensees from transporting cannabis products

³ *Accord* CSR tit. 19, § 100-1.070. “An entity, which includes an individual, may not be an owner in more than ten percent (10%) of the total number of comprehensive and medical licenses, within a facility type, as described in Article XIV Section 2.3(9-11).”

across state lines.

91. In other words, every state’s cannabis regime prohibits interstate commerce, and each state is its own independent wholesale cannabis market.

92. As a consequence, cannabis wholesalers from adjacent states are not competitors to wholesalers licensed by the state of Missouri.

C. Good Day Farm Creates the Cartel to Try to Suppress Competition Fostered by Missouri’s Ten Percent Licensing Cap

93. As set forth above, Good Day Farm is the largest dispensary chain in Missouri with twenty-one stores operating under the Good Day Farm name.

94. Good Day Farm’s twenty-one dispensaries represent about 9.5% of the state’s dispensary licenses, which is slightly below the Ten-Percent Licensing Cap.

95. Despite the Ten-Percent Licensing Cap’s prohibitions, the owners of Good Day Farm sought to acquire control of, or collude with, additional retail dispensaries and, in some cases, additional cultivation and manufacturing facilities affiliated with those retailers.

96. To circumvent the Ten-Percent Licensing Cap, Good Day Farm arranged for investors to invest into limited liability companies—such as Bon Vert—that would then acquire the licensed entities (the “Target Companies”)⁴ by making a substantial cash payment to their current owners, along with, in at least one case, a lucrative supply agreement for the current owners’ retained cultivation and processing businesses to supply GDF Cartel facilities.

97. In exchange for that large cash payment, the current owners agreed to transfer ownership of the Target Companies (and/or their assets, including the cannabis licenses), to a new limited liability company (such as Bon Vert), which would then be operated by (i) a manager

⁴ In Bon Vert’s case, the licensed companies were, upon information and belief, Como Health, LLC and True Level Investments, Inc. (as well as potentially other entities).

selected by Good Day Farm (which would manage the company pursuant to a management services agreement (“MSA”), and (ii) a board of directors comprised of Good Day Farm personnel, investors and/or allies.

98. Good Day Farm made sure that the investors it was soliciting were willing to conspire with Good Day Farm and not compete with the GDF Cartel’s existing dispensaries and wholesalers.

99. For example, in the private placement memorandum that Good Day Farm provided to potential investors in Bon Vert (the “PPM”), it explained that:

- a. Bon Vert would serve as the “holding company owning ownership interests in the Dispensaries”;
- b. Bon Vert would then enter into an operating agreement and an MSA with the manager of the LLC (the “Manager”), which, upon information and belief, is owned by, or affiliated with, Good Day Farm. In fact, the PPM directed investors to return documents to:

Bon Vert Ventures LLC
 c/o Fly Route Advisors, LLC
 William R. Mullen, General Counsel
 Angela Irby, Investor Relation Coordinator
 Via Email: WMULLEN@GOODDAYFARM.COM
 AND INVESTORRELATIONS@GOODDAYFARM.COM
 425 W. Capitol Avenue, Suite 1400
 Little Rock, Arkansas 72201

And the proposed Subscription Agreement distributed with the PPM was to be countersigned on Bon Vert’s behalf by the Manager’s authorized representative, Defendant Anthony Cieslak, who is the COO of Good Day Farm.

- c. Through an MSA and operating agreement, the Manager would exert “control over the operations and decision making of and related to” the Target Companies’

dispensaries. As Good Day Farm put it, “*all decisions with respect to [Bon Vert] will be made by the Manager*” (emphasis added);

- d. For managing Bon Vert, the Manager would receive a fee and a carried interest ranging between 20% and 30% of Bon Vert’s profits;
- e. Bon Vert would also enter into a “supply agreement” pursuant to which the Target Companies’ dispensaries (or other “entities affiliated with” the Manager (*i.e.*, the GDF Cartel dispensaries) “shall be required to purchase a minimum amount of marijuana product” each month from the Target Companies’ affiliates for a period of five years; and
- f. In addition to the Manager, Bon Vert would “be managed by a Board of Managers” which would initially consist of Anthony Cieslak, Trevor Lavy, and Todd Denton. As set forth above, at least Messrs. Cieslak and Denton are affiliated with Good Day Farm in some regard.

100. Notably, the PPM expressly warned investors that “[n]o investor should invest in [Bon Vert] unless such investor is willing to *entrust all aspects of the management of [Bon Vert] to the Manager.*” (Emphasis added.)

101. The PPM also warned potential investors that “[t]he Manager is affiliated with the management and operations of several dispensaries and multiple marijuana cultivation and production facilities which are not owned by [Bon Vert] and it is likely that the [Target Companies’ dispensaries] *will acquire a material portion of their marijuana products from cultivation or production facilities which are affiliated with Manager.*” (Emphasis added.)

102. The PPM further warned potential investors that “the Manager and its respective affiliates may be engaged in activities that are competitive with the activities of [Bon Vert].”

103. In sum, the PPM revealed that while the investors would “own” Bon Vert,
- a. The Manager—which, upon information and belief, is owned by, or affiliated with Good Day Farm—would make “all decisions” on behalf of Bon Vert (including, but not limited to, pricing and allocation decisions with respect to products sold in Bon Vert’s dispensaries);
 - b. The Manager also operates competing facilities in which the investors have no economic interest;
 - c. The dispensaries being acquired by Bon Vert (*i.e.*, the Target Companies) and the GDF Cartel’s dispensaries would enter into supply agreements to buy cannabis products from the Target Companies’ affiliates; and
 - d. The dispensaries being acquired by Bon Vert would be required to buy product from the Cartel’s other cultivating and processing facilities.
104. Finally, the PPM revealed that Good Day Farm knew that adding these additional dispensaries to the Cartel posed significant regulatory risk given the Ten-Percent Licensing Cap.

105. Specifically, the PPM stated that:

The Manager and/or its affiliates also operate multiple other dispensaries, cultivation facilities and processing facilities in the Missouri marijuana industry. ***After the acquisition and operation of the [Target Companies’ dispensaries], the Manager and/or its affiliates may come under additional scrutiny related to the number of dispensaries and other marijuana businesses that are under their supervision or operation and, if this occurs, it could create disruption to the business*** Assurances cannot be made that the Missouri Department of Cannabis Regulation will not take issue with the number of marijuana dispensaries operated or supervised by the Manager or its affiliates and any such issues with the Missouri Department of Cannabis Regulation could have a material negative impact on the [LLC]. . . .

(Emphasis added.)

106. Upon information and belief, Good Day Farm referred to limited liability companies like Bon Vert as “verticals”.

107. Each “vertical”—which appears to have different ownership groups comprised of various investors (and, therefore, is able to avoid scrutiny by DHSS under the Ten-Percent Licensing Cap)—consists of (i) dispensaries, and (ii) substantial production assets (*i.e.*, cultivation and manufacturing facilities), through which the Cartel members produce their own branded products, including Good Day Farm-branded products, Codes-branded products, and Greenlight-branded products.

108. In theory, each “vertical” can only own and manage twenty-two dispensaries (*i.e.*, no more licenses than what is permitted by the Ten-Percent Licensing Cap) and should compete with the other “verticals” in Missouri’s adult-use cannabis market.

109. But the “verticals” that are part of the Cartel have agreed not to compete at any level of the market and have, *inter alia*, ceded management authority to Good Day Farm and/or entities within Good Day Farm’s control, such that each “vertical” has the same core personnel making decisions with respect to sales, procurement, and business operations.

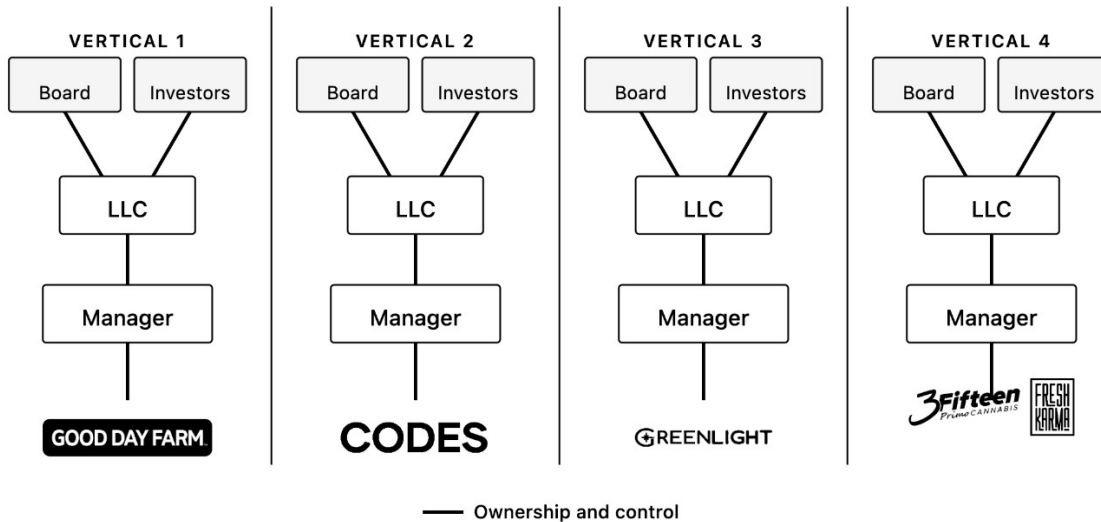
110. As of today, Good Day Farm has created four verticals, each of which is managed by Good Day Farm or one of its affiliates.

111. These verticals appear to include at least sixty-one (61) dispensaries, comprised of: (i) twenty-one (21) Good Day Farm dispensaries, (ii) twenty (20) Codes dispensaries, (iii) ten (10) Greenlight dispensaries, (iv) six (6) Fresh Karma dispensaries, and (v) and four (4) 3Fifteen Primo dispensaries.

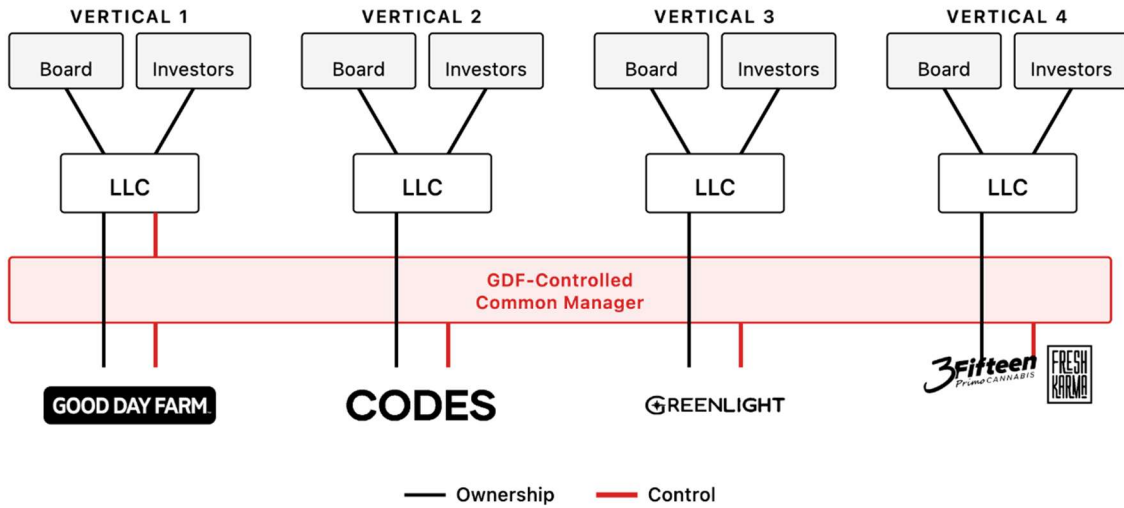
112. Good Day Farm has used a number of other legal entities in the same or similar manner as Bon Vert to hold ownership in the licensed retailers in the GDF Cartel. On information

and belief, those entities include Missouri Vertical Investments LLC and V-Three Retail Holdings LLC. On further information and belief, each of Alex Gray, Anthony Cieslak, Trevor Lavy, Reid Dove, Stephen LaFrance, Eric Thornton, James Mitchell Massey, and Todd Denton (the “Individual Defendants”) was involved in the formation and expansion of the GDF Cartel, through Good Day Farm, Bon Vert, Missouri Vertical Investments LLC and/or V-Three Retail Holdings LLC.

What the law allows



What the GDF cartel actually does



113. The GDF Cartel’s collective retail footprint is far in excess of what the state allows under the Ten-Percent Licensing Cap.

114. Upon information and belief, Good Day Farm is continuing to look for more dispensaries to bring into the GDF Cartel.

115. Combined, the sixty-one (61) dispensaries in the GDF Cartel make up more than 25% of the total Missouri dispensary licenses (based on license count).

116. Upon information and belief, however, the GDF Cartel collectively accounts for upwards of 40% of the total wholesale cannabis purchased in Missouri.

117. Good Day Farm correctly views the Cartel’s position in Missouri’s cannabis marketplace to be “domina[nt]”, largely because the Ten-Percent Licensing Cap prevents other cannabis operators from amassing more than twenty-two (22) dispensaries.

D. The GDF Cartel Members’ Corporate Disclosures Confirm the Cartel’s Existence and Scope

118. Defendants have not been shy about their illicit activity.

119. For example, nearly all of the licenses issued to Codes dispensaries list Paul Rockers—who is the compliance director for Good Day Farm—as the business’s contact person.

120. Similarly, Alex Gray has signed documents filed with the Secretary of State that identify him as a manager for (i) fourteen different entities that hold nineteen dispensary licenses operating under the Good Day Farm brand, plus another (ii) ten different entities holding fourteen dispensary licenses operating under the Codes brand.

121. In other words, Alex Gray is identified as a “manager” in connection with twenty-four different entities that hold at least thirty-three dispensary licenses (almost 15% of the total number of dispensary licenses in the State) operating under the Good Day Farm and Codes brand names.

122. Separately, William Mullen, who serves as Good Day Farm’s General Counsel, and Angela Irby, who served as Good Day Farm’s Director of Investor Relations, have signed applications for the registration of fictitious names for dispensaries branded as Codes, Greenlight, and Fresh Karma.⁵

123. Specifically:

- a. For Greenlight, William Mullen registered for several dispensaries their fictional corporate name “Greenlight Dispensary” with the Secretary of State on behalf of Dream Leaf LLC, Ozark Mountain Healing LLC, and Como Health LLC.⁶
- b. For Codes:

⁵ As noted above, Mr. Mullen and Ms. Irby were identified as the contact people in the Bon Vert PPM.

⁶ According to DHSS’s website, Dream Leaf LLC and Ozark Mountain Healing LLC have been issued licenses to do business under “Dream Leaf” and “Ozark Mountain Healing.” As of the date of this filing, DHSS does not appear to have either company registered to do business under the Greenlight brand.

- i. William Mullen registered the fictional corporate name “Codes Dispensary” on behalf of Organic Retail Dispensaries LLC, HanMoChill Retail, LLC, Organic Remedies Mo, Inc., 4 Releaf Wellness Center LLC, Macon Dispo LLC, Feel State Inc.⁷
- ii. Angela Irby registered the fictional corporate name “Codes Dispensary” on behalf of Macon Dispo, HanMoChill Retail, CC R&M Operations, LLC, Hello Dispo, LLC, Organic Retail Dispensaries, LLC, Missouri Natural Resource, LLC.⁸

124. The GDF Cartel’s commitment to collude rather than compete is also demonstrated by the manner in which the members interchange the DBAs for the Cartel’s dispensaries.

125. For example, Como Health LLC operates dispensaries under both the Greenlight and 3Fifteen Primo brands.

126. Upon information and belief, Como Health is agnostic to the DBA of its dispensaries because they have all pledged their allegiance to the Cartel and are now effectively operating in coordination with the other members of the Cartel within one of the four “verticals” that are being managed by Good Day Farm and/or its affiliates.

E. The GDF Cartel’s Anticompetitive Conduct

127. Under Missouri’s antitrust law, “[e]very contract, combination or conspiracy in restraint of trade or commerce in this state is unlawful,” and “[i]t is unlawful to monopolize, attempt to monopolize, or conspire to monopolize in this state.” Sections 416.031(1), 416.031(2).

⁷ As of the date of this filing, neither Feel State Inc. nor 4 Releaf Wellness Center LLC appear to have been issued a dispensary license according to DHSS’s website.

⁸ As of the date of this filing, according to DHSS’s website, Hello Dispo, LLC similarly does not appear to have been issued a dispensary license. Of note, Alex Gray has signed as a Manager on behalf of Hello Dispo in the company’s Statement of Change of Registered Agent form filed with the state.

128. Missouri’s antitrust law adheres closely to the contours of federal antitrust law. *See* section 416.031 (adopting substance of Sections 1 and 2 of Sherman Act, *i.e.*, prohibition of conspiracies in restraint of trade and monopolization, as well as Clayton Act Section 3, *i.e.*, prohibiting anticompetitive exclusive dealing); *see also* section 416.141 (Missouri antitrust law “shall be construed in harmony with ruling judicial interpretations of comparable federal antitrust statutes”).

129. By entering into the GDF Cartel, the members of the GDF Cartel agree to cede “all decisions” with respect to their dispensaries to a “Manager” that is “affiliated” with (if not owned by) Good Day Farm.

130. In so doing, the Defendants effectively agree (i) to fix the prices and other terms that they will pay for Plaintiff and Class members’ products, (ii) to collectively allocate the market by agreeing among themselves what products the Cartel’s dispensaries will purchase and carry in their stores (and in what amounts), and (iii) to steer business to Cartel-affiliated wholesalers and away from wholesalers who defy the Cartel’s demands, regardless of competitive merit.

131. In short, the GDF Cartel’s collusive agreements have created a monopsony—a buy-side monopoly—that permits the Cartel to control prices and outputs in Missouri’s wholesale cannabis market in the manner set forth more fully below.

a. The Cartel’s Price Fixing Conspiracy

132. Prior to the formation of the Cartel, the typical procurement margin for dispensaries in Missouri was 50%.

133. In other words, dispensaries typically purchased products from cultivators and manufacturers at 50% of the manufacturer’s suggested retail price.

134. Prior to the formation of the Cartel (*i.e.*, before Codes joined the Cartel with Good Day Farm), Good Day Farm purchased wholesale cannabis products on behalf of its twenty-one (21) dispensaries at a 50% discount to their suggested retail prices.

135. But after Codes joined the Cartel, Good Day Farm's personnel began (i) procuring wholesale products on behalf of both Good Day Farm and Codes' dispensaries, and (ii) demanding that Plaintiffs and Class members reduce their wholesale prices (so that the Cartel's procurement margin was greater than 50%).

136. By centralizing the purchasing for 41 dispensaries (*i.e.*, the twenty-one Good Day Farm branded dispensaries and the twenty Codes branded dispensaries), the Cartel illegally supercharged the bargaining power of its "verticals" in their negotiations with wholesalers to many times more than what Defendants could have legally accomplished.

137. Thus, for example, in a May 8, 2024 email to Local Cannabis, Patrick Lee, who was then the Director of Procurement for Good Day Farm, sent an order on behalf of Good Day Farm and Codes.

138. Mr. Lee's email made clear that Good Day Farm and Codes sought to acquire Local Cannabis' products at a 60% discount to their suggested retail prices.

139. Mr. Lee's email also made clear that the order for the Cartel was on a "FILL or KILL" basis, which meant that Local Cannabis could either complete the order "as is" (in terms of price and quantity) or not at all.

140. By the first quarter of 2025, Good Day Farm boasted to potential investors that Codes and Good Day Farm were "able to receive 60% [procurement margin] with 48-of-50 of our 3P vendors" because of "the size of our retail platform."⁹

⁹ See 2025 Q1 Investor Presentation.

141. Notably, the Cartel’s purchasing power has only increased with the addition of Greenlight, 3Fifteen Primo and Fresh Karma.

142. In fact, in the 2025 Q1 Investor Presentation—which, upon information and belief, Good Day Farm’s management prepared in anticipation of creating the Cartel’s third vertical for Greenlight—Good Day Farm’s management team contemplated 62.5% procurement margins but told investors that “we confidently expect to exceed this . . . to upwards of 70%” when additional dispensaries are included.

143. And, in fact, on March 10, 2026, Good Day Farm sent VIBE Cannabis an order form demanding a 65% procurement margin.

144. To be sure, the price discounts that the Cartel extracts from Plaintiffs and Class members are not being passed on to Missouri customers. Instead, they are going to the Cartel’s bottom line.

145. Indeed, in a LinkedIn post made public in October 2025, Eddie Serrano, the Sales Director for Good Day Farm, said that “[a]t Good Day Farm & CODES, we’re taking a different approach”—including “*sell-through tactics that grow both units [read: ‘verticals’] + revenue together*” (emphasis added)—even though they were ostensibly competitors.

146. Mr. Serrano further wrote, “Let’s reverse the trend [of margin compression] and get back on track.”

147. Mr. Serrano further stated that “we have one of the lowest discount rates in the MO market and *given our market share, we’ve done more to keep prices stable than crater them by not dropping prices.*” (Emphasis added.)

148. In fact, the Cartel rarely provides retail discounts to products produced by Plaintiffs and Class members that are sold in Defendants’ dispensaries.

149. On those occasions that the GDF Cartel agrees to provide retail discounts to Plaintiffs and Class members' products sold in the Cartel's dispensaries, it requires the non-Cartel Wholesalers to bear the burden of those discounts.

150. In a free and competitive marketplace, retail promotions are typically negotiated and costs shared by the retailer and wholesaler.

151. But because of the GDF Cartel's collective market power, it is able to extract another pricing concession from Plaintiffs and Class members (in addition to the artificially deflated wholesale price), while also maintaining its high prices to consumers.

152. In its 2025 Investor Presentation, Good Day Farm's management noted that the Cartel's "large platform" enables them to require third-party wholesalers to protect the GDF Cartel's margins.

153. Specifically, Good Day Farm's management team boasted that the GDF Cartel—with its illegal market power—was able to tell Plaintiffs and the Class that ***“if you want to promote your product in our large platform of dispensaries, you are going to have to protect our margins to do it. We are not paying 3P promotions like other small retailers do.”*** (Emphasis added.)

154. As Good Day Farm's management team further explained, the Cartel was able to “leverage our retail commerce” to “extract gross margin for third party vendors.”

155. Good Day Farm's analysis is not puffery or exaggeration. Indeed, because the GDF Cartel controls a disproportionately large volume of retail sales across the state, Plaintiffs and the Class have little choice but to acquiesce to the Cartel's demands or be cut off from a significant portion of the key dispensary distribution channels that state law requires them to use to get their products to consumers.

156. In a competitive market unrestrained by Defendants' illicit agreements not to compete, the Cartel's dispensaries would be unable to demand such steep discounts and would instead be pitted against one another to offer more favorable terms to secure access to the products produced by Plaintiffs and the other Class members.

b. The Cartel's Product Allocation Conspiracy

157. In addition to agreeing upon price, Defendants agree to carry virtually the same products in their stores such that the Defendants' dispensaries (i) do not compete against one another on product mix, and (ii) prefer products produced by other Cartel-affiliated cultivators and manufacturers over those sold by Plaintiffs and the Class.

158. A majority of Defendants' dispensary revenues are generated from Cartel-produced products.

159. In fact, through the Cartel's concerted conduct, Cartel dispensaries sell between 65-70% of the Cartel members' products (regardless of which "vertical" actually produces the product), which is far in excess of what other non-Cartel, vertically-integrated operators can sell through their stores.

160. In other words, Defendants' dispensaries—by virtue of their horizontal conspiracy—are able to collectively purchase more Cartel brands than would be possible in a competitive market because they do not have to compete with their co-conspirators on price or quality of product.

161. At the same time, however, true demand for several Cartel brands and products is low enough that many are not carried by dispensaries that are not part of the Cartel.

162. For example, the Cartel operates fifteen (15) dispensaries in St. Louis, Kansas City, Columbia, and Springfield.

163. Of these 15 Cartel dispensaries, at least twelve (12) carry the cannabis flower brands “Greenlight” and “Rogue Green” (both of which are produced by Greenlight).

164. Of these 15 dispensaries, only two are Greenlight dispensaries, meaning that at least ten of the dispensaries carrying these products are Greenlight’s competitors.

165. By comparison, fewer than 5 of the approximately forty (40) non-Cartel dispensaries (less than 15%) in those same cities carry “Greenlight” and “Rogue Green”.

166. Defendants’ purchasing of “Greenlight” and “Rogue Green” should not be surprising given that the Cartel entered into a supply agreement to purchase at least \$2 million of wholesale product per month from Greenlight when Greenlight joined the Cartel.

167. Because Defendants’ dispensaries are compelled to buy cannabis products from the Cartel’s cultivators and manufacturers (either through supply agreements or otherwise), Defendants’ dispensaries end up buying fewer cannabis products from Plaintiffs and the Class.

168. For example, from January 1, 2024 through May 2025, Local Cannabis sold approximately \$500,000 worth of wholesale products to Defendants’ dispensaries.

169. But after Greenlight joined the Cartel in the Spring of 2025, Defendants’ dispensaries started to reduce their purchases of Local Cannabis’ products.

170. By July 2025—which, upon information and belief, is after Greenlight was fully integrated into the Cartel—Defendants’ purchases of Local Cannabis products decreased by approximately 50%.

171. By January 2026—which is after 3Fifteen Primo and Fresh Karma joined the Cartel—the Cartel only purchased \$120,000 of cannabis products from Local Cannabis.

172. Similarly, from January 1, 2024 through May 2025, VIBE Cannabis sold approximately \$383,000 per month to Defendants’ dispensaries.

173. But by November 2025, Defendants stores only purchased on average \$221,000 of cannabis products per month from VIBE Cannabis.

174. When it comes to purchasing cannabis products from Plaintiffs and the Class, Good Day Farm (as the Cartel's ringleader) ensures that Defendants' dispensaries buy substantially the same products (at substantially the same prices).

175. For example, in an email dated August 29, 2025, a Good Day Farm employee informed Plaintiffs and the Class that: "Starting September 1st, @JessicaSquires [who has a Good Day Farm email account] will be the point of contact for procurement in Greenlight/315/Fresh Karma stores. I will maintain the point of contact for procurement in GDF/Codes."

176. In addition, Good Day Farm organizes coordinated quarterly "purchasing" meetings—referred to as "kiss the ring" meetings—where non-Cartel Wholesalers can attempt to "sell" their products to the GDF Cartel.

177. Upon information and belief, the Cartel uses these quarterly meetings to set the pricing and product selection for the entire GDF Cartel.

178. As a result of this coordinated conduct, Codes, Greenlight, and the other Cartel dispensaries carry many of the same products (at the same prices).

179. Once the cannabis products are in Defendants' dispensaries, the Cartel promotes its members' products far more than products produced by Plaintiffs and the Class by:

- (i) Prominently displaying Cartel members' products over Plaintiffs and the Class's products in Defendants' dispensaries;
- (ii) Refusing to order more popular products from Plaintiffs and the other Class members that compete most directly with Cartel members' products, thereby reducing Class members' ability to compete for consumer purchases

within Cartel dispensaries by blocking distribution of the best rival products while creating the illusion for consumers of a competitive product mix in which Cartel-branded products just happen to be the best available.

180. As the GDF Cartel has recruited more dispensaries and producers, sales of Cartel-affiliated brands have increased significantly relative to before they joined the Cartel, accounting for a disproportionate amount of retail market growth since 2024.

181. Ultimately, the GDF Cartel's anticompetitive conduct (i) robs consumers of choice and selection of products, and (ii) leaves Plaintiffs and other Class members to compete for a significantly (and increasingly) small sliver of shelf space in the overall Missouri market (especially when one considers the reciprocity agreements described more fully below).

c. The Cartel's Illegal Reciprocity Agreements

182. In addition to the GDF Cartel's conspiracy to restrict prices and products in Defendants' stores, members of the Cartel compel vertically integrated Plaintiffs and Class members in Missouri to buy the Cartel's products as a condition to accessing the Cartel's retail stores.

183. In other words, if a vertically integrated non-Cartel Wholesaler wants to sell its products to the Cartel's sixty-plus dispensaries, then it has to agree to buy the Cartel's wholesale products and sell them in its dispensaries.

184. The GDF Cartel tracks these reciprocal agreements through "scorecards" that purport to calculate (i) the amount of wholesale cannabis product that any non-Cartel Wholesaler buys from the GDF Cartel, and (ii) the amount of wholesale cannabis product the GDF Cartel buys from that same wholesaler.

185. According to Mr. Serrano, the "most important" aspect of the scorecard is the

“FAIR TRADE RATIO,” which is calculated by dividing (i) the amount any third-party purchased from the GDF Cartel (on a per store basis), by (ii) the amount the GDF Cartel bought from the third-party (divided by 60).

186. As Mr. Serrano put it: “FR = ((You bought from us/Your locations)) / ((We bought from you/60)).”

187. Because the ratio is framed as comparing purchase volume per location, by dividing the amount of product that the Cartel members purchase by sixty (60), Mr. Serrano has further confirmed the existence of the GDF Cartel (since no single entity could legally manage more than 22 dispensaries in Missouri).

188. The scorecard also measures the “trade gap” between the GDF Cartel and the non-Cartel wholesaler.

189. According to Mr. Serrano, a negative “trade gap” (meaning that the Cartel purchased more product than it sold) means “we supported you more than you supported us (in total dollars).” And a positive “trade gap” means that “you supported us more than we supported you.”

190. Upon information and belief, the GDF Cartel uses these metrics to enforce the coercive reciprocal supply agreements it has forced on non-Cartel Wholesalers.

191. As a result of this illicit conduct, the Cartel further restrains Plaintiffs’ and the Class members’ ability to sell their products in the Missouri wholesale market because (i) the Cartel’s willingness to carry products from Plaintiffs and the Class is based on whether the non-Cartel Wholesaler is able to “support[]” the Cartel, and (ii) vertically-integrated, non-Cartel Wholesalers are being compelled to carry the Cartel’s wholesale product (when, upon information and belief, they would prefer to carry different product).

192. This is yet another restraint of trade imposed by the GDF Cartel based on its impermissible coalition of its sixty-plus retail dispensaries that would otherwise compete against one another for wholesale supply contracts.

d. The Cartel's Illegal Boycott and Other Anticompetitive Behavior

193. Finally, the GDF Cartel works together to punish those Plaintiffs or Class members that refuse to meet the GDF Cartel's demands.

194. For example, if any Plaintiff or Class member refuses to meet the GDF Cartel's price demands, that Plaintiff or Class member would be barred from selling to any of the GDF Cartel's sixty-plus dispensaries.

195. In addition, GDF Cartel members have been known to identify prime retail locations that are currently owned or leased by other licensed operators in the state of Missouri.

196. Upon information and belief, the GDF Cartel members attempt to take over those locations (either through threats of unfair competition or promises of future payments).

197. If a non-Cartel Wholesaler refuses the Cartel's offer to relocate its dispensary to allow the Cartel to take over that location, the Cartel will ban that Wholesaler from selling its products in any dispensaries operated by Cartel Defendants.

F. Market Power

198. The Cartel has publicly acknowledged that its members collude on wholesale purchasing across the 60-plus stores operated by Cartel members.

199. Because of the size and scope of their collective enterprise, and the large number of cannabis products that they buy and sell in the state, the GDF Cartel wields substantial market power over cannabis wholesalers in the state, including Plaintiffs and the Class.

200. The GDF Cartel's market power is accentuated by a number of factors in the relevant market.

201. First, many of Missouri's retailers have vertically integrated production assets, *i.e.*, cultivation and/or manufacturing licenses under common ownership.

202. Those retailers will naturally and predictably supply a portion of their own inventory for retail from their own production assets.

203. As a result, a substantial portion of the overall wholesale market is constrained from third-party competition.

204. The total market available for sales by Plaintiffs and the Class, therefore, is smaller than the total volume of sales by a wide margin.

205. Second, the GDF Cartel's market power is accentuated by the Cartel's placement of many of its dispensaries near borders where there is limited competition on the retail side.

206. Indeed, while the wholesale market encompasses the entire state of Missouri—and cultivators and manufacturers routinely ship cannabis products throughout the state—the retail market is geographically limited by customers' willingness to travel to make purchases.

207. Thus, dispensaries five hours apart likely would not compete for business from the same retail customers.

208. But dispensaries that are closer together—even if in different states—would compete for consumers.

209. The Cartel has taken advantage of the local nature of the retail market by locating many of its dispensaries near states bordering Missouri that do not have recreational cannabis programs.

210. For example, in Noel, Missouri—which is only about one mile from the Arkansas border—Greenlight maintains the only licensed retail store along I-49 (the “Noel Store”).¹⁰

211. Arkansas, however, has not legalized adult-use cannabis.

212. As a result, the Noel Store does significant business with travelers from Arkansas.

213. At the same time, the Noel Store faces virtually no competition within the state of Missouri.

214. As a result, the Noel Store has little to no competitive constraint on what products it buys and resells, giving it (and the GDF Cartel) additional market power beyond their market share.

215. As another example, Defendant THF Partners LLC operates a Greenlight-branded cannabis dispensary in Rockport, Missouri on I-29 near the Iowa and Nebraska borders (the “Rockport Store”). Neither Iowa nor Nebraska allow legal adult-use cannabis sales.

216. There is no other legal adult-use cannabis retailer within 40 miles of the Rockport Store.

217. The Rockport Store does significant business with travelers from Iowa and Nebraska.

218. As a result, the Rockport Store has little to no competitive constraint on what products it buys and resells, giving it (and the GDF Cartel) additional market power beyond their market share.

219. Other members of the GDF Cartel have similar local advantages that provide additional market power to the GDF Cartel, including other stores on the borders to each of Kansas,

¹⁰ That dispensary is owned by Defendant Ozark Mountain Healing, LLC.

Iowa, Nebraska, Tennessee, and portions of Arkansas.

220. In addition, the GDF Cartel has relocated its own dispensaries to allow the Cartel's border dispensaries to thrive and has used its market dominance to push potential competitors out of these geographically desirable locations.

221. The GDF Cartel's market power is also evidenced by its demonstrated ability to demand and obtain below-market prices and above-market margins.

222. Good Day Farm's management acknowledged as much in the 2025 Investor Presentation when they noted that adding dispensaries to the Cartel will lead to "additional procurement leverage" and "gross margin enhancement with third parties, directly translating to higher earnings."

223. Good Day Farm's management—the leaders of the Cartel—further stated that after expanding the number of stores in the Cartel, they "confidently expect" that their retail procurement margin would reach "upwards of 70%."

224. This significant increase in margin is purely a reflection of the GDF Cartel's increasing market power, and not a function of natural supply and demand effects, procompetitive efficiencies, or consumer benefits, such as lower retail prices or increased product quality or innovation.

225. As Good Day Farm's management team explained, adding more retail licenses—despite the Ten-Percent Licensing Cap—offers:

not just robust returns on that investment in a vacuum, but *also enhance[s] the returns of our existing vertical businesses while lowering their risk exposure*. After all, the more retail presence we have in a limited license state the more our wholesale sales are de-risked. *With more native demand for our products, we can further optimize our product mix in manufacturing, driving earnings higher. Concomitantly, purchasing of third-party products increases in our dispensaries, facilitating stronger gross margins*

*on their products, compounding the earnings further.*¹¹

226. Good Day Farm’s management also stated that through combined action of their then-existing “verticals,” they have succeeded in requiring third-party wholesalers to cover all the costs of all discount promotions (*i.e.*, retail discounts for cannabis products sold in Defendants’ dispensaries) for their products, rather than bear some or all of those costs.

227. This is, in sum and substance, a substantial reduction in the price that the wholesalers earn for the sales.

228. As Good Day Farm’s management proudly noted, other independently acting retailers are unable to require suppliers to absorb those discounts.

229. Finally—and perhaps most tellingly—Good Day Farm’s management described the GDF Cartel’s collective position as “domina[nt],” such that after the contemplated addition of new Cartel members was completed (which it has been), the Cartel would be “even more domina[nt],” which “*may lead other retailers in the state to consider selling as fear sets in.*” (Emphasis added.)

G. Antitrust Impact and Damages

230. The unlawful conspiracy has had the effect of restraining, suppressing, and eliminating competition in the wholesale sale of cannabis products in Missouri in which Plaintiffs and other Class members operate.

231. Pursuant to the investment agreements, MSAs, and supply agreements (or similar agreements) that Defendants (or their entities) enter into, dispensaries that otherwise would be competing with one another are making joint decisions with respect to what products each of the GDF Cartel dispensaries will carry and the price that they will pay for such products from Plaintiffs and other Class members.

¹¹ 2025 Q1 Investor Presentation (emphasis added).

232. Defendants' various agreements are *per se* illegal under the antitrust laws because they include agreement on, *inter alia*, (i) the prices that the GDF Cartel members will pay for wholesale purchases of products, and (ii) product market allocation (because they jointly determine which products will be carried and will not be).

233. Thus, Defendants' unlawful collusion has harmed the Missouri cannabis market by (i) reducing the wholesale price of cannabis products sold by Plaintiffs and the Class, (ii) reducing competition in the wholesale cannabis market, and (iii) limiting the variety and choice of cannabis products available to consumers.

234. Indeed, through Defendants' concerted efforts to foreclose competition from Plaintiffs and other Class members, Defendants have substantially restricted the variety of cannabis products available to consumers.

235. As of today, approximately 65-70% of the products sold in GDF Cartel dispensaries are produced by GDF Cartel members.

236. By excluding Plaintiffs and the Class members from Defendants' dispensaries—or forcing them to access Defendants' dispensaries on economically disadvantageous terms—the GDF Cartel substantially undercuts Plaintiffs and the Class members' ability to compete, including their ability to achieve economies of scale.

237. As a result, Plaintiffs and Class members have been paid less for their cannabis products than they would have in the absence of the GDF Cartel.

238. In addition, the GDF Cartel's concerted misconduct will likely result in fewer competitive brands on the market, substantially reduced diversity of products available and sold, and, ultimately, to fewer choices, lower quality, and higher prices for consumers.

239. Such consequences are the type of competitive harm Missouri's antitrust laws were designed to prevent.

240. Defendants' agreements produce no procompetitive benefits that could not be achieved through less restrictive means.

241. Defendants' collective control of wholesale purchasing terms and product selection serves no purpose other than to enrich Cartel members at the expense of Plaintiffs and the Class and consumers.

242. Any purported efficiency that could in theory arise from coordinated purchasing (such as supply stability or volume savings) is outweighed by the substantial anticompetitive harm caused by the GDF Cartel's price-fixing, market allocation, and exclusionary conduct, and could be achieved without horizontal collusion among competitors.

243. As a direct and proximate result of the illegal combinations, contracts, or conspiracy, Plaintiffs and the other Class members have been injured and financially damaged in their respective businesses and property, in amounts that are presently undetermined.

244. Pursuant to Missouri antitrust statutes, the Plaintiffs' damages should be trebled.

245. In addition, Plaintiffs are entitled to an award of attorneys' fees and costs pursuant to section 416.121.

H. Agents and Co-Conspirators

246. The acts alleged against Defendants in this Complaint were authorized, ordered, or done by their officers, agents, employees, or representatives, while actively engaged in the management and operation of each Defendant's business or affairs, including (but not limited to), Messrs. Gray, Cieslak, Lavy, Dove, LaFrance, Thornton, Massey, and Denton.

247. Messrs. Gray, Cieslak, Lavy, Dove, LaFrance, Thornton, Massey, and Denton have participated in, either directly or indirectly, the Cartel by, *inter alia*, (i) acting as, or directing, the various managers controlling the Cartel's four "verticals" and controlling the Cartel's decisions with respect to the price and allocation of products in Defendants' dispensaries, (ii) soliciting investors to invest in the four "verticals" under the condition that they would be managed by GDF and/or (iii) knowingly suppressing competition.

248. Upon information and belief, there are other individuals and/or entities not identified as the Defendants herein that have also participated as co-conspirators in the violations alleged herein and have performed acts and made statements in furtherance thereof. Plaintiffs reserve the right to amend this Complaint to add these co-conspirators, if any, to this action at an appropriate time in the future.

COUNT I
(Horizontal Conspiracy to Fix Prices--
on Behalf of the Class (for Equitable Relief) and
on Behalf of Plaintiffs (In Their Individual Capacity) for Monetary Damages

249. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth herein.

250. As set forth above, Defendants' agreements are *per se* illegal under Missouri's antitrust statute and Plaintiffs are not required to define the market as part of their antitrust claims.

251. To the extent a market definition is required, the relevant product market is the market for the purchase of wholesale cannabis products in Missouri produced by licensed cannabis cultivators and manufacturers in Missouri.

252. The relevant market includes both ready-for-retail products (*i.e.*, packaged goods such as packaged cannabis flower, cannabis vape cartridges, and cannabis edibles) and

intermediate products (*i.e.*, bulk material such as wholesale cannabis flower, wholesale cannabis trim, and bulk cannabis extracts, which are used to create retail-ready cannabis products).

253. Missouri's licensed cannabis retail stores do not, as a regular practice, purchase any other goods as a substitute for cannabis products.

254. While licensed cannabis retail stores can and sometimes do buy and resell ancillary products, such as accessories like cigarette rolling papers and pipes or ancillary products like branded apparel, those non-cannabis products are complements to, not substitutes for, the cannabis products that licensed retailers buy and sell.

255. To the extent a market definition is required, the relevant geographic market is the state of Missouri.

256. As set forth above, the applicable law and regulations make clear that cannabis licensees in Missouri can only acquire cannabis products and cannabis inputs from other cannabis licensees in Missouri duly licensed by DHSS, and licensed cultivators and manufacturers can only sell products to DHSS license holders in Missouri.

257. As a result, cannabis products produced elsewhere are not a substitute for cannabis products produced in Missouri, nor are sales outlets outside of Missouri competitively significant for Plaintiffs.

258. Each Defendant has entered into continuing illegal contracts, combinations or conspiracies in restraint of trade, the purpose and effect of which were to fix and maintain prices of the goods that Plaintiffs and the Class produce at the wholesale level.

259. Defendants have substantially undercut wholesale competitors and foreclosed new and potential entrants from entering the market or gaining their naturally competitive market shares.

260. The combination and conspiracy to fix prices violates section 416.031(1).

261. Defendants cannot invoke the exemption under section 416.041(2) because DHSS has not expressly approved or actively supervised the GDF Cartel's agreements to fix wholesale prices, allocate products among dispensaries, boycott non-compliant wholesalers, or impose exclusive reciprocity requirements. The mere fact that cannabis operations in Missouri are regulated by DHSS does not exempt Defendants' collusive conduct from Missouri's antitrust laws.

262. The agreements among Defendants are conclusively presumed to be unreasonable and therefore illegal because of their pernicious effect on competition and lack of any redeeming virtue.

263. To the extent they are not *per se* unlawful, Defendants' agreements violate the rule of reason in the market for the wholesale purchase of cannabis products produced by state-licensed cultivators and manufacturers in the state of Missouri.

264. All Class Members have suffered and will continue to suffer antitrust injury as a direct and proximate result of the combination and conspiracy between Defendants that is ongoing and for which injunctive and declaratory relief will benefit all Class Members.

265. In addition, Plaintiffs — in their individual capacity — should be awarded treble damages, costs, and attorneys' fees in an amount to be proved at trial.

COUNT II

(Horizontal Conspiracy to Allocate the Product Market on Behalf of the Class (for Equitable Relief) and on Behalf of Plaintiffs (In Their Individual Capacity) for Monetary Damages)

266. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth herein.

267. Each Defendant has entered into continuing illegal contracts, combinations or conspiracies in restraint of trade, the purpose and effect of which were to allocate the market for

wholesale purchases by Defendants to select what products will be purchased and carried by which members of the GDF Cartel.

268. Defendants have substantially undercut wholesale competitors and foreclosed new and potential entrants from entering the market or gaining their naturally competitive market shares.

269. Defendants have effectively foreclosed new and potential entrants from entering the market or gaining their naturally competitive market shares.

270. The agreements constitute a combination and conspiracy to allocate markets in violation of section 416.031(1).

271. The agreements among Defendants are conclusively presumed to be unreasonable and therefore illegal because of their pernicious effect on competition and lack of any redeeming virtue.

272. To the extent the agreements are not *per se* unlawful, they violate the rule of reason in the market for the wholesale purchase of cannabis products produced by state-licensed cultivators and manufacturers in the state of Missouri.

273. All Class Members have suffered and will continue to suffer antitrust injury as a direct and proximate result of the combination and conspiracy between Defendants that is ongoing and for which injunctive and declaratory relief will benefit all Class Members.

274. In addition, Plaintiffs— in their individual capacity —should be awarded treble damages, costs, and attorneys' fees in an amount to be proved at trial.

COUNT III
(Horizontal Conspiracy to Conduct a Group Boycott
on Behalf of the Class (for Equitable Relief) and
on Behalf of Plaintiffs (In Their Individual Capacity) for Monetary Damages)

275. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth

herein.

276. Each Defendant has entered into continuing illegal contracts, combinations or conspiracies in restraint of trade, the purpose and effect of which were to engage in a group boycott of competitive wholesale purchasers who do not agree to the terms dictated by the GDF Cartel.

277. Defendants have substantially undercut wholesale competitors and foreclosed new and potential entrants from entering the market or gaining their naturally competitive market shares.

278. Defendants have effectively foreclosed new and potential entrants from entering the market or gaining their naturally competitive market shares.

279. The agreements constitute a combination and conspiracy to boycott competitors in violation of section 416.031(1).

280. Those agreements among Defendants are conclusively presumed to be unreasonable and therefore illegal because of their pernicious effect on competition and lack of any redeeming virtue.

281. To the extent the agreements are not *per se* unlawful, they violate the rule of reason in the market for the wholesale purchase of cannabis products produced by state-licensed cultivators and manufacturers in the state of Missouri.

282. All Class Members have suffered and will continue to suffer antitrust injury as a direct and proximate result of the combination and conspiracy between Defendants that is ongoing and for which injunctive and declaratory relief will benefit all Class Members.

283. In addition, Plaintiffs — in their individual capacity — should be awarded treble damages, costs, and attorneys' fees in an amount to be proved at trial.

COUNT IV

(Conspiracy to Monopolize on Behalf of the Class (for Equitable Relief) and on Behalf of Plaintiffs (In Their Individual Capacity) for Monetary Damages)

284. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth herein.

285. The members of the GDF Cartel have conspired to monopolize (i) the market for the purchase of wholesale cannabis products in Missouri produced and sold by licensed cannabis cultivators and manufacturers in Missouri and (ii) the market for the sale of wholesale cannabis products in Missouri in violation of section 416.031(2)

286. The members of the GDF Cartel have agreed to do so, and have acted in furtherance of that agreement, by the conduct alleged previously, including (i) agreeing to the prices they will pay for wholesale products produced by third parties, along with other terms and conditions; (ii) agreeing to which products which members of the Cartel will purchase; (iii) agreeing to boycott producers who do not agree to the terms dictated by members of the GDF Cartel; and (iv) acting to enforce all of those components of their agreement.

287. The GDF Cartel has acted with a specific intent to monopolize the market for the purchase of wholesale cannabis products in Missouri produced by licensed cannabis cultivators and manufacturers in Missouri.

288. The GDF Cartel's objective is to grow the GDF Cartel to a greater share of retailers and to squeeze out competitive third-party producers, leaving the members of the GDF Cartel in position of leverage over the remaining retail competitors.

289. The GDF Cartel's ability to set prices for wholesale cannabis indicates that the Cartel has already achieved, or at least demonstrates a dangerous probability of achieving, monopsony power in the market for wholesale cannabis purchases.

290. The GDF Cartel already possesses market power in the market for wholesale cannabis purchases by virtue of the fact that, upon information and belief, they control at least 40% of the purchases in the relevant market and have the demonstrated ability to pay prices that are below competitive levels, including requiring third party wholesalers to accept all of the costs of product discounting.

291. As the GDF Cartel grows in size, it becomes increasingly uneconomical for independent producers to remain in the market and supply competing retailers. Independent producers have already left the market as a consequence. Left unchecked, the GDF Cartel will continue to grow, and will continue to force competing wholesalers out of business, making competition increasingly difficult for competing third party retailers. This constitutes a dangerous probability that the GDF Cartel wholesalers will achieve monopoly power in the market for sales of wholesale cannabis that in turn will mutually reinforce the GDF Cartel dispensaries' collective monopsony power.

292. Members of the GDF Cartel have admitted that as they add more retailers to the Cartel, it "may lead other retailers in the state to consider selling as fear sets in with our soon to be even more dominant position."

293. The GDF Cartel members' conspiracy to monopolize has proximately caused injury, and antitrust injury, to Plaintiffs and the Class.

294. All Class Members have suffered and will continue to suffer antitrust injury as a direct and proximate result of the combination and conspiracy between Defendants that is ongoing and for which injunctive and declaratory relief will benefit all Class Members.

295. In addition, Plaintiffs — in their individual capacity — should be awarded treble damages, costs, and attorneys' fees in an amount to be proved at trial.

COUNT V**(Exclusive Dealing - on behalf of Plaintiffs in their Individual Capacity)
on Behalf of the Class (for Equitable Relief) and
on Behalf of Plaintiffs (In Their Individual Capacity) for Monetary Damages**

296. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth herein.

297. Defendants' conduct has substantially foreclosed competitors from a substantial portion of the wholesale cannabis product market in Missouri.

298. Defendants' conduct has substantially undercut wholesale competitors and foreclosed new and potential entrants from entering the market or gaining their naturally competitive market shares. Cartel Defendants have effectively foreclosed new and potential entrants from entering the market or gaining their naturally competitive market shares.

299. The agreement constitutes an arrangement to make a sale or contract for sale of a commodity, for use, consumption or resale in Missouri, or to fix a price charged therefore or discount from, on the condition, agreement, or understanding that the purchaser shall not use or deal in the commodities of a competitor of the seller, where the effect of such sale, condition, agreement, or understanding may be to substantially lessen competition or tend to create a monopoly in the wholesale purchase and sale of cannabis products produced by DHSS-licensed cannabis cultivators and manufacturers in Missouri in violation of section 416.031(3).

300. The exclusive dealing and reciprocity arrangements at issue serve no legitimate procompetitive purpose. They do not improve product quality, reduce costs, increase output, or promote any consumer benefit.

301. Any efficiency that could in theory arise from supply certainty or long-term planning is achievable through less restrictive means—such as individual, arms-length supply

agreements negotiated on competitive terms—and does not require the categorical exclusion of Plaintiffs and the Class from meaningful access to the Cartel’s dispensaries.

302. All Class Members have suffered and will continue to suffer antitrust injury as a direct and proximate result of the combination and conspiracy between Defendants that is ongoing and for which injunctive and declaratory relief will benefit all Class Members.

303. In addition, Plaintiffs — in their individual capacity — should be awarded treble damages, costs, and attorneys’ fees in an amount to be proved at trial.

COUNT VI
(Permanent Injunction – on behalf of Plaintiffs and the Class)

304. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth herein.

305. As set forth above, Defendants’ conduct violates Missouri’s antitrust laws in myriad ways.

306. Accordingly, Plaintiffs and the Class are entitled to injunctive relief suitable to remedy the Defendants’ past and ongoing restraint of trade and/or unfair competition, including the following:

- i. A judicial determination declaring the rights of Plaintiffs and the Class, and the corresponding responsibilities of Defendants declaring that Defendants’ agreements and ongoing collusive activities under the direction of Good Day Farm, including but not limited to agreements regarding the commercial terms of purchases from Plaintiffs and the Class, reciprocal supply agreements, threatened and actual boycotts, management services agreements and operating agreements that result in common management of Defendants’ independently owned business operations are unlawful under Missouri law;

- ii. Issuance of a permanent injunction against Defendants and their parents, subsidiaries, affiliates, successors, transferees, assignees, and the respective officers, directors, partners, agents, and employees thereof and all other persons acting or claiming to act on their behalf from violations of the law as alleged herein;
- iii. Accordingly, Plaintiffs and the Class are entitled to (i) an order voiding all such agreements insofar as they fix wholesale cannabis prices, allocate product markets, impose reciprocal purchasing requirements, or result in common management or control of more than 10% of the licenses in any facility category; (ii) an injunction permanently barring Defendants and their agents from colluding as to the commercial terms — including price, quantity, and promotional costs — on which they purchase wholesale cannabis products from Plaintiffs and the Class; and (iii) such mandatory relief as is necessary to restore fair competition in the Missouri wholesale cannabis market, including requiring independent procurement decision-making and management by each Cartel dispensary.

COUNT VII

(Unfair Competition – on behalf of Plaintiffs and the Class)

307. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth herein.

308. Defendants' actions and decision-making also violate Mo. Const. art. XIV, § 1.3(9), which was enacted to protect fairness and prevent market distortion, because Defendants own, control, or manage more than 10% of the retail cannabis licenses in Missouri.

309. Upon information and belief, Defendants have concealed that they jointly manage

and control sixty-one dispensaries from (i) Missouri’s regulators, and (ii) Missouri’s consumers. Instead, Defendants falsely portray their sixty-one dispensaries to be separately owned and operated.

310. Defendants’ misleading depiction of the GDF Cartel gives Defendants an unlawful competitive advantage and robs Plaintiffs and the Class of the ability to compete on the merits, and therefore comprises unfair competition in violation of Missouri common law.

311. Plaintiffs and the Class have suffered harm, injury, and damages as a direct, proximate result of Cartel Defendants’ conduct described above, and therefore are subject to equitable relief including restitution and disgorgement of profits.

COUNT VIII
(Declaratory Relief Per § 527.010, RSMo – on behalf of Plaintiffs and the Class)

312. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth herein.

313. A real, substantial, and presently existing controversy exists between Plaintiffs and the Class, on the one hand, and Defendants, on the other, concerning the lawfulness under Missouri law of Defendants’ ownership and management of the GDF Cartel and the Cartel’s coordinated wholesale procurement.

314. Defendants currently own, control, and manage at least four “verticals” comprising sixty-one (61) Missouri dispensaries — substantially more than ten percent of the dispensary licenses outstanding under Mo. Const. art. XIV. The verticals are bound together under common management, management services agreements which vest decision-making for each Cartel-affiliated dispensary, including pricing and procurement, in one or more individuals affiliated with Good Day Farm.

315. Plaintiffs and the Class are Missouri-licensed cultivators and manufacturers whose products may lawfully be sold to consumers through Missouri-licensed dispensaries. Their only path to market therefore runs through the dispensary network Defendants have unlawfully consolidated. The Ten-Percent Licensing Cap codified at Mo. Const. art. XIV, §§ 1.3(8)–(10) and 2.4(9)–(11) was adopted to prevent precisely the concentration of dispensary control Defendants have achieved.

316. Upon information and belief, Defendants will contend that the GDF Cartel is lawful, that the verticals do not constitute “substantially common control, ownership, or management” within the meaning of Mo. Const. art. XIV, § 1.3(9) and 19 CSR 100-1.010(91), and that the Cartel’s coordinated wholesale procurement does not violate § 416.031, RSMo. Plaintiffs and the Class contend the opposite.

317. Defendants have already organized and operate the four verticals; have already centralized “all decisions” for the sixty-one Cartel-affiliated dispensaries; have already imposed coordinated pricing and procurement terms on the wholesale market; and continue to expand the Cartel and to extract supra-competitive concessions from Plaintiffs and the Class on every new order. The constitutional violation is undermining the development of brands that compete with the GDF Cartel at a crucial time in this new industry. The harm is not threatened or contingent — it is being inflicted in real time and will continue to be inflicted absent judicial resolution, and is irreparable.

318. The Ten-Percent Licensing Cap is self-executing but provides no private remedial scheme — no statutory cause of action, administrative procedure, or other mechanism by which Plaintiffs and the Class can obtain a binding determination of the Cartel’s unlawfulness or compel Defendants to bring their structure into compliance.

319. Plaintiffs and the Class accordingly seek a judicial determination, declaration, and decree, pursuant to §§ 527.010 and 527.020, RSMo that:

- (a) Mo. Const. art. XIV, §§ 1.3(8)–(10) and 2.4(9)–(11) prohibit any entity or entities under substantially common control, ownership, or management from owning more than ten percent of the dispensary, cultivation, or manufacturing licenses outstanding under either Section 1 or Section 2 of Article XIV;
- (b) Defendants—acting individually and through the GDF Cartel, the four verticals, and the Manager(s)—represent, exercise, and share substantially common control, ownership, or management of licensed dispensaries within the meaning of Mo. Const. art. XIV, §§ 1.3(9) and 2.4(10) and 19 CSR 100-1.010(91), and collectively own, control, and manage substantially more than ten percent of the dispensary licenses outstanding in Missouri;
- (c) The arrangements of the GDF Cartel providing for substantially common control, ownership, or management of licensed dispensaries in excess of the Ten-Percent Licensing Cap violate Mo. Const. art. XIV, §§ 1.3(9) and 2.4(10) and § 416.031, RSMo and are unlawful, unenforceable, and void;
- (d) Defendants are obligated to bring their ownership, management, and procurement structures into compliance with Mo. Const. art. XIV, §§ 1.3(9) and 2.4(10) and § 416.031, RSMo; and
- (e) Such further declarations as are necessary or proper to terminate the controversy and remove the uncertainty between the parties.

COUNT IX
(Supplemental Relief Pursuant to § 527.080, RSMo —
On Behalf of Plaintiffs and the Class)

320. Plaintiffs reallege and incorporate by reference paragraphs 1-248 as if fully set forth herein.

321. A declaration that the Defendants' arrangements are unlawful and void will not, standing alone, restore competition in the Missouri wholesale cannabis market or stop the ongoing harm to Plaintiffs and the Class. Defendants have built the GDF Cartel deliberately, expanded it through the addition of new verticals, and committed publicly to using its aggregated buying power to suppress wholesale prices indefinitely. Affirmative equitable relief is necessary to give effect to the declaration sought above.

322. Plaintiffs and the Class accordingly seek the entry of a permanent injunction:

- a. Voiding the Cartel Agreements (and any successor or substitute arrangements) insofar as they fix wholesale cannabis prices, allocate product markets, impose reciprocal or exclusive purchasing requirements, or place more than ten percent of the dispensary, cultivation, or manufacturing licenses outstanding under Mo. Const. art. XIV under substantially common control, ownership, or management;
- b. Permanently enjoining Defendants and their parents, subsidiaries, affiliates, successors, transferees, assignees, officers, directors, partners, agents, employees, and all other persons acting in concert with them, from further violations of Mo. Const. art. XIV, §§ 1.3(9) and 2.4(10) and § 416.031, RSMo including (i) jointly negotiating or determining wholesale prices, quantities, product selection, or promotional terms across Cartel-affiliated dispensaries; (ii) operating any vertical, Manager, or other arrangement that vests common control over the procurement,

- pricing, or product-selection decisions of more than ten percent of the dispensary licenses outstanding in Missouri; and (iii) taking concerted retaliatory action against any wholesaler that declines to accept Cartel-dictated commercial terms;
- c. Compelling Defendants to take such mandatory affirmative steps as are necessary to restore competition, including (i) unwinding the management services agreements, supply agreements, and operating agreements through which Good Day Farm or its affiliates exercise control over the Cartel's verticals; (ii) restoring independent procurement decision-making and management at each Cartel-affiliated dispensary; and (iii) periodic compliance reporting to the Court; and
 - d. Granting such other and further injunctive relief as is necessary or proper to enforce the declaration sought above and to restore the competitive conditions that the Missouri Constitution and chapter 416 require.

323. As further supplemental relief, the named Plaintiffs seek a money judgment against Defendants, jointly and severally, for the disgorgement and restitution of all unlawful profits, savings, overcharges, discounts, promotional cost-shifting, and other monetary benefits Defendants extracted from Plaintiffs through the Cartel Agreements and the conduct alleged above. The amount of those unlawful gains is reasonably ascertainable from Defendants' own books and records, including the procurement-margin data Good Day Farm has touted to investors, and will be proved at trial. Permitting Defendants to retain the profits they extracted from Plaintiffs by means of an ownership and management structure that the Missouri Constitution prohibits would reward the constitutional violation the declaration sought above is designed to redress.

PRAYER FOR RELIEF

WHEREFORE, Plaintiffs request that the Court enter judgment on its behalf and on behalf of the Class defined herein, by adjudging and decreeing that:

(b) This action may proceed as a class action, with Plaintiffs serving as the Class Representative and its counsel serving as Class Counsel;

(c) The Cartel Defendants have contracted, combined, or conspired, and engaged in anticompetitive and unconstitutional conduct in violation of Missouri law

(d) Plaintiffs and the Class have been injured in their business and property as a result of the Cartel Defendants' violations;

(e) Plaintiffs and the Class are entitled to injunctive and declaratory relief suitable to remedy the Cartel Defendants' past and ongoing restraint of trade and/or unfair competition and violations of the Missouri Constitution, including the following:

- i. A judicial determination declaring the rights of Plaintiffs and the Class, and the corresponding responsibilities of the Cartel Defendants;
- ii. Issuance of a permanent injunction against the Cartel Defendants and their parents, subsidiaries, affiliates, successors, transferees, assignees, and the respective officers, directors, partners, agents, and employees thereof and all other persons acting or claiming to act on their behalf from violations of the law as alleged herein.

(f) Plaintiffs and the Class recover their costs of this suit, including reasonable attorneys' fees as provided by law;

(g) Providing compensatory damages and equitable relief to Plaintiffs and the Class including restitution and disgorgement, as appropriate;

- (h) Plaintiffs are entitled to recover treble damages for losses sustained as a result of Cartel Defendants' conduct, and that a joint and several judgment in favor of Plaintiffs be entered against Cartel Defendants in an amount subject to proof at trial;
- (i) Plaintiffs are entitled to pre-judgment and post-judgment interest on the damages awarded them, and that such interest be awarded at the highest legal rate;
- (j) Awarding Plaintiffs and the Class such other relief as the Court may deem just and proper.

Dated: April 28, 2026

Respectfully submitted,

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Attorneys for Plaintiffs

SCHEDULE A – PUTATIVE CLASS MEMBERS

1. 1620 Inspired, LLC
2. 1913 Carrollton LLC
3. 1913 Carrollton Manufacturing LLC
4. 1913 Waynesville LLC
5. 5150 Processing LLC
6. Agri-Genesis LLC
7. Alpha Fusion Extracts LLC
8. BB Technologies, LLC
9. BD Health Ag 1, LLC
10. BD Health Ag 2, LLC
11. BD Health Ag 3, LLC
12. Black Fox Manufacturing, LC
13. Blue Sky Health & Wellness, LLC
14. Blue Sky Manufacturing LLC
15. Boa Vida Production Inc
16. BRB Missouri, LLC
17. BTMD Holdings LLC
18. C4, LLC
19. CANNABIS INC.
20. Cannabliss & Co, LLC
21. Catfish Processing, LLC
22. CEN Missouri, LLC
23. Certified Alternative Medicine Providers, LLC
24. Chappell, Inc.
25. CPC of Missouri - Smithville, LLC
26. Cuban Roots Cultivation, LLC
27. CURADOR LABS LLC
28. D-LUXE Farms MO LLC
29. D-LUXE Processing MO LLC
30. Dark Horse Medicinals Missouri, LLC
31. EmmaLeaf Process, LLC
32. Flagstaff, Inc.
33. Flora Ceres Charlotte, Inc.
34. Flora Ceres, Inc.
35. Franklin's Venture Partners, LLC
36. GF Biomass LLC
37. GF Extraction Lab LLC

38. GF Production Lab LLC
39. GF Saint Mary, LLC
40. GRC MOBERLY LLC
41. Green Four Ventures, LLC
42. Green Mile Transport
43. Growing Jobs Missouri LLC
44. GRP MOBERLY LLC
45. Happy Days LLC
46. HEARTLAND ENTERPRISES L.L.C.
47. Hippos, LLC
48. Honey Green, LLC
49. JAWS Ventures, Inc.
50. Kimball, Inc.
51. Kindbio LLC
52. Local Leaf, LLC
53. MBE Healthcare Solutions II, LLC
54. MidAmeriCanna, LLC
55. Missouri Made Marijuana, LLC
56. Missouri Wellness, LLC
57. Mo Manufactured Products, LLC
58. MR 5025 OH100, LLC
59. Navarro Farms MO, LLC
60. New Growth Horizon, LLC
61. NGW MO I, LLC
62. NGWMO, LLC
63. NOAH'S ARC FOUNDATION LLC
64. NOAH'S ARC FOUNDATION MAN15, LLC
65. NOAH'S ARC FOUNDATION MAN97, LLC
66. Nodaway Holdings LLC
67. OXG LLC
68. OXG MIP, LLC
69. QPS Missouri Holdings, LLC
70. Raymond Christopher Enterprises LLC
71. Revival 98, LLC
72. Revolt Labs II LLC
73. Robust Missouri Process and Manufacturing 1, LLC
74. Robust Missouri Process and Manufacturing 2, LLC
75. ROI Labs of Atherton LLC
76. Show-Me GP, LLC
77. Show-Me Organics, Inc.

78. SLCC, LLC
79. SoGanja Labs, LLC
80. Solamere, Inc.
81. Solgrone Cultivation II LLC
82. Solgrone Cultivation Three, LLC
83. Solgrone Cultivation, LLC
84. STANDARD WELLNESS MISSOURI, LLC
85. Stash House MO, Inc.
86. Sunrise Beach GP, LLC
87. Teal Labs II, LLC
88. Teal Labs, LLC
89. TerraMa Gold, LLC
90. V3 MO Processing 1, LLC
91. Vertical Enterprise, LLC
92. VMO Double Arch II
93. VMO Double Arch, LLC

ATTACHMENT 1

Missouri Retail Opportunity

Q1 2025

***** CONFIDENTIAL NOT FOR DISTRIBUTION*****

Dear Investors,

We are pleased to bring you what we believe is a compelling risk adjusted opportunity with a projected **7.7x MOIC** and **55% IRR** in a market we know well. Due to a combination of macro-market events that have moved valuations favorably for acquirers, we are able to offer robust risk adjusted returns in the best cannabis market in the country—**Missouri**. Not only does this deal offer immediate dividends and post-tax returns without a waiting period, but it comes with a greater degree of certainty around outcomes while also materially enhancing the position of our existing assets in the state, particularly our **CODES** vertical. We look forward to sharing the details with you below. Before we dive in, here are three tables to help get you acquainted.

Summary:

Figure 1. Purchase Price Summary

Cash (at close)	\$110,000,000
Seller Financing (0% interest)	\$150,000,000
Total	\$260,000,000
TTM EBITDA	\$52,000,000
GDF Synergy Adj. EBITDA	\$80,000,000

Figure 2. EBITDA Multiple Summary

	TTM	Post-Acquisition
Cash at Close Purchase Price	2.11	1.38
Total Purchase Price	5.00	3.25

*Multiples do not include the synergies with existing GDF and CODES verticals

* Post acquisition contemplates our known operational efficiency enhancements

Figure 3. Investor Return Summary

Cash on Cash Div. Yield	During Debt Amortization	Post-Debt Amortization
Pre-Tax	14%	42%
Post-Tax	10%	30%

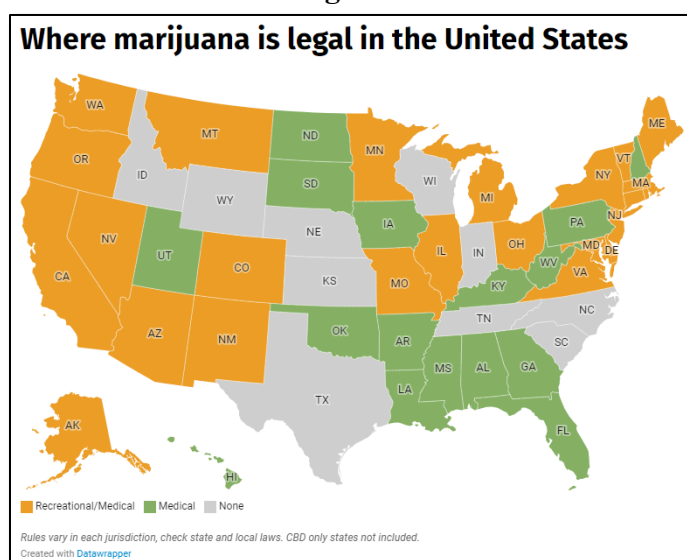
*Contemplates return under Schedule-1, rescheduling returns are discussed in depth below

Sincerely,
The Good Day Farm Management Team

INTRODUCTION

2024 marked the 10th anniversary of the first recreational sales of cannabis in the United States. In 2014, only two markets (Colorado and Washington) allowed adults 21+ years of age with a government form of identification to legally purchase marijuana. Fast forward to the present, there are now **24** states (plus Washington DC) that have legalized adult use sales, and **38** with medical programs. **76%** of American adults have access to a state medical cannabis program and **54%** have access to recreational markets. We are past the tipping point. The cannabis movement has overcome over a century of stigma, misunderstanding, and vilification and is finally being recognized as an effective natural medicine and safe recreational substance.

Figure 4.



Source: MJBiz

Like all things, the path of growth has not been linear. This past November, the aforementioned **54%** was expected to grow to over **60%** with the passing of a recreational cannabis ballot initiative in Florida. The largest multi-state operator (MSO) in Florida, Trulieve, spent over **\$150 million** of cash to fund the campaign as it desperately needed the regulatory watershed moment to placate market fears about its ballooning liabilities, particularly unpaid tax liabilities related to 280e. All the chips were in.

Trulieve, similar to all other MSOs, saw its stock price collapse following the run up of optimism in 2020. This expansion exhibited to investors that cannabis was not only a consumer staple and a government designated essential business, but also a counter cyclical asset—sales and consumption do *increase* during economic and societal downturns. Peak enthusiasm during COVID would end up marking the end of the first bull expansion wave, for those that subscribe to Elliot Wave theory. The subsequent four years represent the second wave—a retracement and correction of that excess exuberance, as larger federal deregulation proved to be more distant. Some optimism emerged this past Spring with formal progress in the rescheduling effort, helping industry stocks lift off the mat, but more was needed to end the correction phase. A November

**GOOD PEOPLE.
GOOD CANNABIS.
GOOD DAY.**

election success in Florida combined with Democrats winning the White House was supposed to be the combination of events that would catalyze the next bull wave and resurgence of stock values, reigniting the fires of M&A of this hyper-fragmented industry just as the Fed started to cut rates. Positive speculation was swirling of an imminent rescheduling under the new Democrat administration and the possibility of SAFE banking soon to follow. There were even whispers that US exchanges would allow uplisting as early as 2025 under the Harris administration.

It was no surprise with this backdrop that MSOs were seen poking around in one of our core markets—Missouri. Given our strong presence in the state, we were courted by multiple dispensary owners looking to stoke some competitive bids for their assets. We politely declined to participate given the **7-8x EBITDA** starting bids MSOs were willing to pay, albeit on mostly all-stock deals. That was simply too rich for our return prerequisites and risk appetite.

Then the election happened. With Trump winning the White House and the Florida recreational initiative failing to pass, stocks in the cannabis sector cratered with Trulieve leading the decline.

Figure 5. Trulieve Cannabis Corp (TCNNF) Daily 6m Stock Chart



Source: Yahoo Finance

Subsequently, sentiment softened further, reflective of the snowballing pessimism amongst operators who so desperately needed a bailout. The election results were not shocking to us, but certainly to the industry, which has been eagerly waiting for a catalyst since the collapse that started in 2021. The ticking of the debt clock is louder now as obligations swell further and impending debt maturities and refinancings inch closer for the MSOs. Frankly, most of our large national competitors are facing meaningful unpaid 280e tax liabilities, significant long term debt cliffs, and the trepidation of the moment is palpable. With hopes of SAFE banking fading and more doubt creeping into the narrative regarding rescheduling—*fear* and doubt have reemerged.

Well positioned by our unlevered free cash flow and strong dividends, we see this as an opportune time to strike. Valuations of dispensaries within a matter of weeks have been cut by more than *half*. The same dispensary owners have approached us, unsolicited, inquiring about our interest level at materially lower asking prices knowing that we transact largely in cash. Many

dispensary owners have operating fatigue and if they can get liquidity, they will sell. The tiresome courting process in the runup to the elections allowed them to see light at the end of the tunnel and they do not wish to see it vanish altogether. In this moment of fear, which may be fleeting, we can further extend our footprint in the best recreational market in the country—by buying more of the limited retail dispensaries at significant adjusted EBITDA multiple discounts. No cultivation expansion, just retail, the business channel we ultimately believe wins as the market matures.

Our thesis is rather simple—the key to performance in the Missouri market is to scale limited license retail. In the long run dispensaries are the ultimate hedge for cannabis companies, as states will always control their points of consumer access even if there is interstate commerce. We are a long way away from that outcome and do not necessarily intend to hold our assets that long, but the more retail footprint we have in a state, provided those licenses are limited relative to the size of the population and not subject to dilution, the more valuable it is and the more likely we are to hold onto it, all else equal.

Through the acquisition of a block of the state’s best performing retail assets at a value price in a moment of fear, we can offer not just robust returns on that investment in a vacuum, but also enhance the returns of our existing vertical businesses while lowering their risk exposure. After all, the more retail presence we have in a limited license state the more our wholesale sales are de-risked. With more native demand for our products, we can further optimize our product mix in manufacturing, driving earnings higher. Concomitantly, purchasing of third-party products increases in our dispensaries, facilitating stronger gross margins on their products, compounding the earnings increases further.

EXISTING MISSOURI INVESTMENT REVIEW

As we contemplate the benefits of adding to our investment in the state of Missouri, let us review our returns to date in our two vertical businesses, GDF Missouri (“V1”) and CODES Missouri (“V2”). In V1, there was a multi-year waiting period for dividends to commence, but returns in 2023 registered at ~**30%**, the first year of adult-use. We expect to repeat that feat again (**30%**) for 2024, before seeing an increase in the dividend towards **40%** in 2025 and future years as our retail relocation strategy of existing V1 and V2 stores takes hold. In V2, we fully expect to eclipse **25%** dividends for 2024, following strong performance in cultivation and wholesale. Dividends will grow and exceed **40%** in 2025 and likely exceed **45%** as both the retail relocation strategy in V1 and V2 and the addition of the newly acquired dispensaries in a new silo will most heavily impact the CODES vertical. The addition of this third block of retail stores, naturally named “V3”, is ultimately what will drive V2 cash-on-cash returns to **45-50%** annually, whereas they would likely reach **40%** on independent of the new acquisitions. These new acquisitions eliminate significant downside exposure quite effectively while increasing return, as will be discussed below in detail along with the assumptions driving these modeled performance outputs. In the meantime, please refer to the below chart as a visual reference of performance to date and pro forma returns in our existing verticals.

Figure 6. V1 and V2 Actual & Pro-Forma Return Summary

V1							
Closing Date:	Jun '21						
Capitalization:	\$154,595,000						
	2023	2024	2025	2026	2027	2028	2029
Pre-Tax Distributions by Tax Year	\$45,527,564	\$45,743,587	\$64,800,672	\$67,952,618	\$58,640,917	\$54,374,916	\$50,277,798
Return on invested capital	29%	30%	42%	44%	38%	35%	33%
Post-Tax Distributions by Tax Year	\$14,002,139	\$12,255,035	\$24,585,088	\$25,592,081	\$18,012,705	\$15,495,050	\$11,613,331
Return on invested capital	9%	8%	16%	17%	12%	10%	8%
V2							
Closing Date:	Mar '23						
Capitalization:	\$140,000,000						
Subsequent Cash Raise in 2024:	\$23,617,714						
	2023	2024	2025	2026	2027	2028	2029
Pre-Tax Distributions by Tax Year	\$7,283,033	\$42,849,032	\$74,730,733	\$78,969,021	\$64,266,156	\$59,973,488	\$55,057,279
Return on invested capital	5%	26%	46%	48%	39%	37%	34%
Post-Tax Distributions by Tax Year	-\$1,882,125	\$12,337,548	\$27,137,766	\$27,983,515	\$16,589,959	\$13,917,980	\$9,639,797
Return on invested capital	-1%	8%	17%	17%	10%	9%	6%

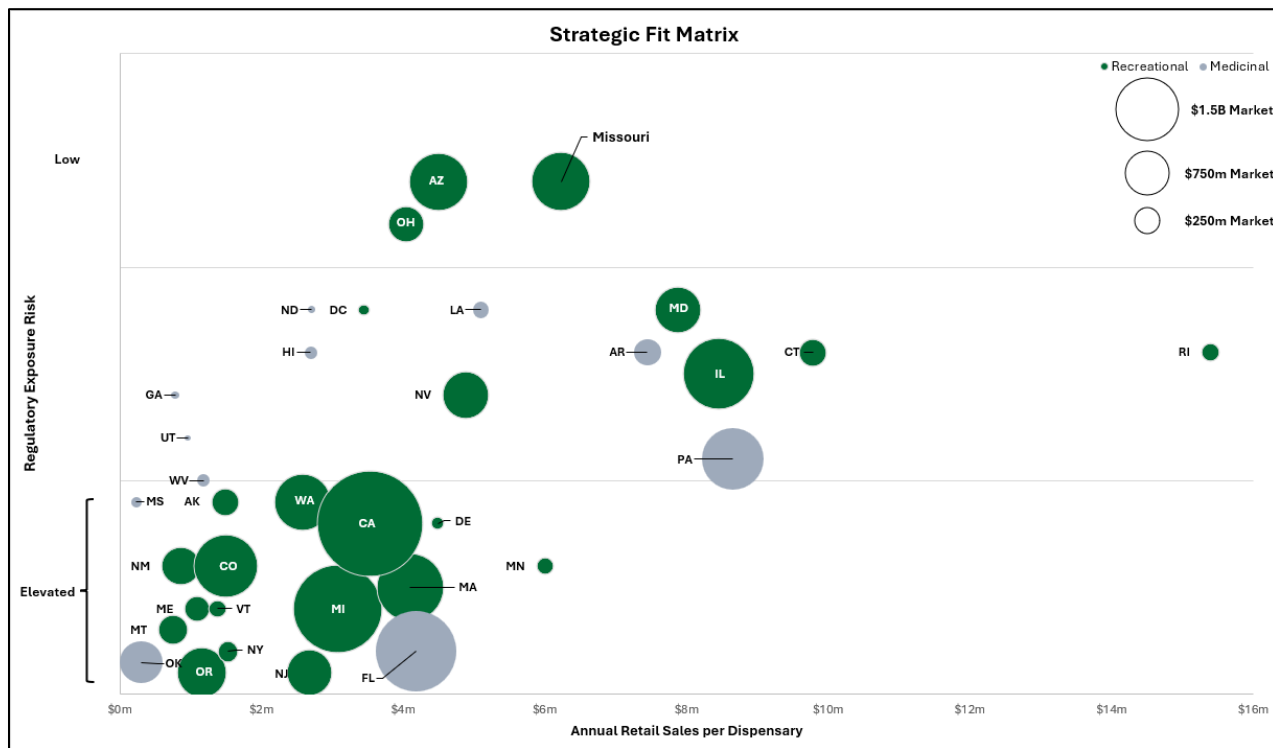
LIMITED LICENSES & REGULATORY MOAT

Before we dive into the details of the transaction and quantify its benefits and risks, let us first address the above comments regarding the limited license nature of Missouri’s marijuana program. This aspect of the regulatory environment in Missouri is one of the foundational reasons we have invested so heavily in the state.

First and foremost, virtually all **38** states have excess cultivation and experience oversupply to some extent. Even in the states where overproduction is not an issue (like Louisiana) there is still long-term potential for oversupply to occur since it is legislative in nature. Second, having large scale cultivation without retail ultimately leaves a business exposed to federal deregulation with interstate commerce. As a result, for operators in states that are not oversupplied now, in the long run the oversupply risk is never hedged. Retail, conversely, is much different since each state ultimately controls its points of access to consumers. Out of the two dozen states with recreational programs there are only **three** that meet what we would classify as truly limited license retail recreational markets with moat. Those are Ohio, Arizona, and Missouri. Each of these markets went recreational via ballot initiative, which are generally far less subject to change than legislative driven programs, i.e. the competitive framework and rules to the game are likely to remain constant. In the case of Missouri, not only is the recreational regime the result of a ballot initiative—it is also a constitutional amendment. In short, while there is a non-zero probability of license count change, it is extremely unlikely from a pure administrative and political standpoint. At **229** licenses in the state, divided into eight congressional districts, there are enough points of access to ensure a large and thriving macro market, but not so many to where revenue averages

are modest. In fact, the average revenue of a retail dispensary with a macro market of **\$1.46 billion** and growing (~\$530k/month) is large enough to ensure escape velocity from the fixed operating costs to generate strong earnings margins. Knowing this licensing framework is as ironclad and predictable as it can get, we view the risk in acquiring dispensaries as relatively de minimis compared to other states, especially at the EBITDA multiples summarized above and below. It is why we believe Missouri has the most attractive recreational cannabis market in the entire United States. The below diagram illustrates this uniqueness as it lays out average retail sales per dispensary and associated regulatory risk of the program. Missouri has been a winner, and given its uniqueness, we encourage adding to our position there.

Figure 7. Retail Market Strategic Fit Matrix



TRANSACTION SUMMARY

The below section outlines the terms and key considerations of this transaction. In short, we are acquiring substantially all the assets of this business, which include **twelve (12)** open and operating dispensaries and **two (2)** that are soon to open in early 1H 2025 operating under a known banner. Naturally, reps and warranty protections will be required through deal structuring to complete this transaction as we acquire the membership interests of the existing business. This business has an annualized EBITDA run-rate of **\$52 million**, which we see increasing to **\$80 million** over the next two years with the addition of its new, prime located dispensaries, gross margin enhancements and some macro market growth. Candidly, these are twelve of the best dispensaries in the state, with a significant revenue per door average. Their gross margins and EBITDA margins are superior to most of their peers, but we see notable room for improvement

given our learnings on how to be cost effective with discounts, understand customer purchasing behaviors, and our ability to leverage our retail commerce to extract gross margin from third-party vendors. The general terms are listed below.

- Assets: **14** dispensaries (**12** operating and **2** to be opened in 1H 2025)
- Entity type: C-Corp
 - This is a critical element of the transaction as it has allowed us to seller finance in a tax efficient manner as cannabis remains subject to 280e as a Schedule 1 drug.
- Capitalization: **\$116 million** (\$110 million paid at close, plus \$6 million of working capital)
- Cash at Closing: **\$110 million**, i.e. only ~2x EBITDA is paid up-front at close.
- Seller Financing: **\$150 million** paid over 6 years with *zero percent* interest.
 - This price, structure, and EBITDA multiple are the results of the aforementioned down sentiment in the US market and the scarcity of buyers who are capable of funding with material cash consideration.
- Additional Consideration: Other cash consideration is in the form of franchise “fees” which are paid annually (**\$5mm**) until the seller debt is cleared and the business is operating under the existing banner. The existing banner is also a well-recognized brand in the marketplace and this structure gives us time to rebrand.
- Dividends: Excess cash from operations will be paid to the seller towards the **\$150 million** of seller debt, provided our investors receive at least **10% post-tax** annual returns. As modeled, we will not need all six years. Rescheduling accelerates the paydown by as much as nine months.
- Supply Agreement: We will continue to buy a specific unit count of product from the seller’s production facilities, estimated at **\$2.0 million** per month at current margins and prices.
- MOIC Hurdles: Identical to our LLC deals, the hurdles are **1.08, 3.00, and 4.50** times invested capital before the GP participates at **20%, 25%, and 30%** respectively. Considering the business is a C-Corp, this is a more favorable post-tax return to our investors than previous transactions.

CORE MODELING ASSUMPTIONS

New Location Performance (Dispensaries 13 & 14)

There are two (2) more stores opening in 1H 2025. Given our analysis of the locations for these stores and the strong track record of performance of the existing portfolio of dispensaries, we are modeling these two incremental stores to perform on average equally as well as the existing twelve. These new locations will drive earnings north of **\$52 million** on an annual basis, helping us achieve **\$62 million** in 2025 before reaching a terminal **~\$80 million** in 2026 and beyond. Some of this performance growth is attributable to modest increases in the macro market, which we will comment on below in the section titled “*Macro Growth*”.

Gross Margins & Procurement

Procurement margin for our target dispensaries is **57%** today, reflective of the strength of their retail commerce, but our two managed verticals are able to receive **60%** with 48-of-50 of our 3P vendors, which we believe is the strongest in the entire state given the size of our current retail platform. As macro biomass supply inevitably ticks higher over time, thematically we see gross margin increasing for all retailers in a limited license market, with the largest operators naturally leading the pack. Our models only contemplate an increase to a terminal **62.5%** product margin, but we confidently expect to exceed this as macro supply increases, as it has in all other cannabis markets to upwards of **70%**. For conservatism, we have not baked that assumption into our models given the already strong returns.

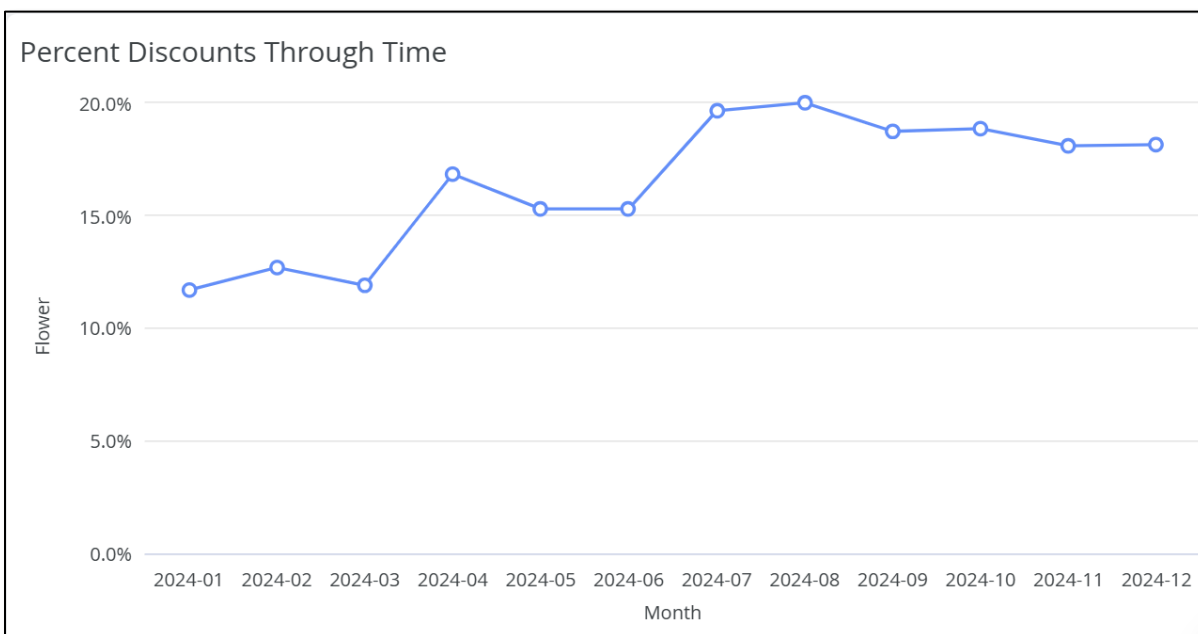
Discounting

The cannabis industry is heavily promotional, with virtually all retailers offering often deep daily deals across product categories. Discount rates on average across markets are in the upper-teens to upper-twenties. Even in limited license retail markets like Missouri, the general competitive strategy is to win market share by beating competitors on discounts. It is so engrained in the operating culture of the industry that its existence goes unchallenged by decision makers. At every opportunity, including all major holidays, retailers take aggressive moves to discount product to lure consumers to their doors in hopes of winning their loyalty and gaining market share in their MSA. We know that the technical infrastructure in the industry is behind other major industries of this scale and that with all the operator fragmentation, there is little data and analytics capability or sophistication to properly quantitatively study the impact of these promotional schemes on customer behavior. In a 280e environment, where businesses are taxed on gross profit, discounting is so punitive to earnings that it can easily flip a retailer's financials into the red, even though on paper their earnings are technically positive. As a result, it is imperative to only discount in ways that drive customer engagement and earnings. Every discount percentage point offered to customers must translate to earnings growth of a significant magnitude to not just drive net sales, but also earnings in a 280e environment in a manner that exceeds tax liability. What we see though is that operators are hesitant to peel back the extent of their discounting out of fear of losing precious ground. This is a natural human heuristic tendency—after all, we tend to regret not doing things rather than taking the action. Moreover, our interpretation is that retailers have self-reinforcing conclusions. For example, on holidays (like 4/20 or Black Friday) that always translate to higher net sales, we see retailers attributing their sales performance to the discounts rather than the demand from the holidays themselves.

Through our ongoing efforts to segment customers and through our years of data governance quality and consistency work, we have entered a new paradigm on this core component of our retail operation. We have built a clean data lake and analytics infrastructure that facilitates rapid analysis of customer behavior to improve decision making. As a result, we have removed discounting that is ineffective while scaling discounting that generates tangible ROI and expedites cash flow generation. Importantly, we have done all while not compromising our retail share in the macro market. The result is that our total discount rates have fallen dramatically, while the average rates have steeply risen in the industry. The below figure reflects average discount rates in Missouri

by month in the largest product category—flower. The average discount rates have nearly doubled since the start of 2024, towards **20%**. We expect they will inch higher over time.

Figure 8. Average Monthly Discount Rates – Flower Category 2024



In contrast to state trends, in GDF and CODES stores we have lowered their discounting since it peaked in Q4 of 2023 at **18%**-- coincidentally where the market is today. The below figure illustrates average quarterly discount rates in our GDF (“MO V1”) and CODES (“MO V2”) dispensaries dating back to the start of 2023. During that year our discounts increased in Q3 (period starting 07/01/23) before peaking in Q4. In Q4, our investments in analytics and technology entered a new paradigm in concert with a shift in retail leadership, allowing us to gather granular insights into customer behavior around discounting, shifting strategy and executing in the field on the front lines with precision and consistency. Immediately in Q1, our discount rate was cut nearly in half to **10%**. We expected that we would see some retail share loss in doing this, but the profit gains would far outweigh those declines. In practice, the results were even more disproportionate and asymmetric, exceeding our expectations.

Figure 9. GDF & CODES Missouri Quarterly Discount Rates

Store Set	01/01/23	04/01/23	07/01/23	10/01/23	01/01/24	04/01/24	07/01/24	10/01/24	Total
⊕ MO V1	9.6%	10.1%	12.6%	17.7%	10.2%	12.6%	10.5%	10.8%	11.9%
⊕ MO V2	11.3%	8.3%	12.3%	19.2%	9.8%	13.7%	11.0%	10.0%	12.0%
Total	9.8%	9.7%	12.5%	18.1%	10.0%	13.0%	10.7%	10.5%	11.9%

Virtually *100%* of the discount cuts translated directly to EBITDA, materially improving the profitability and cash flow in our retail business. We have been able to maintain this low rate for the balance of 2024, continuing to improve margins. Interestingly, our retail share has also

increased over time, meaning we did not only maintain our position within the market, but we were also able to grow our share (% of total retail sales), all while lowering discounts. In short, we had wins across the board in every category.

Relatedly, our new retail leadership team was able to get all of our 3P vendors to agree to cover gross margins on promotions of their product, meaning that our true discount rates are even lower. In short, if you want to promote your product in our large platform of dispensaries, you are going to have to protect our margins to do it. We are not paying for 3P promotions like other smaller retailers do and we have the finance and accounting sophistication to make this easy for vendors.

Additionally, when it comes to acquisition due diligence, each set of income statements we have previously had the opportunity to review contain high discount rates. Our target is superior to most, but it still has averaged **16%** over the past twelve months. We are confident we can implement the same practices for this block of stores to maintain the perception of value without giving away our precious earnings in a 280e environment. Moreover, with some of the locations having close proximity to state lines with little competition, where we see discounting as even less relevant, there is potential to drop the average rate further for these dispensaries.

In summary, we see cannabis as a consumer staple, like milk and eggs but it exhibits vice qualities reflected by its countercyclicality during downturns. A product like this intuitively should not be prone to an overwhelming volume of discounts as the demand is natural. We firmly believe in consistent everyday low prices combined with some high-low pricing strategies through our various brands. We believe as the cannabis industry matures and operational sophistication improves, the paradigm will shift, but for now we see it as a major competitive advantage that translates to our leading performance metrics. We intend to improve and leverage our superior discount strategy to extract significant value for our investors as we continue to mine our data analytics for customer purchasing behaviors and targeted loyalty programs.

Macro Growth

Missouri recreational retail sales in 2024 is estimated at **\$1.46 billion**. In our models we see this gradually increasing over time to **\$1.57bn** in 2025 and **\$1.6bn** in 2026, which is by no means aggressive for a population of **6.2 million**. For reference, these forecasts analog **Missouri** with mature macro markets like Colorado, adjusting for population size. If we were to contemplate a more bullish scenario this would logically translate to higher than **62.5%** of gross margins for large retailers, i.e. demand elasticity and illicit market inflection will drive the macro as prices decline due to increases in supply and retailers hold the leverage, especially large retailers. This is yet further reflection of why we see the acquisition of prime limited license retail dispensaries as great assets to own and strong hedges for production assets within a vertical. Our goal of not overestimating the macro market is to maintain some conservatism on the acquired assets' performance. Our model therefore caps the macro market at **\$1.6 billion** in the out years with commensurate price deflation with increased supply.

RETURN SUMMARY

Incorporating these assumptions into our models, we see EBITDA increasing to **\$62 million** in 2025 as dispensaries #13 and #14 come online before reaching a **\$79 million** figure in 2026 on **\$197 million** of revenue as top line grows while gross margin ticks up to north of **60%** as detailed below. The business can complete the 6-year debt paydown just under 5 years (4y9m), reflective of some downside cushion for the business to meet its obligations. During this period our investors will receive **14%** pre-tax dividends, which are subject to a fixed **20%** dividend tax rate, eliminating the uncertainty faced in LLC investments regarding tax. Once the seller debt is retired, dividends are forecast to increase to **42%**. For our investors who are used to seeing LLC returns, the LLC equivalent dividend would be **62%** pre-tax. The true staggering nature of these returns highlights both the timing of this acquisition at the low multiple and the long duration zero percent seller financing in a C-Corp structure.

Figure 10. Annual Performance & Return Summary (Schedule 1)

	2025	2026	2027	2028	2029
Revenue	\$161,174,748	\$197,586,723	\$200,163,617	\$200,204,446	\$200,245,345
EBITDA	\$62,659,712	\$79,744,307	\$80,739,530	\$79,187,046	\$78,830,138
EBITDA margin	39%	40%	40%	40%	39%
GPS	\$84,223,033	\$107,213,199	\$109,460,173	\$109,168,730	\$109,116,434
Annual Pre-Tax Dividends	\$14,255,759	\$16,292,135	\$16,292,135	\$16,292,135	\$34,101,072
C Share	\$0	\$0	\$0	\$0	\$0
LP	\$14,255,759	\$16,292,135	\$16,292,135	\$16,292,135	\$34,101,072
GP	\$0	\$0	\$0	\$0	\$0
Cumulative Pre-Tax Dividends	\$14,255,759	\$30,547,893	\$46,840,028	\$63,132,163	\$97,233,235
C Share	\$0	\$0	\$0	\$0	\$0
LP	\$14,255,759	\$30,547,893	\$46,840,028	\$63,132,163	\$97,233,235
GP	\$0	\$0	\$0	\$0	\$0
Dividend Tax	\$4,105,658	\$4,692,135	\$4,692,135	\$4,692,135	\$9,821,109
Annual Post-Tax Dividends	\$10,150,100	\$11,600,000	\$11,600,000	\$11,600,000	\$24,279,963
C Share	\$0	\$0	\$0	\$0	\$0
LP	\$10,150,100	\$11,600,000	\$11,600,000	\$11,600,000	\$24,279,963
GP	\$0	\$0	\$0	\$0	\$0
Cumulative Post-Tax Dividends	\$10,150,100	\$21,750,100	\$33,350,100	\$44,950,100	\$69,230,063
C Share	\$0	\$0	\$0	\$0	\$0
LP	\$10,150,100	\$21,750,100	\$33,350,100	\$44,950,100	\$69,230,063
GP	\$0	\$0	\$0	\$0	\$0
EBITDA ROI					
Annual	54%	69%	70%	68%	68%
Cumulative	54%	123%	192%	261%	329%
Pre-Tax Dividend ROI					
Annual	12%	14%	14%	14%	29%
Cumulative	12%	26%	40%	54%	84%
LP ROI					
Annual Pre-Tax	12%	14%	14%	14%	29%
Cumulative Pre-Tax	12%	26%	40%	54%	84%
Annual Post-Tax	9%	10%	10%	10%	21%
Cumulative Post-Tax	9%	19%	29%	39%	60%
LP ROI w/o the seller payables					
Annual Pre-Tax	0%	63%	47%	46%	45%
Annual Post-Tax	0%	45%	33%	33%	32%
LP LLC Pre-Tax ROI EQ	30%	36%	37%	37%	52%

MOIC	7.7x
IRR	55%

**GOOD PEOPLE.
GOOD CANNABIS.
GOOD DAY.**

In this environment, with Schedule 1, and a 2029 exit at **10x** EBITDA, the resulting MOIC is **7.7x** at an IRR of **55%**. As the Figure 3 title says, this is all with cannabis under Schedule 1. Should rescheduling come into play, which we are cautiously optimistic could happen in 2025, returns jump notably as the business is able to lower its tax obligations materially, allowing for further acceleration in the debt paydown, shaving off an additional 9 months. Rescheduling also frees up more cash to pay to investors instead of the government. As the debt is retired, dividends rise to upwards of **53%** in 2029. The LLC equivalent dividends are even higher. With a 2029 exit (5y hold period) at 10x EBITDA, the MOIC jumps to **8.3x** at an IRR of **58%**. We are somewhat agnostic as to the timing of exit given the forecasted cash yields in a market with a relatively ironclad and predictable regulatory environment.

Figure 11. Annual Performance & Return Summary (Rescheduling)

	2025	2026	2027	2028	2029
Revenue	\$161,174,748	\$197,586,723	\$200,163,617	\$200,204,446	\$200,245,345
EBITDA	\$62,659,712	\$79,744,307	\$80,739,530	\$79,187,046	\$82,561,971
EBITDA margin	39%	40%	40%	40%	41%
GPS	\$84,223,033	\$107,213,199	\$109,460,173	\$109,168,730	\$109,862,801
Annual Pre-Tax Dividends	\$16,292,135	\$16,292,135	\$16,292,135	\$18,487,687	\$61,752,346
C Share	\$0	\$0	\$0	\$0	\$191,822
LP	\$16,292,135	\$16,292,135	\$16,292,135	\$18,487,687	\$60,831,601
GP	\$0	\$0	\$0	\$0	\$728,923
Cumulative Pre-Tax Dividends	\$16,292,135	\$32,584,270	\$48,876,404	\$67,364,092	\$129,116,437
C Share	\$0	\$0	\$0	\$0	\$191,822
LP	\$16,292,135	\$32,584,270	\$48,876,404	\$67,364,092	\$128,195,692
GP	\$0	\$0	\$0	\$0	\$728,923
Dividend Tax	\$4,692,135	\$4,692,135	\$4,692,135	\$5,324,454	\$17,784,676
Annual Post-Tax Dividends	\$11,600,000	\$11,600,000	\$11,600,000	\$13,163,233	\$43,967,670
C Share	\$0	\$0	\$0	\$0	\$136,577
LP	\$11,600,000	\$11,600,000	\$11,600,000	\$13,163,233	\$43,312,100
GP	\$0	\$0	\$0	\$0	\$518,993
Cumulative Post-Tax Dividends	\$11,600,000	\$23,200,000	\$34,800,000	\$47,963,233	\$91,930,903
C Share	\$0	\$0	\$0	\$0	\$136,577
LP	\$11,600,000	\$23,200,000	\$34,800,000	\$47,963,233	\$91,275,333
GP	\$0	\$0	\$0	\$0	\$518,993
EBITDA ROI					
Annual	54%	69%	70%	68%	71%
Cumulative	54%	123%	192%	261%	332%
Pre-Tax Dividend ROI					
Annual	14%	14%	14%	16%	53%
Cumulative	14%	28%	42%	58%	111%
LP ROI					
Annual Pre-Tax	14%	14%	14%	16%	52%
Cumulative Pre-Tax	14%	28%	42%	58%	111%
Annual Post-Tax	10%	10%	10%	11%	37%
Cumulative Post-Tax	10%	20%	30%	41%	79%
LP ROI w/o the seller payables					
Annual Pre-Tax	0%	69%	52%	51%	52%
Annual Post-Tax	0%	49%	37%	37%	37%
LP LLC Pre-Tax ROI EQ	27%	31%	31%	33%	70%

MOIC	8.3x
IRR	58%

Candidly, these sort of performance forecasts urges us to revisit our assumptions, however, with already achieving **60%** product margins and discount rates of **10%**, we see the main risk being operational and execution risk, rather than market conditions—as market conditions are likely only going to move in favor of large retailers in Missouri over time as supply increases. Admittedly, since there is some exposure to state lines, performance of this business is somewhat subject to lessening restrictions of cannabis laws in some of the most conservative states in the country: Nebraska, Iowa, and Kansas. Dispassionately, we see this as an incredibly unique moment in time given the down sentiment and soft valuations.

ADDITIONAL CONSIDERATIONS

While the returns of this investment in a vacuum are compelling as modeled, let us contemplate some other considerations to help quantify the risk with the underwriting scenario.

Market Certainty

Unlike our initial Missouri investments there is objectively less risk this time around. There is no uncertainty regarding the regulatory program as we faced when initially raising capital for the GDF Missouri business during the medical market days before the recreational ballot initiative vote in November 2022. In contrast, we know the regulatory program and the licensing framework moat with a rationally high degree of certainty. Moreover, we know the size of the macro market and have a much stronger ability to forecast revenues and earnings as the assets we are purchasing have multiple year-long performance records. We have also been operating in this market for nearly four years and are quite familiar with the competitors and the regulator. Lastly, unlike our CODES vertical where the strategy was to relocate underperforming dispensaries to prime real estate, the target dispensaries are staying put. Considering the low multiple entry price, our view is that this transaction offers one of the most attractive risk-adjusted returns of any GDF investment to date.

Enforcement Certainty

Related to the above is certainty regarding regulatory enforcement. Unlike many of the blue states, which are weak when it comes to enforcement of the law around illicit cannabis sales in their state, Missouri has taken a draconian approach. Twice in the last year there have been substantial product holds by the regulator that have driven prices higher in the market after finding concrete evidence of inverted cannabis product coming into the Missouri regulated system from either other states and from hemp producers. This is a reflection of the steadfast work of about two hundred agents at the regulator that maintain a firm grip on rules, allowing licensed businesses that play by the rules to succeed.

Immediate Dividends

As a result of the relative certainty contemplated in this transaction, and no delays as a result of regulatory approvals and construction timelines to relocate stores, there is no waiting

period to begin dividends as we have experienced in some other investments in nascent markets. Dividends will begin either quarterly or semi-annually in 2025.

Oversupply Scenarios

On the cultivation side of the game, Missouri has issued **60** tier-1 cultivation licenses, which allow for 30,000 square feet of flowering bench canopy. This is more than enough potential canopy to create dilutive wholesale pricing. Even at 1/3 of GDF's industry-leading yields, this translates to more than **50,000** pounds of monthly flower supply at full capacity. Considering that this market is consuming just over **15,000** pounds per month, the supply capacity can far outstrip demand and materially lower prices. To be insulated from oversupply, which has happened in nearly all **38** cannabis markets to varying degrees, owning more retail creates more moat around the earnings in each vertical business. Concentrated retail scale also disincentivizes cultivators from making these kinds of bets, lowering the risk of an oversupply scenario in the first place. Even in the event of oversupply, retail prices ultimately hit a floor in limited license retail states, with wholesale prices falling further to the chagrin of non-vertical producers. The result is expanded gross margins to the benefit of the limited license retailers. Arizona is a proper analog example of this as it only has **163** dispensaries for a population of **7.2 million**. While consumer-facing prices sit somewhere between Arkansas and Missouri in retail dispensaries, wholesale prices are nearly half that of Arkansas. In other words, retail gross margins are robust (**70%+**), and bottom-line performance is vigorous at the expense of non-vertical wholesalers.

At the moment, Missouri has not yet become oversupplied largely due to macro market timing. By the time this market was on the radar of the large companies in 2022, their fortunes had already shifted. Paralyzed by poor operating performance and surmounting debt, they were not able to reasonably enter the industry in Missouri as rates and construction costs increased. Their most recent attempts have faltered, but we know they will be back as soon as their equity commerce allows. Provided we close this transaction during this down sentiment window, that pent up demand will not pose a threat to our business when it returns, but potentially an exit path as the transaction expands our already largest scaled asset footprint in the best cannabis market.

RETURN ENHACEMENT TO GDF & CODES MISSOURI

As detailed above, large scale independent retailers in a limited license environment are well positioned should an oversupply dynamic take hold in the market. For our investors in GDF Missouri and CODES, this offers a significant hedge to adverse market conditions, as both production houses can leverage the incremental buying power from another **\$200 million** in annual retail revenues to product mix optimize their production. The additional procurement leverage also facilitates GDF and CODES gross margin enhancement with third parties, directly translating to higher earnings. Both forces (higher GM% in retail and product mix optimizations) insulate the existing verticals in the event of adverse oversupply scenario---so *what does this look like in the current environment absent that tail risk?*

Our analytics team has been diligently working to update their procurement and assortment algorithm to answer that exact question. In the current model, we have intentionally capped the aggregate GDF and CODES brand share in the new retail business at a conservative **40%** (it has been **65-70%** historically in the existing verticals). With the incremental benefit already being so strong, our intent was to not overstate the impact. At **40%** V1 and V2 share and just market-rate 3P margins on product (**60%** today), the product mix optimization is so meaningful for CODES that it generates on average an incremental **\$10 million dollars** per year in EBITDA over the hold period, or about a **6%** nominal increase in the annual dividend. That equates to an additional **\$132 million** in cash flows over the 5-year hold period, including exit. This raises the MOIC by nearly a half turn for V2. This is illustrated in the figure below. Naturally, higher share assumptions in our model will drive these outcomes higher. For example, if we were to toggle the brand share higher to **50%** (still south of the 65-70% we experience today), the benefit would increase by **20%**, or an incremental **\$2 million** per year, and an extra **\$20 million** on exit for V2.

Figure 12. Incrementality of the Acquisition to CODES (“V2”) Missouri

	2025	2026	2027	2028	2029
V2					
Pre-Tax Distribution ROI					
With V3	46%	51%	40%	38%	34%
Without V3	43%	42%	34%	32%	28%
Difference	3%	9%	6%	5%	6%
Pre-Tax Distributions					
With V3	\$75,064,719	\$83,946,013	\$65,270,583	\$61,661,242	\$55,693,700
Without V3	\$70,141,428	\$68,790,993	\$55,244,050	\$52,770,458	\$45,223,949
Difference	\$4,923,291	\$15,155,020	\$10,026,533	\$8,890,784	\$10,469,751

For context, the magnitude of these gains is a function (in part) of the fact that our cultivation operations have substantially outperformed underwriting expectations. When we formed the CODES vertical (colloquially known as “V2”) we estimated an industry leading **65 g/SF** of production capability. In the past 6 months, this has scaled to over **90 g/SF**, or roughly **3x** the Missouri state average. This is also true in our GDF Missouri production center in Columbia, but the scale of the square footage is notably less than that of CODES and the product mix of that business is optimal already, so there is relatively little juice to squeeze with incremental demand. Yet, for CODES the opportunity is tangible. This higher-than-expected production of biomass provides the opportunity to turn material that is monetized in an inefficient way, i.e. trim sold as raw THC distillate to 3P processors, into high value products like infused pre-rolls, vapes, and edibles.

For GDF, the impact is not terribly relevant in modeled earnings, or about **\$1 million** in earnings per year, which reflects how exceptional the product mix optimization already is in that vertical. GDF Missouri sells everything it makes in quite perfectly optimized fashion. This illustrates just how successful the brands and products are of this leading vertical in the state of Missouri. In fact, GDF Missouri is **#1** in pre-rolls (highest \$/g monetization category) and has top rankings in all other major categories. In our view, the addition of the target stores, since it does not offer material immediate optimizations for GDF production, is a hedge to various market headwinds or underperformance of the various dispensary relocations slotted for 2025. In other words, with the closing of this transaction, GDF Missouri will have significant downside protection to its earnings and dividends. For GDF Missouri investors, participating in this

investment is akin to purchasing a put option that pays a dividend itself. We quite like the idea of collecting significant premium to protect a core asset instead of having to pay a fee to hedge the core downside risks. Additionally, the target acquisition may lead other retailers in the state to consider selling as fear sets in with our soon to be even more dominate position. Lastly, for GDF, if we were to toggle V1 and V2 share higher in V3, it would increase its percentage of 3P in its own assortment, driving its benefit higher. That is not to mention the fact that the **62.5%** 3P product margin quoted is likely to be low. In other words, we are bullish on the fact that the current modeled returns for V1 are understated as the underlying assumptions are as such.

CONCLUDING COMMENTARY

Price is what you pay—value is what you get. At this moment in time, where the tide has gone out for many large cannabis companies, there is value in many cannabis assets across the United States, but very few meet our criteria. In Missouri, which we see as the best market in the country, we have a fleeting opportunity to acquire one of the strongest groups of performing retail dispensaries in the state for a fraction of the price they were in the market just a couple months ago—*limited license retail is after all the key to vertical performance in the long run in the cannabis industry*. Through leveraging cash and creative zero percent seller financing, we can acquire this block of stores for only **2x EBITDA** up front and deliver a solid preferred return for our investors without tax uncertainty while we retire the zero percent 6-year seller note. Should we hold this asset for **4-5 years**, the dividends have material upside. Rescheduling, which we see as likely, only accelerates this dynamic. Moreover, not only are these returns significant and robust in a vacuum, but they also offer downside protection and dividend enhancement for our significant assets already in the state, particularly CODES Missouri.

Candidly, through our collective experience, we see very few of the **38** state programs as truly enticing from a regulatory and licensing standpoint. Missouri is atop the list, with significant regulatory certainty and moat, which is why we are keen to add to our position there. With the tide out, but potentially soon to return with rescheduling on the immediate horizon and banking reform soon to follow, now is the time to strike while others are fearful. We can further enhance our position in the best cannabis market in the country. We are after all at the very end of a hundred-year cycle of vilification, misinformation, and prohibition of this plant medicine— there will be positive catalysts in our near future that make this opportunity fleeting. The opportunity to acquire retail assets at **2x EBITDA** won't be around for much longer. Timing is, after all, everything.

ATTACHMENT 2

Missouri Retail Opportunity

Q2 2025

***** CONFIDENTIAL NOT FOR DISTRIBUTION*****

Dear Investors,

We are pleased to bring you a compelling risk adjusted opportunity with a projected **5.5x MOIC** and **47% IRR** in a market we know well. Due to a combination of macro-market events that have moved valuations favorably for acquirers, we are able to offer robust risk adjusted returns in the one of best cannabis markets in the country—**Missouri**. Not only does this deal offer immediate dividends with strong post-tax returns, it comes with a greater degree of certainty around pro forma outcomes. We look forward to sharing the details with you below. Before we dive in, here are three tables to help get you acquainted.

Summary:

Figure 1. Purchase Price Summary

Purchase Price	\$71,000,000
Working Capital	\$4,000,000
Debt	\$0
Total Capitalization	\$75,000,000
TTM EBITDA	\$20,000,000
GDF Synergy EBITDA	\$33,000,000

Figure 2. EBITDA Multiple Summary

	TTM	Post-Acquisition Synergy
Purchase Price	3.5x	2.1x
Total Capitalization	3.8x	2.3x

* Post acquisition contemplates our known operational efficiency enhancements in operations, GM%, Discount %

Figure 3. Investor Return Summary

	2025 (stub-year)	2026-2029
Pre-Tax	14%	26%
Post-Tax	10%	19%

* Contemplates return under Schedule-1, rescheduling returns are discussed in depth below

* Pre-tax refers to the total yield investors receive before paying their dividend taxes

* Post-tax return contemplates the cash yield after all taxes have been paid

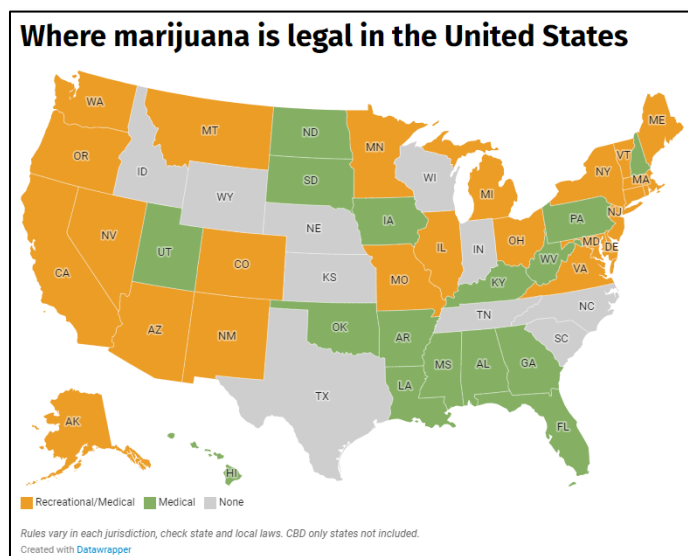
Sincerely,

The Good Day Farm Management Team

INTRODUCTION

2024 marked the 10th anniversary of the first recreational sales of cannabis in the United States. In 2014, only two markets (Colorado and Washington) allowed adults 21+ years of age with a government form of identification to legally purchase marijuana. Fast forward to the present, there are now **24** states (plus Washington DC) that have legalized adult use sales, and **15** more with medical-only programs, for a total of **39** states. **76%** of American adults have access to a state medical cannabis program and **54%** have access to recreational markets. We are past the tipping point. The cannabis movement has overcome over a century of stigma, misunderstanding, and vilification and is finally being recognized as an effective natural medicine and safe recreational substance.

Figure 4.



Source: *MJBiz*

**Nebraska not pictured—ballot measure in 2024*

Like all things, the path of growth has not been linear. This past November, the aforementioned **54%** was expected to grow to over **60%** with the passing of a recreational cannabis ballot initiative in Florida. The largest multi-state operator (MSO) in Florida, Trulieve, spent over **\$150 million** of cash to fund the campaign as it desperately needed the regulatory watershed moment to placate market fears about its ballooning liabilities, particularly long-term debt and unpaid tax liabilities related to 280e. All their chips were in.

Trulieve, similar to all other MSOs, saw its stock price collapse following the run up of optimism in 2020 and 2021. This valuation expansion exhibited to investors that cannabis was not only a consumer staple and a government designated essential business, but also a counter cyclical asset—sales and consumption do *increase* during economic and societal downturns. Peak enthusiasm during COVID would end up marking the end of the first bull expansion wave, for those that subscribe to Elliot Wave theory. The subsequent four years represent the second wave—

**GOOD PEOPLE.
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a retracement and correction of that excess exuberance, as larger federal deregulation proved to be more distant. Some optimism emerged this past Spring with formal progress in the rescheduling effort, helping industry stocks lift off the mat, but more was needed to end the correction phase. A November election success in Florida combined with Democrats winning the White House was supposed to be the combination of events that would catalyze the next bull wave and resurgence of stock values, reigniting the fires of M&A for this hyper-fragmented industry just as the Fed started to cut rates. Positive speculation was swirling of an imminent rescheduling under the new Democrat administration and the possibility of SAFE banking soon to follow. There were even whispers that US exchanges would allow uplisting as early as 2025 under the Harris administration.

It was no surprise with this backdrop that publicly traded multi-state operators (MSOs) were seen poking around in one of our core markets—Missouri. Given our strong presence in the state, we were courted by multiple dispensary owners looking to stoke some competitive bids for their assets. We politely declined to participate given the **7-8x EBITDA** starting bids MSOs were willing to pay, albeit on mostly all-stock deals. That was simply too rich for our return prerequisites and risk appetite.

Then the election happened. With Trump winning the White House and the Florida recreational initiative failing to pass, stocks in the cannabis sector cratered with Trulieve leading the decline.

Figure 5. Trulieve Cannabis Corp (TCNNF) Daily 6m Stock Chart



Source: Yahoo Finance

Subsequently, sentiment softened further, reflective of the snowballing pessimism amongst operators who so desperately needed a bailout. The election results were not shocking to us, but certainly to the industry, which has been eagerly waiting for a catalyst since the collapse that started in 2021. The ticking of the debt clock is louder now as obligations swell further and impending debt maturities and refinancings inch closer for the MSOs. Frankly, most of our large national competitors are facing meaningful unpaid 280e tax liabilities, significant long term debt cliffs, and

the trepidation of the moment is palpable. With hopes of SAFE banking fading and more doubt creeping into the narrative regarding the timeline for rescheduling—*fear* and doubt have reemerged.

We see this as an opportune time to strike. Valuations of dispensaries within a matter of weeks were cut by more than *half*. The same dispensary owners have approached us, unsolicited, inquiring about our interest level at materially lower asking prices knowing that we transact largely in cash. Many dispensary owners have operating fatigue and if they can get liquidity, they will sell. The tiresome courting process in the runup to the elections allowed them to see light at the end of the tunnel and they do not wish to see it vanish altogether. In this moment of fear, which may be fleeting, we can further extend our footprint in one of the best recreational markets in the country—by buying more of the limited retail dispensaries at significant adjusted EBITDA multiple discounts. No cultivation expansion, just retail, the business channel we ultimately believe wins as the market matures.

Our thesis is rather simple—the key to performance in the Missouri market is to scale limited license retail. Frankly, we see limited license retail as the key asset in the industry—and it is scarce. In the long run, dispensaries are the ultimate hedge for cannabis companies, as states will control their points of consumer access even if there is interstate commerce. We are a long way away from that outcome and do not necessarily intend to hold our assets through such a cycle, but the more retail footprint we have in a state, provided those licenses are limited relative to the size of the population and not subject to dilution, the more valuable it is and the more likely we are to hold onto it, all else equal.

Through the acquisition of two blocks of well-established retail assets at a value price in a moment of fear, we can offer robust returns that are well hedged to the core risks of the market—excess supply. In most of the nation’s markets, which are over-licensed, excess optimism compounded by a lack of appreciation for operational excellence and understanding of the tax code, has translated to materially cheaper wholesale prices than expected. For states that have truly limited license retail, this translates to exceptional gross margins for those businesses.

EXISTING MISSOURI INVESTMENT REVIEW

As we contemplate the benefits of investment in Missouri retail, let us review our returns to date in our two vertical businesses in the state, GDF Missouri (“V1”) and CODES Missouri (“V2”). In V1, there was a two and a half year waiting period for dividends to commence, but returns in 2023 registered at ~**30%**, the first year of adult-use. We have repeated that feat again (**30%**) for 2024 and will likely see an increase in the dividend towards **40%** (or more) in 2025 and future years as our retail relocation strategy of existing V1 and V2 dispensaries takes place. In V2, we eclipsed **25%** dividends for 2024 (its first full year of operations), following strong performance in cultivation and wholesale. Dividends will grow and exceed **40%** in 2025 and beyond as both the retail relocation strategy in V1 and V2 and the addition of the newly acquired dispensaries in a silo called “V3”, will most heavily benefit the CODES vertical. The addition of this new block of retail stores, naturally named “V4” as it is the fourth transaction, ultimately adds further procurement strength to achieve our gross margin goals. Product mix is optimized fully

with the addition of V3, so there are no more incremental gains to be made. Rather, V4 further insulates and strengthens the collective positioning of those businesses providing more predictability around outcomes and higher probabilities of gross margin outperformance. These new V4 acquisitions will be discussed below in detail along with the assumptions driving the modeled performance outputs. In the meantime, please refer to the below chart as a visual reference of performance to date and pro forma returns in our existing verticals. The V3 transaction is set to close by March 1st, so its returns are not included below.

Figure 6. V1 and V2 Actual & Pro-Forma Return Summary

V1				
Closing Date:	Jun '21			
Capitalization:	\$154,595,000			
	2023	2024	2025	2026
Pre-Tax Distributions by Tax Year	\$45,527,564	\$45,743,587	\$64,800,672	\$67,952,618
Return on invested capital	29%	30%	42%	44%
Post-Tax Distributions by Tax Year	\$14,002,139	\$12,255,035	\$24,585,088	\$25,592,081
Return on invested capital	9%	8%	16%	17%
V2				
Closing Date:	Mar '23			
Capitalization:	\$140,000,000			
Subsequent Cash Raise in 2024:	\$23,617,714			
	2023	2024	2025	2026
Pre-Tax Distributions by Tax Year	\$7,283,033	\$42,849,032	\$74,730,733	\$78,969,021
Return on invested capital	5%	26%	46%	48%
Post-Tax Distributions by Tax Year	-\$1,882,125	\$12,337,548	\$27,137,766	\$27,983,515
Return on invested capital	-1%	8%	17%	17%

LIMITED LICENSES & REGULATORY MOAT

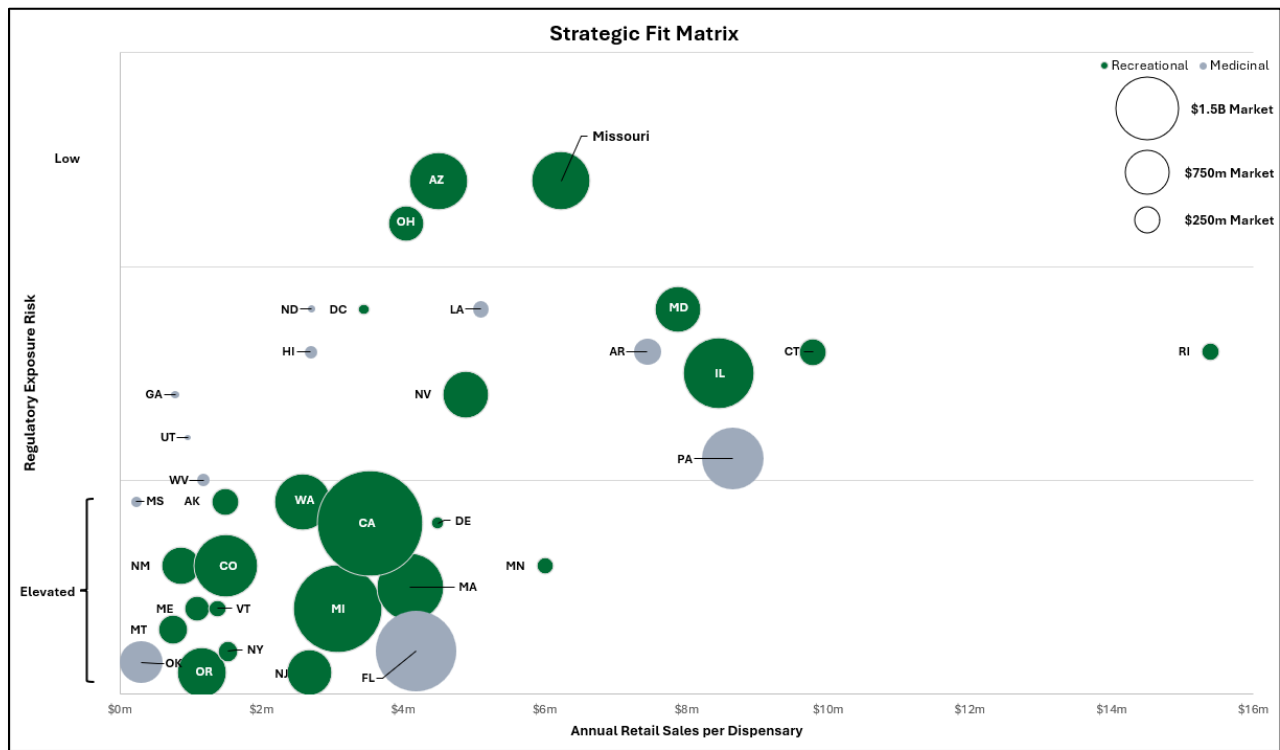
Before we dive into the details of the transaction and quantify its benefits and risks, let us first address the above comments regarding the limited license nature of Missouri’s marijuana program. This aspect of the regulatory environment in Missouri is one of the foundational reasons we have invested so heavily in the state.

First and foremost, virtually all **39** states have excess cultivation and experience oversupply to some extent. Even in the states where overproduction is not an issue (like Louisiana) there is still long-term potential for oversupply to occur since it is legislative in nature. As a result, for operators in states that are not oversupplied now, in the long run the oversupply risk is never

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hedged. Retail, conversely, is much different since each state ultimately controls its points of access to consumers. Out of the two dozen states with recreational programs there are only *three* that meet what we would classify as truly limited license retail recreational markets with moat. Those are Ohio, Arizona, and Missouri. Each of these markets went recreational via ballot initiative, which are generally far less subject to change than legislative driven programs, i.e. the competitive framework and rules to the game are likely to remain constant. In the case of Missouri, not only is the recreational regime the result of a ballot initiative—it is also a constitutional amendment. In short, while there is a non-zero probability of license count change, it is extremely unlikely from a pure administrative and political standpoint. At **229** licenses in the state, divided into eight congressional districts, there are enough points of access to ensure a large and thriving macro market, and just enough to ensure the average dispensary revenue is sufficient to provide robust pre and post tax returns for operators. In fact, the average revenue of a retail dispensary with a macro market of **\$1.46 billion** and growing (*~\$530k/month*) is large enough to ensure escape velocity from the fixed operating costs to generate strong earnings margins under the management of a qualified operator. Knowing this licensing framework is as ironclad and predictable as it can get, we view the risk in acquiring dispensaries as relatively de minimis compared to other states, especially at the EBITDA multiples summarized above and below. It is why we believe Missouri has one of the most attractive recreational cannabis markets in the United States. The below diagram illustrates this uniqueness as it lays out average retail sales per dispensary and associated regulatory risk of the program. Missouri has been a winner, and given its uniqueness, we encourage adding to our position there.

Figure 7. Retail Market Strategic Fit Matrix



TRANSACTION SUMMARY

The below section outlines the terms and key considerations of this transaction. In short, we are acquiring the businesses, which include a total of **eight (8)** open and operating dispensaries and **two (2)** soon to open around the midpoint of 2025, operating under known banners. The businesses have an annualized EBITDA run-rate of **\$20 million**, which we see increasing to **\$33 million** over the next two years with the addition of its new, well-located dispensaries, gross margin enhancements, discount optimization, and some macro market growth. The general terms are listed below.

- Assets: **10** dispensaries (**8** operating and **2** to be opened mid-year 2025)
- Entity type: C-Corp
- Capitalization: **\$75 million** (\$71M paid at close, plus \$4M of working capital)
 - 3.8x of TTM EBITDA is paid at close.
- Financing: There is no debt or leverage on this transaction
- Waterfall Structure Identical to our LLC deals, there are MOIC performance hurdles of **1.08**, **3.00**, and **4.50**, where the carry is **20%**, **25%**, and **30%** respectively.

CORE MODELING ASSUMPTIONS

Gross Margins & Procurement

Procurement margin for our target dispensaries is **52%** today, reflective of the strength of their retail commerce, but our two managed verticals are able to receive **60%** with 48-of-50 of our 3P vendors, which we believe is the strongest in the entire state given the size of our current retail platform. As macro biomass supply inevitably ticks higher over time, thematically we see gross margin increasing for all retailers in a limited license market, with the largest operators naturally leading the pack. Our models only contemplate an increase to a terminal **62.5%** product margin, but we confidently expect to exceed this as macro supply increases, as it has in all other cannabis markets to upwards of **70%**. For conservatism, we have not baked that assumption into our models given the already strong returns.

Discounting

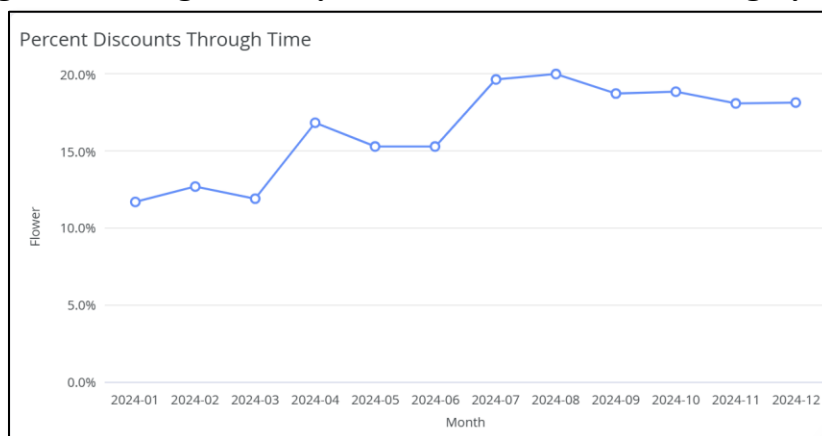
The cannabis industry is heavily promotional, with virtually all retailers offering often deep daily deals across product categories. Discount rates on average across markets are in the upper-teens to upper-twenties. Even in limited license retail markets like Missouri, the general competitive strategy is to win market share by beating competitors on discounts. It is so engrained in the operating culture of the industry that its existence goes unchallenged by decision makers. At every opportunity, including all major holidays, retailers take aggressive moves to discount products to lure consumers to their doors in hopes of winning their loyalty and gaining market share in their MSA. We know the technical infrastructure in the industry is behind other major

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industries of this scale and together with the operator fragmentation, there is little data and analytics capability or sophistication to properly quantitatively study the impact of these promotional schemes on customer behavior. In a 280e environment, where businesses are taxed on gross profit, discounting is so punitive to earnings that it can easily flip a retailer's financials into the red, even though on paper their earnings are technically positive. As a result, it is imperative to only discount in ways that drive customer engagement and earnings. Every discount percentage point offered to customers must translate to earnings growth of a significant magnitude to not just drive net sales, but also earnings in a 280e environment in a manner that exceeds tax liability. We believe operators are hesitant to peel back the extent of their discounting out of fear of losing precious ground. This is a natural human heuristic tendency—after all, we tend to regret not doing things rather than taking the action. Moreover, our interpretation is that retailers have self-reinforcing conclusions. For example, on industry holidays (like 4/20 or Black Friday) that always translate to higher net sales, we see retailers attributing their sales performance to the discounts rather than the demand from the holidays themselves.

Through our ongoing efforts to segment customers and through our years of data governance quality and consistency work, we have entered a new paradigm on this core component of our retail operation. We have built a clean data lake and analytics infrastructure that facilitates rapid analysis of customer behavior to improve decision making. As a result, we have removed discounting that is ineffective while scaling discounting that generates tangible ROI and expedites cash flow generation. Importantly, we have done all while not compromising our retail share in the macro market. The result is that our total discount rates have fallen dramatically, while the average rates have steeply risen in the industry. The below figure reflects average discount rates in Missouri by month in the largest product category—flower. The average discount rates have nearly doubled since the start of 2024, towards **20%**. We expect they will inch higher over time.

Figure 8. Average Monthly Discount Rates – Flower Category 2024



In contrast to state trends, in GDF and CODES stores we have lowered discounting since it peaked in Q4 of 2023 at **18%**-- coincidentally where the market is today. The below figure illustrates average quarterly discount rates in our GDF ("MO V1") and CODES ("MO V2") dispensaries dating back to the start of 2023. During that year our discounts increased in Q3 (period

starting 07/01/23) before peaking in Q4. In Q4, our investments in analytics and technology entered a new paradigm in concert with a shift in retail leadership, allowing us to gather granular insights into customer behavior around discounting, shifting strategy and executing in the field on the front lines with precision and consistency. Immediately in Q1, our discount rate was cut nearly in half to **10%**. We expected that we would see some retail share loss in doing this, but the profit gains would far outweigh those declines. In practice, the results were even more disproportionate and asymmetric, exceeding our expectations.

Figure 9. GDF & CODES Missouri Quarterly Discount Rates

Store Set	01/01/23	04/01/23	07/01/23	10/01/23	01/01/24	04/01/24	07/01/24	10/01/24	Total
⊕ MO V1	9.6%	10.1%	12.6%	17.7%	10.2%	12.6%	10.5%	10.8%	11.9%
⊕ MO V2	11.3%	8.3%	12.3%	19.2%	9.8%	13.7%	11.0%	10.0%	12.0%
Total	9.8%	9.7%	12.5%	18.1%	10.0%	13.0%	10.7%	10.5%	11.9%

* Dates above represent the start of the calendar quarter; i.e. 10/01/24 covers Q4'24

Virtually *100%* of the discount cuts translated directly to EBITDA, materially improving the profitability and cash flow in our retail business. We have been able to maintain these low discount rates for the balance of 2024, continuing to improve margins. Interestingly, our retail share has also increased over time, meaning not only did we maintain our position within the market, but we were also able to grow our share (% of total retail sales), all while lowering discounts. In short, we had wins across the board in every category.

Relatedly, our new retail leadership team was able to get all of our 3P vendors to agree to cover gross margins on promotions of their product, meaning our true discount rates are even lower. In short, if a third-party vendor wants to promote its products in our large platform of dispensaries, they must protect our margins to do so. We are not paying for 3P promotions like other smaller retailers, and we have the finance and accounting sophistication to make this easy for vendors.

Additionally, when it comes to acquisition due diligence, each set of income statements we have previously reviewed contained high discount rates. Our target is superior to most, but still averages **17%** discounts over the past twelve months. We are confident we can implement the same practices for this block of stores to maintain the perception of value without giving away earnings in a 280e environment. Depending on the saturation of competition in a specific trade area, there are opportunities to lower discounting even further.

In summary, we see cannabis as a consumer staple, like milk and eggs but it exhibits vice qualities reflected by its countercyclicality during downturns. A product like this intuitively should not be prone to an overwhelming volume of discounts as the demand is natural. We firmly believe in consistent everyday low prices combined with some high-low pricing strategies through our various brands. We also believe as the cannabis industry matures and operational sophistication improves, the paradigm will shift, but for now we see it as a major competitive advantage that translates to our leading performance metrics. We intend to improve and leverage our superior

discount strategy to extract significant value for our investors as we continue to mine our data analytics for customer purchasing behaviors and targeted loyalty programs.

Macro Growth

Missouri recreational retail sales in 2024 is estimated at **\$1.46 billion**. In our models we see this gradually increasing over time to **\$1.57bn** in 2025 and **\$1.6bn** in 2026, which is by no means aggressive for a population of **6.2 million**. For reference, these forecasts analog **Missouri** with mature macro markets like Colorado, adjusting for population size. If we were to contemplate a more bullish scenario, given the production potential of the **60** cultivation licenses the state, this would logically translate to higher than **62.5%** gross margins for large retailers, i.e. demand elasticity and illicit market inflection will drive the macro as prices decline due to increases in supply and retailers hold the leverage, especially large retailers. For this and other reasons we see the acquisition of prime limited license retail dispensaries in Missouri as great assets to own and strong hedges for production assets within a vertical. Our goal of not overestimating the macro market is to maintain some conservatism on the acquired assets' performance. Our model therefore caps the macro market at **\$1.6 billion** in the out years with commensurate price deflation and increased supply.

RETURN SUMMARY

Incorporating these assumptions into our models, we see EBITDA reaching **\$16.8 million** (**\$22.5 million** annualized) in 2025, with closing is scheduled to take place May 1st. There is lift from stores **#9** and **#10** coming online under V4's ownership in the second half 2026, as represented by the increase in EBITDA for 2026 over 2025 along with some anticipated macro market growth. Ultimately by 2026, the business is largely ramped, as we are not forecasting retail share increases for the business (again out of conservatism). Earnings exceed our target **\$30 million** in 2026 on **\$88.5 million** of revenue as top line rises with some macro market maturity while gross margin ticks up to north of **60%** as detailed below. In 2025, despite being a partial year, we anticipate paying a **14%** dividend. With the two new stores online in 2026, dividends will rise to **24%**. Lastly, since this is a C-Corp, returns are subject to a fixed **~23%** dividend tax rate, eliminating the uncertainty faced in LLC investments in cannabis regarding tax.

Figure 10. Annual Performance & Return Summary (Schedule 1)

	2025	2026	2027	2028	2029
V4					
Revenue	\$50,924,599	\$88,567,834	\$98,921,751	\$98,957,456	\$98,977,695
EBITDA	\$16,208,470	\$30,696,625	\$33,129,877	\$32,660,679	\$32,135,264
EBITDA margin	32%	35%	33%	33%	32%
Annual Pre-Tax Distributions	\$10,268,125	\$18,063,928	\$19,650,149	\$19,877,614	\$341,898,368
C Share	\$0	\$0	\$0	\$0	\$16,437,909
LP	\$10,268,125	\$18,063,928	\$19,650,149	\$19,877,614	\$256,380,391
GP	\$0	\$0	\$0	\$0	\$69,080,069
Cumulative Pre-Tax Distributions	\$10,268,125	\$28,332,052	\$47,982,201	\$67,859,815	\$409,758,183
C Share	\$0	\$0	\$0	\$0	\$16,437,909
LP	\$10,268,125	\$28,332,052	\$47,982,201	\$67,859,815	\$324,240,206
GP	\$0	\$0	\$0	\$0	\$69,080,069
Dividend Tax	\$2,957,220	\$5,202,411	\$5,659,243	\$5,724,753	\$7,024,967
Annual Post-Tax Distributions	\$7,310,905	\$12,861,517	\$13,990,906	\$14,152,861	\$263,923,842
C Share	\$0	\$0	\$0	\$0	\$12,387,431
LP	\$7,310,905	\$12,861,517	\$13,990,906	\$14,152,861	\$199,478,417
GP	\$0	\$0	\$0	\$0	\$52,057,994
Cumulative Post-Tax Distributions	\$7,310,905	\$20,172,421	\$34,163,327	\$48,316,188	\$312,240,030
C Share	\$0	\$0	\$0	\$0	\$12,387,431
LP	\$7,310,905	\$20,172,421	\$34,163,327	\$48,316,188	\$247,794,605
GP	\$0	\$0	\$0	\$0	\$52,057,994
EBITDA ROI					
Annual	22%	41%	44%	44%	43%
Cumulative	22%	63%	107%	150%	193%
Pre-Tax Distribution ROI					
Annual	14%	24%	26%	27%	456%
Cumulative	14%	38%	64%	90%	546%
LP ROI					
Annual Pre-Tax	14%	24%	26%	27%	342%
Cumulative Pre-Tax	14%	38%	64%	90%	432%
Annual Post-Tax	10%	17%	19%	19%	266%
Cumulative Post-Tax	10%	27%	46%	64%	330%

MOIC	5.5x
IRR	47%

In this environment, with Schedule 1, and a modeled 2029 exit at **10x** EBITDA, the resulting MOIC is **5.5x** at an IRR of **47%**. As the Figure 10 title says, this is all with cannabis under Schedule 1. Should rescheduling come into play, which we are cautiously optimistic could happen as early as 2025, returns jump notably as the business is able to lower its tax obligations materially, freeing up more cash to return to investors. Dividends would rise **+5%** to a peak of **32%**. With a 2029 exit (5y hold period) at **10x** EBITDA, the MOIC increases to **5.7x** at an IRR of **49%**. That said, we are somewhat agnostic as to the timing of exit given the forecasted cash yields in a market with a relatively ironclad and predictable regulatory environment.

Figure 11. Annual Performance & Return Summary (Rescheduling)

	2025	2026	2027	2028	2029
V4					
Revenue	\$50,924,599	\$88,567,834	\$98,921,751	\$98,957,456	\$98,977,695
EBITDA	\$16,208,470	\$30,696,625	\$33,129,877	\$32,660,679	\$32,135,264
EBITDA margin	32%	35%	33%	33%	32%
Annual Pre-Tax Distributions	\$10,268,125	\$21,522,546	\$23,370,756	\$23,877,054	\$345,982,177
C Share	\$0	\$0	\$0	\$0	\$17,201,033
LP	\$10,268,125	\$21,522,546	\$23,370,756	\$23,877,054	\$256,076,238
GP	\$0	\$0	\$0	\$0	\$72,704,906
Cumulative Pre-Tax Distributions	\$10,268,125	\$31,790,670	\$55,161,426	\$79,038,480	\$425,020,656
C Share	\$0	\$0	\$0	\$0	\$17,201,033
LP	\$10,268,125	\$31,790,670	\$55,161,426	\$79,038,480	\$335,114,718
GP	\$0	\$0	\$0	\$0	\$72,704,906
Dividend Tax	\$2,957,220	\$6,198,493	\$6,730,778	\$6,876,591	\$8,201,104
Annual Post-Tax Distributions	\$7,310,905	\$15,324,052	\$16,639,978	\$17,000,462	\$266,831,513
C Share	\$0	\$0	\$0	\$0	\$13,047,724
LP	\$7,310,905	\$15,324,052	\$16,639,978	\$17,000,462	\$198,633,985
GP	\$0	\$0	\$0	\$0	\$55,149,803
Cumulative Post-Tax Distributions	\$7,310,905	\$22,634,957	\$39,274,935	\$56,275,398	\$323,106,911
C Share	\$0	\$0	\$0	\$0	\$13,047,724
LP	\$7,310,905	\$22,634,957	\$39,274,935	\$56,275,398	\$254,909,383
GP	\$0	\$0	\$0	\$0	\$55,149,803
EBITDA ROI					
Annual	22%	41%	44%	44%	43%
Cumulative	22%	63%	107%	150%	193%
Pre-Tax Distribution ROI					
Annual	14%	29%	31%	32%	461%
Cumulative	14%	42%	74%	105%	567%
LP ROI					
Annual Pre-Tax	14%	29%	31%	32%	341%
Cumulative Pre-Tax	14%	42%	74%	105%	447%
Annual Post-Tax	10%	20%	22%	23%	265%
Cumulative Post-Tax	10%	30%	52%	75%	340%

MOIC	5.7x
IRR	49%

Candidly, these sort of performance forecasts urge us to revisit our assumptions, however, with already achieving **60%** product margins and discount rates of **10%**, we see the main risk being operational and execution risk, rather than market conditions—as market conditions are likely only going to move in favor of large retailers in Missouri over time as supply increases. Dispassionately, we see this as an incredibly unique moment in time given the down sentiment and soft valuations in the market.

[see next page]

ADDITIONAL CONSIDERATIONS

While the returns of this investment in a vacuum are compelling as modeled, let us contemplate some other considerations to help quantify the risk with the underwriting scenario.

Market Certainty

Unlike our initial Missouri investments there is objectively less risk this time around. There is no uncertainty regarding the regulatory program as we faced when initially raising capital for the GDF Missouri business during the medical market days before the recreational ballot initiative vote in November 2022. In contrast, we know the regulatory program and the licensing framework moat with a rationally high degree of certainty. Moreover, we know the size of the macro market and have a much stronger ability to forecast revenues and earnings as the assets we are purchasing have multiple years of historical performance. We have also been operating in this market for nearly four years and are quite familiar with the competitors and the regulator. Lastly, unlike our CODES vertical where the strategy was to relocate underperforming dispensaries to prime real estate, these target dispensaries are staying put. Considering the low multiple entry price, our view is that this transaction offers one of the most attractive risk-adjusted returns of any GDF investment to date.

Enforcement Certainty

In addition to our confidence in market outcomes, we have confidence in the regulator to enforce illegal activity, including inversion from other markets. Unlike many of the blue states, which are weak when it comes to enforcement of the law around illicit cannabis sales in their state, Missouri has taken a draconian approach. Twice in the last year there have been substantial product holds by the regulator that have driven prices higher in the market after finding concrete evidence of inverted cannabis product coming into the Missouri regulated system from either other states or from hemp producers. This is a reflection of the steadfast work of about two hundred agents at the regulator who maintains a firm grip on rules, allowing licensed businesses that play by the rules to succeed.

Immediate Dividends

As a result of the relative certainty contemplated in this transaction, and no delays as a result of regulatory approvals and construction timelines to relocate stores, there is no waiting period to begin dividends as we have experienced in some other investments in nascent markets. We anticipate paying our first dividend in August or October, before moving to quarterly in 2026.

Oversupply Scenarios

On the cultivation side of the game, Missouri has issued **60** tier-1 cultivation licenses, which allow for 30,000 square feet of flowering bench canopy. This is more than enough potential canopy to create dilutive wholesale pricing. Even at 1/3 of GDF's industry-leading yields, this translates to more than **50,000** pounds of monthly flower supply at full capacity. Considering that this market is consuming just over **15,000** pounds per month, the supply capacity can far outstrip demand and materially lower prices. To be insulated from oversupply, which has happened in nearly all **39** cannabis markets to varying degrees, owning more retail creates more moat around the earnings in each vertical business. Concentrated retail scale also disincentivizes cultivators from making these kinds of bets, lowering the risk of an oversupply scenario in the first place. Even in the event of oversupply, retail prices ultimately hit a floor in limited license retail states, with wholesale prices falling further to the chagrin of non-vertical producers. The result is expanded gross margins to the benefit of the limited license retailers. Arizona is a proper analog example of this as it only has **163** dispensaries for a population of **7.2 million**. While consumer-facing prices sit somewhere between Arkansas and Missouri in retail dispensaries, wholesale prices are nearly half that of Arkansas. In other words, retail gross margins are robust (**70%+**), and bottom-line performance is enhanced at the expense of non-vertical wholesalers.

At the moment, Missouri has not yet become oversupplied largely due to macro market timing. By the time this market was on the radar of the large companies in 2022, their fortunes had already shifted. Paralyzed by poor operating performance and surmounting debt, they were not able to reasonably enter the industry in Missouri as rates and construction costs increased. Their most recent attempts have faltered, but we know they will be back as soon as their equity commerce allows. Provided we close this transaction during this down sentiment window, this pent-up demand will not pose a threat to our business when it returns, but potentially an exit path as the transaction expands our already largest scaled asset footprint in the best cannabis market.

CONCLUDING COMMENTARY

Price is what you pay—value is what you get. At this moment in time, where the tide has gone out for many large cannabis companies, there is value in many cannabis assets across the United States, but very few meet our criteria. In Missouri, which we see as one of the best markets in the country, we have a fleeting opportunity to acquire another strong group of performing retail dispensaries in the state for a fraction of the value we believe they offer—*limited license retail is after all the key to vertical performance in the long run in the cannabis industry*. We can acquire this block of stores for only **3.5x EBITDA** pre-synergy, and **2.1x** post-synergy. and achieve near **30%** C-Corp return for our investors without tax uncertainty after about 6 months. Rescheduling, which we see as likely, only improves this dynamic.

Candidly, through our collective experience, we see very few of the **39** state programs as truly enticing from a regulatory and licensing standpoint. Missouri is atop the list, with significant regulatory certainty and moat, which is why we are keen to add to our position there. With the tide out, but potentially soon to return with rescheduling on the horizon and banking reform soon to

**GOOD PEOPLE.
GOOD CANNABIS.
GOOD DAY.**

follow, now is the time to strike while others are fearful. We can further enhance our position in one of the best cannabis markets in the country. We are after all at the very end of a hundred-year cycle of vilification, misinformation, and prohibition of this plant medicine— there will be positive catalysts in our near future that make this opportunity fleeting. The opportunity to acquire retail assets at such attractive EBITDA multiples will not be around for much longer. Timing is, after all, everything.

ATTACHMENT 3

CONFIDENTIAL PRIVATE PLACEMENT MEMORANDUM

OF

BON VERT VENTURES, LLC

**UP TO ONE HUNDRED FIFTY MILLION (150,000,000)
CLASS B UNITS OF MEMBERSHIP INTEREST AT \$1.00 PER UNIT**

APRIL 10, 2025

This Confidential Private Placement Memorandum (this “MEMORANDUM”) has been prepared solely for the information of the person to whom it has been delivered by or on behalf of Bon Vert Ventures, LLC, a Missouri limited liability company (the “COMPANY”). Distribution of this Memorandum to any person other than the prospective investor to whom this Memorandum is delivered by the Company and those persons retained to advise such person is unauthorized. Any reproduction of this Memorandum, in whole or in part, or the divulgence of any of the contents hereof without the prior written consent of the Company is strictly prohibited. Each prospective investor, by accepting delivery of this Memorandum, agrees to return it and all other documents (and all reproductions thereof) received by such person to the Company upon the Company’s request if such person decides not to participate in the offering described herein, if such person’s subscription is not accepted or if the offering described herein is terminated.

IMPORTANT DISCLAIMERS AND OTHER INFORMATION

DURING THE COURSE OF THIS OFFERING AND PRIOR TO THE ACCEPTANCE OF A SUBSCRIPTION FOR CLASS B UNITS OF MEMBERSHIP INTEREST AS PROVIDED HEREIN, EACH PROSPECTIVE INVESTOR AND ITS ADVISOR(S) ARE INVITED TO ASK QUESTIONS AND OBTAIN ADDITIONAL INFORMATION FROM THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THIS OFFERING AND THE PROSPECTIVE BUSINESS OF THE COMPANY, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT OR EXPENSE.

THIS MEMORANDUM IS NOT INTENDED AS LEGAL OR TAX ADVICE. EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN ATTORNEY, BUSINESS ADVISOR AND TAX ADVISOR AS TO LEGAL, BUSINESS, TAX AND OTHER MATTERS CONCERNING THIS OFFERING AND AN INVESTMENT IN THE COMPANY.

NO PERSON IS AUTHORIZED TO GIVE ANY INFORMATION OR REPRESENTATION NOT CONTAINED IN OR ACCOMPANYING THIS MEMORANDUM WITH RESPECT TO THIS OFFERING. IF ANY SUCH INFORMATION OR REPRESENTATIONS ARE GIVEN OR MADE, THEY MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COMPANY. THE DELIVERY OF THIS MEMORANDUM AT ANY TIME DOES NOT IMPLY THAT THERE HAS BEEN NO CHANGE IN THE INFORMATION CONTAINED HEREIN SINCE THE DATE HEREOF.

ALL OF THE INFORMATION PROVIDED HEREIN HAS BEEN PROVIDED BY THE MANAGER ON BEHALF OF THE COMPANY. THE COMPANY MAKES NO EXPRESS OR IMPLIED REPRESENTATION OR WARRANTY AS TO THE COMPLETENESS OF THE INFORMATION IN THIS MEMORANDUM OR, IN THE CASE OF PROJECTIONS, ESTIMATES, FUTURE PLANS OR FORWARD-LOOKING ASSUMPTIONS OR STATEMENTS, AS TO THEIR ATTAINABILITY OR THE ACCURACY AND COMPLETENESS OF THE ASSUMPTIONS FROM WHICH THEY ARE DERIVED, AND IT IS EXPECTED THAT EACH PROSPECTIVE INVESTOR WILL PURSUE ITS OWN INDEPENDENT INVESTIGATION. IT MUST BE RECOGNIZED THAT ESTIMATES OF THE COMPANY'S PERFORMANCE ARE NECESSARILY SUBJECT TO A HIGH DEGREE OF UNCERTAINTY DUE TO ASSUMPTIONS OR CHANGES IN MARKET CONDITIONS, AND THEREFORE MAY VARY MATERIALLY FROM ACTUAL RESULTS.

THIS MEMORANDUM, INCLUDING ANY EXHIBITS HERETO, CONTAINS FORWARD-LOOKING STATEMENTS WITHIN THE MEANING OF SECTION 27(A) OF THE SECURITIES ACT OF 1933 (AS AMENDED FROM TIME TO TIME, THE "SECURITIES ACT") AND SECTION 21(E) OF THE SECURITIES EXCHANGE ACT OF 1934. THESE STATEMENTS REFER TO PLANS, OBJECTIVES, EXPECTATIONS AND INTENTIONS OF THE COMPANY. WORDS SUCH AS "INTEND," "ANTICIPATE,"

“BELIEVE,” “ESTIMATE,” “PLAN,” “EXPECT,” “WILL,” “MAY,” “MIGHT,” AND VARIATIONS OF THESE WORDS AS WELL AS SIMILAR EXPRESSIONS, IDENTIFY THESE FORWARD-LOOKING STATEMENTS. ALL STATEMENTS OTHER THAN STATEMENTS OF HISTORICAL FACTS CONTAINED IN THIS MEMORANDUM, INCLUDING WITHOUT LIMITATION, STATEMENTS REGARDING THE COMPANY’S FUTURE FINANCIAL POSITION, BUSINESS STRATEGY, BUDGETS, PROJECTED COSTS AND PLANS AND OBJECTIVES OF THE COMPANY, ARE FORWARD-LOOKING STATEMENTS.

THE EXPECTATIONS, BELIEFS AND PROJECTIONS EXPRESSED IN THIS MEMORANDUM ARE EXPRESSED IN GOOD FAITH AND THE COMPANY BELIEVES THAT EXPECTATIONS REFLECTED IN THESE FORWARD-LOOKING STATEMENTS ARE BASED ON REASONABLE ASSUMPTIONS; HOWEVER, THE COMPANY CANNOT ASSURE PROSPECTIVE INVESTORS WHO MAY INVEST IN THE COMPANY THAT THESE EXPECTATIONS, BELIEFS AND PROJECTIONS WILL PROVE TO HAVE BEEN CORRECT. SUCH FORWARD-LOOKING STATEMENTS REFLECT THE CURRENT VIEWS OF THE COMPANY’S MANAGEMENT WITH RESPECT TO THE COMPANY AND ANTICIPATED FUTURE EVENTS AND ARE SUBJECT TO THE MANY RISKS, UNCERTAINTIES, ASSUMPTIONS AND FACTORS RELATING TO THE COMPANY’S PROPOSED OPERATIONS. SEE “RISK-FACTORS.”

THIS OFFERING IS NOT UNDERWRITTEN. THE CLASS B UNITS OF MEMBERSHIP INTEREST HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES AGENCY, THE MISSOURI SECURITIES COMMISSIONER, THE SECRETARY OF STATE OF MISSOURI OR THE SECRETARY OF STATE (OR SECURITIES COMMISSIONER) OF ANY OTHER JURISDICTION, NOR HAS ANY SUCH REGULATORY BODY REVIEWED THIS MEMORANDUM FOR ACCURACY OR COMPLETENESS. THE CLASS B UNITS OF MEMBERSHIP INTEREST HAVE NOT BEEN REGISTERED FOR SALE UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION. THE COMPANY IS OFFERING AND SELLING THE CLASS B UNITS OF MEMBERSHIP INTEREST IN RELIANCE ON EXEMPTIONS FROM THE FEDERAL AND STATE SECURITIES LAWS. AS A PREREQUISITE OF ANY SALE OF THE UNITS OF MEMBERSHIP INTEREST, THE COMPANY WILL BE RELYING ON CERTAIN REPRESENTATIONS AND WARRANTIES OF THE SUBSCRIBERS WHICH SHALL PROVIDE, AMONG OTHER THINGS, THAT EACH SUBSCRIBER IS ACQUIRING THE CLASS B UNITS OF MEMBERSHIP INTEREST SOLELY FOR SUCH SUBSCRIBER’S OWN ACCOUNT AND NOT WITH A VIEW TOWARD THE DISTRIBUTION THEREOF. NO PUBLIC MARKET FOR THE CLASS B UNITS WILL EXIST UPON CONSUMMATION OF THIS OFFERING, NOR IS A PUBLIC MARKET LIKELY TO DEVELOP. CONSEQUENTLY, THE CLASS B UNITS OF MEMBERSHIP INTEREST MAY NOT BE SOLD UNLESS, AMONG OTHER THINGS, THEY ARE SUBSEQUENTLY REGISTERED UNDER THE SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, OR AN EXEMPTION FROM SUCH REGISTRATION IS AVAILABLE. IN ADDITION, THE TRANSFER OF THE CLASS B UNITS OF MEMBERSHIP INTEREST IS RESTRICTED BY THE TERMS OF THE

COMPANY'S OPERATING AGREEMENT. FOR THESE REASONS, AN INVESTOR WILL BE REQUIRED TO BEAR THE ECONOMIC RISK OF LOSS OF ITS ENTIRE INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THIS OFFERING IS THEREFORE SUITABLE ONLY FOR PERSONS OF ADEQUATE MEANS WHO HAVE NO NEED FOR LIQUIDITY IN THEIR INVESTMENT.

THE OFFERING PRICE OF THE SECURITIES HAS BEEN ARBITRARILY ESTABLISHED BY THE COMPANY AND DOES NOT NECESSARILY BEAR ANY SPECIFIC RELATION TO THE ASSETS, BOOK VALUE OF POTENTIAL EARNINGS OF THE COMPANY OR ANY OTHER RECOGNIZED CRITERIA OF VALUE.

THIS OFFERING INVOLVES SEVERAL RISKS. POTENTIAL SUBSCRIBERS ARE STRONGLY URGED TO CAREFULLY REVIEW THE SECTION OF THIS MEMORANDUM ENTITLED "RISK FACTORS."

NO GENERAL SOLICITATION OR ADVERTISING WILL OR MAY BE EMPLOYED IN THIS OFFERING.

THIS MEMORANDUM DOES NOT CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF AN OFFER TO BUY TO ANYONE IN ANY JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION WOULD BE UNLAWFUL OR IS NOT AUTHORIZED, OR IN WHICH THE PERSON MAKING SUCH OFFER OR SOLICITATION IS NOT QUALIFIED TO DO SO, OR IF THE PROSPECTIVE INVESTOR IS NOT QUALIFIED UNDER APPLICABLE SECURITIES LAWS.

BY ACCEPTANCE OF DELIVERY OF THIS MEMORANDUM, PROSPECTIVE SUBSCRIBERS RECOGNIZE AND ACCEPT THE NEED TO CONDUCT THEIR OWN THOROUGH INVESTIGATION AND DUE DILIGENCE BEFORE CONSIDERING A SUBSCRIPTION FOR CLASS B UNITS OF MEMBERSHIP INTEREST.

REFERENCES SHOULD BE MADE TO THE COMPANY'S OPERATING AGREEMENT AND ANY OTHER DOCUMENTS REFERENCED HEREIN FOR COMPLETE INFORMATION CONCERNING THE RIGHTS AND OBLIGATIONS OF SUBSCRIBERS.

THE COMPANY WILL MAKE AVAILABLE, PRIOR TO THE CONSUMMATION OF THE SALE OF CLASS B UNITS OF MEMBERSHIP INTEREST DESCRIBED HEREIN, THE OPPORTUNITY FOR ANY PROSPECTIVE INVESTOR AND ITS REPRESENTATIVES TO ASK QUESTIONS OF, AND RECEIVE ANSWERS TO, THE COMPANY OR PERSONS ACTING ON BEHALF OF THE COMPANY CONCERNING THE TERMS AND CONDITIONS OF THE OFFERING OF CLASS B UNITS OF MEMBERSHIP INTEREST, TO THE EXTENT THE COMPANY POSSESSES SUCH INFORMATION OR CAN ACQUIRE IT WITHOUT UNREASONABLE EFFORT EXPENSE.

THE COMPANY WILL OFFER AND SELL THE CLASS B UNITS OF MEMBERSHIP INTEREST DIRECTLY TO SUBSCRIBERS ON A “BEST EFFORTS” BASIS. UNITS OF MEMBERSHIP INTEREST ARE BEING OFFERED TO A SELECT GROUP OF INVESTORS WHO MEET THE SUITABILITY STANDARDS SET FORTH UNDER THE “INVESTOR SUITABILITY QUALIFICATIONS” SECTION IN THIS MEMORANDUM. ALL FINAL DECISIONS AS TO THE SALE OF THE CLASS B UNITS OF MEMBERSHIP INTEREST WILL BE MADE BY THE MANAGER, WHICH RESERVES THE RIGHT, IN ITS DISCRETION, TO REVOKE THE OFFER AND TO REFUSE TO SELL TO ANY SUBSCRIBERS, OR TO LIMIT THE NUMBER OF CLASS B UNITS OF MEMBERSHIP INTEREST WHICH MAY BE PURCHASED BY ANY SUBSCRIBER, NOTWITHSTANDING THAT THE SUBSCRIBER MAY OTHERWISE MEET THE SUITABILITY STANDARDS DESCRIBED HEREIN. “BEST EFFORTS” MEANS THE COMPANY WILL NOT BE OBLIGATED TO SELL OR TO PURCHASE ANY AMOUNT OF CLASS B UNITS OF MEMBERSHIP INTEREST, BUT WILL BE OBLIGATED TO MAKE A COMMERCIALY REASONABLE AND DILIGENT EFFORT (THAT IS, ITS “BEST EFFORTS”) TO SELL AS MANY CLASS B UNITS OF MEMBERSHIP INTEREST AS POSSIBLE.

As used in this Memorandum, the pronouns “he,” “his” and “him” shall include the feminine, neuter and plural whenever the context and facts require such construction.

NASAA UNIFORM LEGEND

IN MAKING AN INVESTMENT DECISION INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE COMPANY AND THE TERMS OF THIS OFFERING INCLUDING THE MERITS AND RISKS INVOLVED. THE CLASS B UNITS OF MEMBERSHIP INTEREST HAVE NOT BEEN REGISTERED WITH OR RECOMMENDED BY ANY FEDERAL OR STATE SECURITIES COMMISSION OR REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT CONFIRMED THE ACCURACY OR DETERMINED THE ADEQUACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER FEDERAL AND STATE SECURITIES LAWS AND THE COMPANY’S OPERATING AGREEMENT. INVESTORS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME.

THE OFFERING

BON VERT VENTURES, LLC, a Missouri limited liability company (the “**COMPANY**”), hereby offers, pursuant to the offering (this “**OFFERING**”) contemplated by this Confidential Private Placement Memorandum (this “**MEMORANDUM**”), up to One Hundred Fifty Million (150,000,000) Class B Units of Membership Interest (the “**UNITS**”) in the Company (for an aggregate offering price of \$150,000,000), at an offering price of One Dollar (\$1.00) per Unit.

The Company reserves the right to reject any prospective investor’s subscription (“**SUBSCRIPTION**”) and to allot to any investor who subscribes for Units (“**INVESTOR**” or “**SUBSCRIBER**”) less than the number of Units subscribed for.

Persons interested in acquiring Units must: (i) complete and sign the signature page to the Subscription Agreement; (ii) complete and sign a joinder to the Amended and Restated Operating Agreement of the Company, substantially the form of which is attached hereto as EXHIBIT A (the “**OPERATING AGREEMENT**”); (iii) complete and sign the relevant Investor Suitability Questionnaire; (iv) deliver the items described in (i) through (iii) above to the Manager (as defined herein) at the following address:

BON VERT VENTURES, LLC
 C/O FLY ROUTE ADVISTOS, LLC, ITS MANAGER
 WILLIAM R. MULLEN, GENERAL COUNSEL
 ANGELA IRBY, INVESTOR RELATIONS COORDINATOR
 VIA EMAIL: WMULLEN@GOODDAYFARM.COM
 AND INVESTORRELATIONS@GOODDAYFARM.COM
 425 W. CAPITOL AVENUE, SUITE 1400
 LITTLE ROCK, ARKANSAS 72201

and (v) transfer via wire transfer of good and immediately available funds the amount requested by the Company pursuant to a Capital Call (the “**CAPITAL CALL**”) which will be delivered by the Company to the Subscriber. The Capital Call document will contain the wire transfer instructions which will be utilized to transfer the Subscriber’s funds to the Company. Subscribers will commit to invest a total amount of funds which will be described on the signature page to the Subscription Agreement (the “**TOTAL COMMITMENT**”). It is anticipated that the Company will request one hundred percent (100%) of each Subscriber’s Total Commitment on the initial Capital Call.

BASIC TRANSACTION INFORMATION

This section of the Memorandum will describe and detail the general transaction structure and process by which the Company intends to acquire and own (i) an interest in COMO Health, LLC, a Missouri limited liability company (“**COMO HEALTH**”) and indirectly acquire through the acquisition of COMO Health, substantially all of the assets related to five (5) marijuana dispensaries currently operated in St. Louis, Branson West and Columbia, Missouri (the “**COMO DISPENSARIES**”) and (ii) substantially all of the assets related to three (3) operational dispensaries operated as “Fresh Karma” (the “**FK OPERATIONAL DISPENSARIES**”) and owned, either directly or

indirectly, by True Level Investments, Inc., a Missouri corporation (“**TRUE LEVEL**”) and two (2) currently non-operational dispensaries owned, either directly or indirectly, by True Level (the “**FK NON-OPERATIONAL DISPENSARIES**”) and together with the FK Operational Dispensaries, the “**FK DISPENSARIES**” and the FK Dispensaries together with the COMO Dispensaries shall be hereinafter referred to as the “**DISPENSARIES**”). It is anticipated that the COMO Dispensaries and FK Operational Dispensaries will be acquired in a reasonably prompt manner after the initiation of this Offering and that the acquisition of the FK Non-Operational Dispensaries will occur at some point within the next twelve (12) to eighteen (18) months. Additionally, the Company desires to raise additional funds from the Offering to be held for other potential acquisitions of marijuana assets and businesses in the State of Missouri (the “**ADDITIONAL POTENTIAL ACQUISITIONS**”). The acquisition of Como Health and the Como Health Dispensaries, the acquisition of the FK Dispensaries and the Additional Potential Acquisitions, collectively, shall be hereinafter referred to as the “**PROJECT**”.

ACQUISITION OF THE DISPENSARIES

The Company is a Missouri limited liability company which has been formed initially to receive investments and to act as a holding company with respect to an ownership interest in COMO Health and an indirect ownership interest in the FK Dispensaries, through an entity which will be a wholly owned subsidiary of the Company. Additionally, the Company may engage in the Additional Potential Acquisitions.

The Company plans and intends to enter into a Membership Interest Purchase Agreement (the “**MEMBERSHIP INTEREST PURCHASE AGREEMENT**”) with the equity owner of COMO Health to acquire one hundred percent (100%) of the ownership and issued and outstanding membership interests of COMO Health (the “**COMO HEALTH ACQUISITION**”). The Company intends to pay a total of Thirty-Seven Million Dollars (\$37,000,000) in connection with the COMO Health Acquisition, a material portion of which shall be deferred and paid over time (the “**COMO DEFERRED PAYMENT**”).

A wholly owned subsidiary of the Company will enter into an Asset Purchase Agreement with True Level (the “**ASSET PURCHASE AGREEMENT**”) to acquire all of the assets related to the FK Operational Dispensaries (the “**OPERATIONAL DISPENSARY ACQUISITION**”). In connection with entering into the Asset Purchase Agreement, the Company (or its subsidiary) intends to enter into a put option agreement (or similar instrument) (the “**OPTION AGREEMENT**”) pursuant to which True Level (or the other owners of the FK Non-Operational Dispensaries) shall have the right to sell the assets related to the FK Non-Operational Dispensaries to the Company (the “**NON-OPERATIONAL DISPENSARY ACQUISITION**”) and together with the Operational Dispensary Acquisition, the “**FK ACQUISITIONS**”). The Purchase Price to be paid in connection with the FK Acquisitions shall generally be equivalent to three and one-half (3.50) times the trailing twelve (12) months EBITDA of the relevant dispensaries which are to be acquired.

In connection with the FK Acquisition, the Company (or its affiliates) intends to enter into a Supply Agreement pursuant to which the Company or other entities affiliated with the Company or the Manager which operate in the Missouri marijuana market shall be required to purchase a

minimum amount of marijuana product from a marijuana cultivator associated with True Level every month for a period of five (5) years (the “SUPPLY RELATIONSHIP”).

Additionally, the Company contemplates raising additional funds pursuant to the Offering to make the Additional Potential Acquisitions. However, there can be no guarantee or assurance made that any of the Additional Potential Acquisitions will ever occur.

THE MEMBERSHIP INTEREST PURCHASE AGREEMENT AND THE ASSET PURCHASE AGREEMENT HAVE NOT YET BEEN EXECUTED AND THE ADDITIONAL POTENTIAL ACQUISITIONS MAY NEVER OCCUR. IN THE EVENT THAT THE COMPANY DOES NOT ENTER INTO THE MEMBERSHIP INTEREST PURCHASE AGREEMENT OR THE ASSET PURCHASE AGREEMENT, OR IF THE CONTEMPLATED TERMS OF THOSE AGREEMENTS CHANGE, THE COMPANY MAY NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING. ADDITIONALLY, IF THE COMPANY DOES NOT ENGAGE IN ANY ADDITIONAL POTENTIAL ACQUISITIONS, THE COMPANY MAY NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING.

IF THE COMPANY DETERMINES THAT IT DOES NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING, THE AMOUNT INVESTED BY EACH SUBSCRIBER WILL BE REDUCED AND RETURNED AND, ACCORDINGLY, ANY AMOUNTS FUNDED BY YOU MAY BE REFUNDED AND RETURNED TO YOU BY THE COMPANY AND NOT ACCEPTED BY THE COMPANY AS AN ACQUISITION OF UNITS. SUBSCRIBERS SHOULD NOT INVEST IN THIS OFFERING UNLESS THEY ARE COMFORTABLE WITH THE POSSIBILITY OF HAVING SOME OF THEIR INVESTED FUNDS REJECTED AND RETURNED TO THEM.

All transfers of marijuana dispensary licenses are subject to approval from the Missouri Department of Cannabis Regulation. In the Manager’s experience, it often takes approximately one (1) year for the Department of Cannabis Regulation to approve transfers of marijuana dispensary licenses from sellers to buyers. Accordingly, from the period of time between the execution of the Membership Interest Purchase Agreement and the Asset Purchase Agreement and the approval of the transfer of the marijuana dispensary licenses associated with the COMO Dispensaries and the FK Dispensaries, the Company, the Manager (or their affiliates or subsidiaries) will operate the COMO Dispensaries and the FK Dispensaries through the use of a management services agreement (the “MANAGEMENT SERVICES AGREEMENT”).

Generally, all of the retail business and sales of marijuana will be conducted by the COMO Dispensaries and the FK Dispensaries and the Company will act as a holding company owning ownership interests in the Dispensaries through COMO Health or other subsidiaries. Fly Route Advisors, LLC, a Missouri limited liability company (the “MANAGER”), shall be the Manager of the Company pursuant to the terms and conditions of the Operating Agreement. The Manager shall also have general management control over COMO Health after the closing of the COMO Health Acquisition. The Company and the Manager shall enter into a Management Services Agreement, substantially the form of which is attached hereto as EXHIBIT B (the “MANAGEMENT AGREEMENT”). The Manager’s control over the operations and decision making of and related to

the COMO Dispensaries and the FK Dispensaries is limited and defined as is described in the Operating Agreement and the Management Agreement. All Subscribers should review and read the terms and conditions of the Operating Agreement and the Management Agreement before purchasing Units.

To the extent that any of the Additional Potential Acquisitions shall occur in the future, those Additional Potential Acquisitions may have different terms and assets that are targeted and those Additional Potential Acquisitions may, in some manner, impact the Dispensaries and the Subscribers should be aware of this possibility and not subscribe for the Units unless they are willing to accept this risk and possibility.

To the extent not managed by the Manager, the Company shall be managed by a Board of Managers that is elected and appointed by the members of the Company (the “**BOARD OF MANAGERS**”) that shall have the rights and obligations described in the Operating Agreement. The Board of Managers shall have three members, one of which will be appointed by the Class A Member and two of which will be appointed by a Majority In Interest of the Class B Members, as is more specifically described in the Operating Agreement. The Company’s Board of Managers’ control over the operations and decision making of and related to the Company, the COMO Dispensaries and the FK Dispensaries is limited and defined as is described in the Operating Agreement. It is contemplated that the initial members of the Board of Managers will be Anthony Cieslak, Trevor Lavy and Todd Denton. All Subscribers should review and read the terms of the Operating Agreement.

INVESTMENT AND DISTRIBUTION SUMMARY

The Project initially involves the Company obtaining operating control and eventual ownership of the Dispensaries pursuant to the above section entitled “Basic Transaction Information.” See the section of this Memorandum entitled “Risk Factors” for events and occurrences which may complicate or result in the inability of any of the aforementioned actions to occur.

Please review Article V of the Operating Agreement for a specific discussion of the distribution of funds from the Company to holders of Class A Units, Class B Units and Class C Units of the Company.

Generally, all funds that the Company will have to distribute to its Members will be received by the Company from the Dispensaries who will engage in the business of operating marijuana dispensaries in the State of Missouri.

Distributions from the Company shall be made at the discretion of the Manager. Provided, however, that if distributions are made from the Company, they shall be made as follows (all capitalized terms used below which are not defined herein shall have the meaning ascribed to them in the Operating Agreement):

(a) *First*, entirely to the Class B Members, in accordance with each such Class B Member's Sharing Ratio, until the cumulative amount of distributions to Class B Members equals 108% of Class B Members' Capital Contributions;

(b) *Second* (and only after all funds payable in respect of Section (a) above as of such date have been so distributed), to the extent the cumulative amount of distributions to the Class B Members equals more than 108% but does not exceed 300% of the Class B Members' Capital Contributions;

(i) if there are any Class C Members with vested Class C Units, a distribution to such Class C Members equal to the Class C Members' Sharing Percentage multiplied by the funds available for distribution after the distributions have been made under Section (a) above in accordance with each such Class C Member's Sharing Ratio, and

(ii) the balance (or the entire distribution if there are no Class C Members with vested Class C Units) (A) 80% to the Class B Members in accordance with each such Class B Member's Sharing Ratio; and (B) 20% to the Class A Members in accordance with each such Class A Member's Sharing Ratio;

(c) *Third* (and only after all funds payable in respect of Sections (a) and (b) above as of such date have been so distributed), to the extent the cumulative amount of distributions to the Class B Members equals more than 300% but does not exceed 450% of the Class B Members Capital Contributions;

(i) if there are any Class C Members with vested Class C Units, a distribution to such Class C Members equal to the Class C Members' Sharing Percentage multiplied by the funds available for distribution after the distributions have been made under Section (a) and (b) above in accordance with each such Class C Member's Sharing Ratio, and

(ii) the balance (or the entire distribution if there are no Class C Members with vested Class C Units) (A) 75% to the Class B Members in accordance with each such Class B Member's Sharing Ratio; and (B) 25% to the Class A Members in accordance with each such Class A Member's Sharing Ratio;

(d) *Thereafter* (and only after all funds payable in respect of Sections (a) through (c) above as of such date have been so distributed);

(i) if there are any Class C Members with vested Class C Units, a distribution to such Class C Members equal to the Class C Members' Sharing Percentage multiplied by the funds available for distribution after the distributions have been made under Sections (a) through (c) above in accordance with each such Class C Member's Sharing Ratio, and

(ii) the balance (or the entire distribution if there are no Class C Members with vested Class C Units) (A) 70% to the Class B Members in accordance with each such Class B Member's Sharing Ratio and (B) 30% to the Class A Members in accordance with each such Class A Member's Sharing Ratio.

The Manager shall own and possess all Class A Units and any distributions made or to be made to the Manager shall be limited or made as is described in the Operating Agreement.

PROJECTED FINANCIAL INFORMATION

You may have previously (or concurrently herewith) been provided with financial projections and information related to the Dispensaries or the Company (these projections together with any other financial information referenced herein or otherwise provided by the Manager, "PROJECTIONS").

THE PROJECTIONS HAVE NOT BEEN PREPARED WITH A VIEW TOWARD COMPLIANCE WITH ANY PUBLISHED GUIDELINES OF ANY REGULATORY OR PROFESSIONAL AGENCY, NOR HAVE THEY BEEN PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. NO INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT OR OTHER EXPERTS HAVE COMPILED, EXAMINED, REVIEWED, OR APPLIED ANY AGREED UPON PROCEDURES TO THE PROJECTIONS OR OTHER FINANCIAL INFORMATION.

THE PROJECTIONS ARE BASED ON NUMEROUS ASSUMPTIONS, MANY CONCERNING FACTORS OVER WHICH THE MANAGER HAS NO CONTROL, AND, ACCORDINGLY, THE PROJECTIONS ARE NOT GUARANTEED OR WARRANTED. SEE "RISK FACTORS; FORWARD LOOKING STATEMENTS." THE COMPANY, THE DISPENSARIES, THE MANAGER, THEIR AFFILIATES AND THEIR LAWYERS AND ACCOUNTANTS ASSUME NO RESPONSIBILITY TO THE INVESTORS FOR THE TAX CONSEQUENCES OR THE PROJECTED ECONOMIC BENEFITS TO INVESTORS OF THIS OFFERING.

INVESTOR SUITABILITY QUALIFICATIONS

An investment in the Company is intended only for individual natural persons and entities who are "accredited investors" as such term is defined under Regulation D of the Securities Act. Additionally, any prospective investors must be able to make representations and warranties to the matters set forth in the Subscription Agreement and Operating Agreement, including without limitation, that such prospective investor: (i) HAS NEVER BEEN CONVICTED OF A FELONY OFFENSE; and (ii) SHALL PROMPTLY COMPLETE A REQUIRED BACKGROUND CHECK WITH THE MISSOURI STATE POLICE OR OTHER RELATED BODY, IF SO REQUIRED. No prospective Subscriber is eligible to purchase Units unless such prospective Subscriber or its duly authorized representative shall have executed and delivered to the Company the Subscription Agreement, a Joinder to the Operating Agreement and an investor questionnaire. All subscriptions for Units are subject to acceptance, in whole or in part, by the Company which shall occur only

upon the Manager's or a Member of the Company's Board of Managers' countersignature to the Subscription Agreement, in its sole discretion, on behalf of the Company.

(SUMMARY OF THE OFFERING CONTINUED ON NEXT PAGE)

SUMMARY OF THE OFFERING

The Opportunity:

The Company is a Missouri limited liability company which has been formed initially to receive investments and to act as a holding company with respect to an ownership interest in COMO Health and an indirect ownership interest in the FK Dispensaries, through an entity which will be a wholly owned subsidiary of the Company. Additionally, the Company may engage in the Additional Potential Acquisitions.

The Company plans and intends to enter into a Membership Interest Purchase Agreement (the “**MEMBERSHIP INTEREST PURCHASE AGREEMENT**”) with the equity owner of COMO Health to acquire one hundred percent (100%) of the ownership and issued and outstanding membership interests of COMO Health (the “**COMO HEALTH ACQUISITION**”). The Company intends to pay a total of Thirty-Seven Million Dollars (\$37,000,000) in connection with the COMO Health Acquisition, a material portion of which shall be deferred and paid over time (the “**COMO DEFERRED PAYMENT**”).

A wholly owned subsidiary of the Company will enter into an Asset Purchase Agreement with True Level (the “**ASSET PURCHASE AGREEMENT**”) to acquire all of the assets related to the FK Operational Dispensaries (the “**OPERATIONAL DISPENSARY ACQUISITION**”). In connection with entering into the Asset Purchase Agreement, the Company (or its subsidiary) intends to enter into a put option agreement (or similar instrument) (the “**OPTION AGREEMENT**”) pursuant to which True Level (or the other owners of the FK Non-Operational Dispensaries) shall have the right to sell the assets related to the FK Non-Operational Dispensaries to the Company (the “**NON-OPERATIONAL DISPENSARY ACQUISITION**”) and together with the Operational Dispensary Acquisition, the “**FK ACQUISITIONS**”). The Purchase Price to be paid in connection with the FK Acquisitions shall generally be equivalent to three and one-half (3.50) times the trailing twelve (12) months EBITDA of the relevant dispensaries which are to be acquired.

In connection with the FK Acquisition, the Company (or its affiliates) intends to enter into a Supply Agreement pursuant to which the Company or other entities affiliated with the Company or the Manager which operate in the Missouri marijuana market shall be required to purchase a minimum amount of marijuana product from a marijuana cultivator associated with True Level every month for a period of five (5) years (the “**SUPPLY RELATIONSHIP**”).

Additionally, the Company contemplates raising additional funds pursuant to the Offering to make the Additional Potential Acquisitions. However, there can be no guarantee or assurance made that any of the Additional Potential Acquisitions will ever occur.

THE MEMBERSHIP INTEREST PURCHASE AGREEMENT AND THE ASSET PURCHASE AGREEMENT HAVE NOT YET BEEN EXECUTED AND THE ADDITIONAL POTENTIAL ACQUISITIONS MAY NEVER OCCUR. IN THE EVENT THAT THE COMPANY DOES NOT ENTER INTO THE MEMBERSHIP INTEREST PURCHASE AGREEMENT OR THE ASSET PURCHASE AGREEMENT, OR IF THE CONTEMPLATED TERMS OF THOSE AGREEMENTS CHANGE, THE COMPANY MAY NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING. ADDITIONALLY, IF THE COMPANY DOES NOT ENGAGE IN ANY ADDITIONAL POTENTIAL ACQUISITIONS, THE COMPANY MAY NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING.

IF THE COMPANY DETERMINES THAT IT DOES NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING, THE AMOUNT INVESTED BY EACH SUBSCRIBER WILL BE REDUCED AND RETURNED AND, ACCORDINGLY, ANY AMOUNTS FUNDED BY YOU MAY BE REFUNDED AND RETURNED TO YOU BY THE COMPANY AND NOT ACCEPTED BY THE COMPANY AS AN ACQUISITION OF UNITS. SUBSCRIBERS SHOULD NOT INVEST IN THIS OFFERING UNLESS THEY ARE COMFORTABLE WITH THE POSSIBILITY OF HAVING SOME OF THEIR INVESTED FUNDS REJECTED AND RETURNED TO THEM.

All transfers of marijuana dispensary licenses are subject to approval from the Missouri Department of Cannabis Regulation. In the Manager's experience, it often takes approximately one (1) year for the Department of Cannabis Regulation to approve transfers of marijuana dispensary licenses from sellers to buyers. Accordingly, from the period of time between the execution of the Membership Interest Purchase Agreement and the Asset Purchase Agreement and the approval of the transfer of the marijuana dispensary licenses associated with the COMO Dispensaries and the FK Dispensaries, the Company, the Manager (or their affiliates or subsidiaries) will operate the COMO Dispensaries and the FK Dispensaries through the use of a management services agreement (the "MANAGEMENT SERVICES AGREEMENT").

Generally, all of the retail business and sales of marijuana will be conducted by the COMO Dispensaries and the FK Dispensaries and the Company will act as a holding company owning ownership interests in the Dispensaries through COMO Health or other subsidiaries. Fly Route Advisors, LLC, a Missouri limited liability company (the "MANAGER"), shall be the Manager of the Company pursuant to the terms and conditions of the Operating Agreement. The Manager shall also have general management control over COMO Health after the closing of the COMO Health Acquisition. The Company and the Manager shall enter

into a Management Services Agreement, substantially the form of which is attached hereto as EXHIBIT B (the “**MANAGEMENT AGREEMENT**”). The Manager’s control over the operations and decision making of and related to the COMO Dispensaries and the FK Dispensaries is limited and defined as is described in the Operating Agreement and the Management Agreement. All Subscribers should review and read the terms and conditions of the Operating Agreement and the Management Agreement before purchasing Units.

To the extent that any of the Additional Potential Acquisitions shall occur in the future, those Additional Potential Acquisitions may have different terms and assets that are targeted and those Additional Potential Acquisitions may, in some manner, impact the Dispensaries and the Subscribers should be aware of this possibility and not subscribe for the Units unless they are willing to accept this risk and possibility.

To the extent not managed by the Manager, the Company shall be managed by a Board of Managers that is elected and appointed by the members of the Company (the “**BOARD OF MANAGERS**”) that shall have the rights and obligations described in the Operating Agreement. The Board of Managers shall have three members, one of which will be appointed by the Class A Member and two of which will be appointed by a Majority In Interest of the Class B Members, as is more specifically described in the Operating Agreement. The Company’s Board of Managers’ control over the operations and decision making of and related to the Company, the COMO Dispensaries and the FK Dispensaries is limited and defined as is described in the Operating Agreement. It is contemplated that the initial members of the Board of Managers will be Anthony Cieslak, Trevor Lavy and Todd Denton. All Subscribers should review and read the terms of the Operating Agreement.

Number, Type and Description of Units Offered;
Subscription Agreement:

The Company is offering up to One Hundred Fifty Million (150,000,000) Units in the Company at an offering price of One Dollar (\$1.00) per Unit, thereby seeking to raise up to One Hundred Fifty Million Dollars (\$150,000,000) through this Offering.

An investment in the Company through the purchase of Units is intended only for individual, natural persons and entities who are “accredited investors” as such term is defined under Regulation D of the Securities Act.

Each Subscriber that is interested in subscribing for Units is required to complete and sign a Subscription Agreement, a copy of which is attached hereto as EXHIBIT C (the “**SUBSCRIPTION AGREEMENT**”). By submitting a Subscription Agreement, each Subscriber (i) is representing and warranting as to certain matters, some of which the Company will be

relying upon to determine whether this Offering is eligible for an exemption from the registration requirements of federal and state securities laws, (ii) is providing certain indemnities and agreeing to certain non-disclosure obligations in favor of the Company, (iii) shall be deemed to have agreed to each and every term and condition of the Operating Agreement. A prospective Subscriber should not subscribe for Units if it is not comfortable with, or willing to accept, the terms and conditions of the Subscription Agreement and the Operating Agreement. Further, all potential Subscribers should review the Operating Agreement and the Management Agreement.

All subscriptions for Units are subject to acceptance, in whole or in part, by the Company which shall occur only upon the Company's countersignature to the Subscription Agreement, in its sole discretion. Subscribers should read the Subscription Agreement in its entirety.

Governing Agreements:

The rights and obligations of Subscribers are set forth in the Operating Agreement. Pursuant to the Subscription Agreement, each Subscriber shall be bound by any such changes to the Operating Agreement as long as such changes do not adversely impact the Subscriber in a material respect.

Risk Factors and Conflicts of Interest:

This Offering involves substantial risks and conflicts of interest which should be considered before deciding to invest in the Units. For an explanation of material risks and conflicts of interests relating to an investment in the Company, see the section of this Memorandum entitled "Risk Factors" and "Conflicts of Interests," respectively.

SUMMARY OF THE OPERATING AGREEMENT

The following summary is subject to the detailed provisions of the Operating Agreement. If any of the terms, conditions or other provisions of the Operating Agreement are inconsistent with or contrary to the descriptions or terms in this Memorandum, the terms and conditions of the Operating Agreement shall control.

The Company:

Bon Vert Ventures, LLC is a recently formed manager-managed Missouri limited liability company created primarily to pool investments that will facilitate the consummation of the COMO Health Acquisition and the FK Acquisitions, pursuant to which the Company will indirectly acquire one hundred percent (100%) of the ownership and membership interest of the Dispensaries.

The Manager:

Decisions concerning the management and control of the business affairs of the Company (and the Dispensaries indirectly) shall be generally made by the Manager, Fly Route Advisors, LLC, a Missouri limited liability company. The Manager has general control and discretion over the affairs and business of the Company; however, such control is limited in some ways pursuant to the terms and conditions of the Operating

Agreement. The Manager and certain of its affiliates may be entitled to reimbursement for certain expenses and amounts they have provided and funded to the Company and their affiliates. The Manager is entitled to a portion of distributions from the Company as is described in the “Investment and Distribution Summary” section of this Memorandum.

Board of Managers: To the extent not governed by the Manager, the Company will be governed by the Board of Managers (as such term is defined in the Operating Agreement). The Board of Managers will be comprised of three people, one of which shall be appointed by the Class A Member and two of which shall be appointed by a Majority In Interest of the Class B Members. The members of the Board of Managers shall not be required to be members of the Company. It is anticipated that the initial members of the Company Board of Managers will be Anthony Cieslak, Trevor Lavy and Todd Denton.

No Decision Making Authority of Subscribers: Except as is specifically set forth in the Operating Agreement, the Subscribers will have very limited rights or powers to indirectly take part in the management or control of the Company or the Dispensaries.

Members: Pursuant to this Offering, the Company is soliciting subscriptions for Class B Units in the Company. Subscribers subscribing for Class B Units pursuant to this Offering shall, upon acceptance of their Subscription by the Company as provided in the Subscription Agreement and such other conditions set forth in the Operating Agreement, be admitted as Class B Members of the Company. The Company plans to own, indirectly, each of the Dispensaries.

Limited Liability: No Subscriber shall be personally liable for any debts or losses of the Company beyond the amount of his or her investment in the Company and amounts distributed to such Subscriber while the Company was insolvent.

Capital Contribution: Each Subscriber shall have a capital account. Upon acceptance of a Subscriber’s subscription, the Subscriber’s investment shall be credited to the capital account of such Subscriber. No interest shall accrue on any Subscriber’s capital account, nor may a capital account be withdrawn for any reason.

No Additional Capital Contributions Required: No Subscriber shall be required to make any additional capital contribution to the Company beyond his, her or its initial investment in the Company.

Distributions of Available Cash: Distributions from the Company shall be made pursuant to and as described in the section of this Memorandum entitled “Investment and Distribution Summary.”

Tax Distributions: To the extent liquid funds are reasonably available for distribution and not otherwise necessary to be prudently retained by the Company for operations, reserves or other legitimate purposes, as determined by the Manager and the Board, the Manager shall make good faith efforts to cause the Company to generally distribute to each member of the Company on or before each Tax Distribution Date (as such term is defined in the Operating Agreement) an amount, if any, that would cause the total aggregate cumulative distributions from the Company to a member of the Company since the Company's inception to be at least equal to the member of the Company's Assumed Income Tax Liability (as such term is defined in the Operating Agreement). The only source of income or distributable funds that the Company will have will be received by the Company as distributions from the Dispensaries (or their parent companies).

Amounts Withheld: All amounts withheld or required to be withheld pursuant to Code or any provision of any state, local or foreign tax law with respect to any payment or distribution to the Company or the Subscribers shall be treated as amounts paid or distributed, as applicable, for all purposes under the Operating Agreement. The Manager is authorized to withhold from payments or distributions, and to pay over to any federal, state, local or foreign government, any amounts required to be so withheld pursuant to the Code or any provisions of any other federal, state, local or any foreign law and shall allocate any such amounts to the Subscribers with respect to which such amount was withheld.

Ability to Make Future Acquisitions: The Manager shall have the right, in its sole and absolute discretion, to cause the Company (or its subsidiaries or affiliates) to acquire additional marijuana related businesses in the state of Missouri with proceedings from the Offering if such acquisitions or transactions are determined by the Manager to be in the best interest of the Company.

Prohibitions on Voluntary Transfers: No Subscriber may make a transfer of all or any portion of such Subscriber's Class B Units without the prior written consent of the Company's Board of Managers and without complying with the terms and conditions of the Operating Agreement. Any transfer which is not permitted by the Company or the Operating Agreement shall not be recognized by the Company and shall be void ab initio.

No person who acquires Class B Units shall be admitted to the Company as a member without the written consent of the Board of Managers of the Company.

Drag-Along Right: In the event the Board, the Manager or any Member or group of Members which own in the aggregate more than 50% of the Class B Units receives a bona fide offer to acquire all of the units of membership interest of the Company and such offer is approved by the Board and the Manager,

either of the Board, the Manager or a Majority in Interest of the Members shall have the right to require each of the Members of the Company to sell their units of membership interest in the Company pursuant to the transaction contemplated by either the Board, the Manager or a Majority in Interest of the Members, as applicable. Provided that all of the foregoing is subject to certain limitations and other terms contained in the Operating Agreement.

Tag-Along Right: In the event that any Class B Member of the Company shall receive a bona fide offer from a third-party to purchase or acquire from said Member (or group of Members, as applicable) a number of Units in the Company which represent twenty percent (20%) or more of the total issued and outstanding Class B Units of the Company and such transaction is approved by the Board and the Manager of the Company, the other Members of the Company shall have the right to participate in such contemplated sale pursuant to specific terms described in the Operating Agreement. Provided that all of the foregoing is subject to certain limitations and other terms contained in the Operating Agreement.

Involuntary Withdrawal of a Subscriber: Pursuant to the provisions of the Operating Agreement, the Company shall have the right to redeem Class B Units from a Subscriber in the event of death, disability or insolvency. Any such redemption will be for the Fair Market Value thereof, determined in accordance with the Operating Agreement.

Resignation and Removal of Manager; Vacancy in Manager Position: The initial Manager of the Company shall be Fly Route Advisors, LLC, a Missouri limited liability company.
The Manager, in its capacity as the Manager of the Company, may be removed pursuant to the provisions of Article II of the Operating Agreement.

Duties of Manager: The Manager shall devote to the Company and the Dispensaries such time as may be necessary for the proper performance of all duties of the Manager as are described in the Operating Agreement and the Management Agreement.

The Manager shall use commercially reasonable efforts to provide, or cause to be provided, to all members of the Company the following documentation, within the time period specified below, and may provide such documentation electronically:

(i) Following the end of each calendar year, the information necessary for Subscribers to prepare such portion of their federal and state income tax returns as relate to the Company;

(ii) Following the end of each calendar quarter, information related to the financial position of the Company and the Dispensaries,

including internally prepared income statements, balance sheets and other similar financial statements and information; and

(iii) As soon as practical following the final liquidation of the Dispensaries or any other subsidiary of the Company, a statement setting forth the final distribution of cash and any other assets upon final liquidation of the Dispensaries or any other subsidiary of the Company.

Financial information provided to members of the Company may be audited but shall not be required to be audited.

Certain Affiliate Matters:

The Manager may, on behalf and at the expense of the Company, engage any Subscriber or the Manager, or an affiliate of any Subscriber or of the Manager, to render services or provide goods to the Company or the Dispensaries, provided that the fees or other amounts payable for such services or goods are comparable to those prevailing in arms-length transactions for similar services or goods and are approved by the Board. Without limiting the generality of the foregoing, the Subscribers expressly approve the following fees and payments made by the Company:

The Company shall promptly reimburse the Manager and any of its affiliates, and any employee, agent or attorney of the Company for all reasonable direct, out-of-pocket expenses (including allocable overhead costs and in-house legal fees) incurred by any of them on behalf of the Company or otherwise in furtherance of the interests of the Company.

In the event the Company or the Dispensaries require additional funds to support or fund operations of the Company, the Dispensaries or their affiliates or any obligations contemplated in the Operating Agreement, the Manager or any of its affiliates may, but is not required to, lend such funds to the Company or the Dispensaries. Any such loan shall be a demand loan and shall accrue interest at a rate determined by the Manager and shall be repaid at such time as shall be determined by the Manager.

Dissolution:

Proceeds from the liquidation and dissolution of the assets of the Company shall be applied and distributed in the following order of priority:

(i) to the payment and discharge of all of the Company's debts and liabilities, except the claims of secured creditors whose obligations will be assumed or otherwise transferred on the liquidation of the Company's assets, if any;

(ii) to the establishment of reserves which the Manager determines to be necessary; and

(iii) the balance, if any, in accordance with how distributions would be distributed pursuant to Article V of the Operating Agreement.

Confidential Nature of Information Concerning the Company:

All non-public information concerning the Company and the Dispensaries is considered confidential information and Subscribers are not permitted to disclose any such information to third parties except for (a) disclosure to its attorneys, accountants and investment advisors; (b) in the event the Company or the Dispensaries consent in writing to such use; or (c) a court of lawful jurisdiction directs otherwise.

Specific Remedies Provided in Governing Agreements:

Each Subscriber is bound by certain provisions which govern the enforcement of the Operating Agreement.

TRANSACTION STRUCTURE CHART

Attached hereto as EXHIBIT D is a Transaction Structure Chart which is provided in order to graphically and visually show the transactions contemplated by this Confidential Private Placement Memorandum. The Transaction Structure Chart is provided as a simplified version of the information contained in this Confidential Private Placement Memorandum and in the event of a conflict existing between anything stated in the Transaction Structure Chart and the terms and conditions of the Operating Agreement, the terms of the Operating Agreement will govern.

(RISK FACTORS CONTINUED ON THE NEXT PAGE)

RISK FACTORS

PROSPECTIVE SUBSCRIBERS CONSIDERING THE PURCHASE OF UNITS SHOULD RECOGNIZE THAT THERE ARE CERTAIN RISKS INHERENT IN THE OWNERSHIP OF LIMITED LIABILITY COMPANY INTERESTS IN ANY LIMITED LIABILITY COMPANY, INCLUDING LOSSES FROM RISKS WHICH MAY BE ECONOMICALLY UNINSURABLE. PERSONS WHO DO NOT HAVE THE FINANCIAL ABILITY TO PURCHASE AND HOLD THE UNITS FOR AN INDEFINITE PERIOD SHOULD NOT PURCHASE CLASS B UNITS. PROSPECTIVE INVESTORS SHOULD CAREFULLY CONSIDER THEIR PARTICULAR FINANCIAL SITUATION IN EVALUATING THE RISKS INVOLVED IN THE PURCHASE OF THE UNITS, WHICH RISKS INCLUDE, AMONG OTHERS, THE RISKS DESCRIBED BELOW.

RISKS RELATED TO THE COMPANY'S INVESTMENT IN THE PROJECT

MARIJUANA REMAINS ILLEGAL UNDER FEDERAL LAW

The Company's sole purpose is to invest in the Project and, indirectly, the Dispensaries, and to operate and attend to the Project and the Dispensaries. The Project relates to multiple marijuana dispensaries and, as of the date of this Memorandum, marijuana remains illegal under federal law. It is a Schedule-I controlled substance. Even in those jurisdictions in which the use of marijuana has been legalized at the state level, its prescription is a violation of federal law. The United States Supreme Court has ruled in *United States v. Oakland Cannabis Buyers' Coop.* and *Gonzales v. Raich* that it is the federal government that has the right to regulate and criminalize marijuana, even for medical purposes. Therefore, federal law criminalizing the use of marijuana trumps state laws that legalize its use. At present, many states are not deterred by the federal law, maintaining existing laws and passing new ones in this area. This may be because the Obama administration made a policy decision to allow states to implement these laws and not prosecute anyone operating in accordance with applicable state law and all other administrations, up to the date of the Memorandum, have taken a similar position. However, any future administration could introduce a less favorable policy. A change in the federal attitude towards enforcement could cripple the industry and if this industry was unable to operate, the Company would lose its ability to operate. Moreover, a change in the federal attitude towards enforcement could result in the federal law enforcement seizing the assets and business of the Company, the Dispensaries or any of their affiliates, which would result in a complete loss for the Company and the Subscribers. Additionally, the federal government could look to extend enforcement of the anti-drug laws against people who are assisting the marijuana industry, including our investors and financing sources.

LAWS AND REGULATIONS AFFECTING THE MARIJUANA INDUSTRY ARE CONSTANTLY CHANGING

Local, state and federal marijuana laws and regulations are broad in scope, and they are subject to evolving interpretations, which could require us to incur substantial costs associated with compliance or to alter one or more of our sales or marketing practices. In addition, violations of these laws, or allegations of such violations, could disrupt the Project and result in a material adverse effect on our revenues, profitability, and financial condition. Any disruption of the Project would, in turn, also disrupt the Company and the Subscriber's investment in the Company.

In addition, it is possible that regulations may be enacted in the future that will be directly applicable to the Project, its products and, in turn, the Company. The Company cannot predict the nature of any future laws, regulations, interpretations or applications, nor can we determine what effect additional governmental regulations or administrative policies and procedures, when and if promulgated, could have on the Project and the Company. These potential effects could include, however, requirements for our products to meet new standards, the recall or discontinuance of certain products, or additional record-keeping and reporting requirements. Any or all of these requirements could have a material adverse effect on the Company's business, financial condition and results of operations.

THE ALTERNATIVE MEDICINE INDUSTRY FACES STRONG OPPOSITION

Many believe that well-funded, significant businesses may have a strong economic opposition to the marijuana industry as currently formed. For example, the marijuana industry could face a material threat from the pharmaceutical industry should marijuana displace other drugs or simply encroach upon the pharmaceutical industry's market share for compounds such as marijuana and its component parts. The pharmaceutical industry is well funded with a strong and experienced lobby that eclipses the funding of the marijuana movement. Any inroads the pharmaceutical industry makes in halting or rolling back the marijuana movement could have a detrimental impact on the market for the Project's products and thus on the Project's, and the Company's business, operations and financial condition.

FINANCING RISKS

Because the cultivation, sale and use of marijuana is illegal under federal law, conventional financing from financial institutions may not be available for the Project. Accordingly, any financing for any portion of the Project will likely need to be procured through private financing. Private financing is typically more expensive than conventional financing. This could decrease any profits of the Project and, in turn, decrease any amounts realized by the Company or the Subscribers. Currently, the Company intends only to seek financing through this Offering. However, there is no guarantee that the Company will be able to receive all funds it intends to receive from the Offering and, if this occurs, the Company may be materially adversely impacted and may not be able to complete the COMO Health Acquisition or the FK Acquisitions.

BANKING DIFFICULTIES

As discussed above, the cultivation, sale and use of marijuana is illegal under federal law. Therefore, there is a compelling argument that banks cannot accept for deposit funds from the drug trade and therefore would not be able to do business with the Project. As such, the Company may have trouble finding a bank willing to accept its business. There can be no assurance that banks in Missouri or other states currently or in the future will decide to do business with marijuana retailers, or that in the absence of legislation state and federal banking regulators will not strictly enforce current prohibitions on banks handling funds generated from an activity that is illegal under federal law. This may make it difficult for the Project to open accounts, use the service of banks and otherwise transact business, which in turn may negatively affect the Company.

INCREASED RISK OF CRIME DUE TO BANKING DIFFICULTIES

As discussed above, banks may be reluctant to open depository accounts for marijuana dispensaries because of their illegal nature under federal law. Therefore, transactions between our vendors and customers may need to be effected in cash. The prospect of significant amounts of cash on hand at the Project's facilities or in transit to its vendors may be enticing to criminals and criminal enterprises. Reports from other states where marijuana sales are legal (per the state's laws) have indicated that there have been a significant number of thefts and attempted thefts at marijuana dispensaries. If such a theft were to occur the Company might experience short term cash flow problems and may need to seek additional financing. The Company or its affiliates may elect not to hire security personnel for the Project sites, and, even if the Company or its affiliates does hire security personnel, there can be no guaranty that such measures will prevent or reduce the amount of crime that may occur related to the Project.

THE PROJECT'S PRODUCT ITSELF MAY BE A TARGET OF THEFT

The illicit drug trade deals heavily in the sale of marijuana for recreational users. Accordingly, the Project's product may be the target of theft. There can be no guarantees that theft will be entirely prevented. Theft may include a large-scale theft in the form of a break-in, as well as small-scale theft by employees. Theft of a significant amount of its product, whether internally or externally, could have a serious impact on the Project's ability to supply product which would, in turn, materially and adversely affect the Project's, and the Company's business, margins and results of operations.

AGRICULTURAL RISKS

Like all crops, marijuana plants are subject to agricultural risks. Those risks include pest infestation, molds and fungi, inadequate artificial sunlight conditions, poor soil conditions, water shortages, building problems (such as roof collapses), etc. There is no guaranty that any supplier of the Dispensaries will be successful in eliminating all, or any, risks marijuana plants are subject to or that the Dispensaries will be able to acquire products if such risks arise with respect to the Project's suppliers. If the Company cannot regularly and effectively access marijuana products, its business will materially suffer.

THE PROJECT MAY HAVE DIFFICULTY OBTAINING INSURANCE

Because marijuana is illegal under federal law, it may be difficult for the Project to obtain commercial and general liability insurance for its operations. Alternatively, if it is able to find a company willing to insure its operations, such insurance may be prohibitively expensive. If the Project is unable to insure its facilities and products, a fire, weather related event or other calamity might result in a catastrophic loss. Such an uninsured loss could materially and adversely affect the Project's ability to operate the business and could result in a total loss to the Company and the Subscribers.

NO GUARANTEE THAT THE COMPANY, THE DISPENSARIES OR THEIR AFFILIATES WILL BE AN APPROVED OWNER OF A MARIJUANA DISPENSARY LICENSE

The Company intends to indirectly acquire the legal entity ownership of the entities which own and operate the Dispensaries, or to transfer the marijuana licenses involved in the Project to the Company or a subsidiary of the Company. There can be no guarantee that the Missouri Department of Cannabis Regulation will authorize and approve the transfer of the aforementioned ownership interests or assets of the Dispensaries to the Company, any subsidiaries of the Company or the Subscribers. The Company not receiving the approval to indirectly acquire the equity, ownership interests or assets related to the Dispensaries would have a serious negative financial implication to the Company and the Subscribers.

NO GUARANTEE OF LICENSING APPROVAL RENEWALS

Missouri marijuana dispensary licenses are subject to renewal by the Missouri Department of Cannabis Regulation. Renewal of a license is not guaranteed. There may be many reasons why a license is not renewed by the appropriate governing bodies. There can be no guaranty that the Company or the Manager will be successful in getting any of the marijuana dispensary licenses related to the Dispensaries renewed. If the relevant licenses are not renewed at some point in the future, the Project would be out of business. If that were to happen, there can be no guarantee that the Company will be able to return some or any of the Subscribers' investments.

THE PROJECT'S BUSINESS IS DEPENDENT ON A LIMITED NUMBER OF CUSTOMERS

The Project is intended to be licensed to sell marijuana. There may be other dispensaries located in the Dispensaries' proposed market areas. The competition to sell the Project's products will likely be intense. There can be no guaranty that any business the Project obtains will be sufficient to support its operations. Moreover, because the Project is currently not permitted to sell its product outside of the state, any inability to attract business within Missouri cannot be overcome by expanding the Dispensaries' sales territory. If the foregoing occurs, it will likely have a negative impact on the Company and the Subscribers.

There is no guarantee and there can be no assurances made that the State of Missouri will maintain any numerical restrictions or limitations on the number of marijuana dispensaries operating in the state as such currently exist. If these restrictions are reduced or materially changed, this could result in a materially negative impact on the Company and the Dispensaries and may diminish the financial performance of the Company and the Dispensaries.

ANY LITIGATION RELATED TO THE PROJECT MAY HAVE AN ADVERSE IMPACT ON THE COMPANY

The Project may be subject to litigation from customers of the Dispensaries. Risks associated with legal liability are difficult to assess and quantify, and their existence and magnitude can remain unknown for significant periods of time. The amounts the Company, pursuant to the terms and conditions of the Operating Agreement, may have to pay to indemnify the management of the Company should they be subject to legal action based on their service to the Project could have a material adverse effect on the Company's financial condition, results of operations and liquidity.

COMPETITION

The Company's primary purpose will be to indirectly establish, own and operate the Project. The Project faces competition from other and potential future dispensaries, some of which may have greater or better financial resources, personnel, operating experience, marketing and/or facilities than those associated with the Project.

LIMITED RESOURCES OF THE COMPANY

The Company is a newly formed Missouri limited liability company formed specifically to pursue the Project. Accordingly, the Company has limited financial resources and the profitability of the Company will be entirely dependent upon the execution of the proposed business plan relative to the Project.

RELIANCE ON MANAGER

The success of the Project is dependent on the experience, relationships and expertise of the Manager. The loss of services of the Manager may have an adverse effect upon the Project and, in turn, on the financial prospects of the Company.

POTENTIAL FOR REVOCATION OF LICENSE

The Company and the Project shall only be legally and validly operational pursuant to and in connection with the issuance of a license to operate a marijuana dispensary that is granted by the Missouri Department of Cannabis Regulation to the Dispensaries. Marijuana dispensary licenses are subject to revocation by the Missouri Department of Cannabis Regulation for a multitude of reasons as are described in the laws, rules and regulations of the State of Missouri and the Missouri Department of Cannabis Regulation. At this time, the Company and the Manager do not believe that any grounds would exist for the relevant marijuana dispensary licenses to be revoked but no guarantees or assurances can be made with respect thereto. If the marijuana dispensary licenses that are ultimately utilized to operate the Dispensaries are revoked, the Project will not be operational, and the Company and Subscribers will be materially negatively impacted.

CURRENTLY NON-OPERATIONAL DISPENSARIES

Some of the Dispensaries intended to be acquired in connection with Project may not be currently operational but are in the process of building-out their locations and becoming operational in the near future. Completing construction of these aforementioned Dispensaries and ultimately having them become open and operational is subject to a multitude of risks and potential issues with timing. Any material delay in the opening of these Dispensaries, or such Dispensaries never actually being open or approved to operate as marijuana dispensaries in the State of Missouri, would have a materially negative impact on the Company and the Subscribers.

MAY NOT ACQUIRE ALL DISPENSARIES

The Company intends to acquire equity ownership of all of the COMO Dispensaries as is described herein. There can be no guarantee or assurance made that the Company will ultimately complete, close and consummate the COMO Health Acquisition and, even if such acquisitions are completed, that all of the currently contemplated to be acquired COMO Dispensaries will be included in such acquisitions. In the event that less than all of the COMO Dispensaries are acquired, this could have a material negative impact on the Company and the Manager's plans for the operation of the COMO Dispensaries.

The Company intends to acquire the assets related to the FK Dispensaries as is described herein. There can be no guarantee or assurance made that the Company will ultimately complete, close and consummate the FK Acquisitions and, even if such acquisitions are completed, that all of the currently contemplated FK Dispensaries will be included in such acquisitions. In the event that less than all of the FK Dispensaries are acquired, this could have a material negative impact on the Company and the Manager's plans for the operation of the FK Dispensaries.

Neither of the Membership Interest Purchase Agreement or the Asset Purchase Agreement have been executed and neither have any of the documents related to the transactions contemplated therein; further, such documents may never be executed or may not be executed in a manner which reflects the transaction structure described herein.

The Company and the Manager may or may not engage in the Additional Potential Acquisitions and either engaging or not engaging in the Additional Potential Acquisitions will have material impacts on the Company, the Project and the financial performance of the Company and the Projects and any returns or profits that may be paid to the Subscribers. The Subscribers should not purchase Units pursuant to the Offering if they are not comfortable with the Company and the Manager having sole discretion to either proceed or not proceed with Additional Potential Acquisitions.

THE MEMBERSHIP INTEREST PURCHASE AGREEMENT AND THE ASSET PURCHASE AGREEMENT HAVE NOT YET BEEN EXECUTED AND THE ADDITIONAL POTENTIAL ACQUISITIONS MAY NEVER OCCUR. IN THE EVENT THAT THE COMPANY DOES NOT ENTER INTO THE MEMBERSHIP INTEREST PURCHASE AGREEMENT OR THE ASSET PURCHASE AGREEMENT, OR IF THE CONTEMPLATED TERMS OF THOSE AGREEMENTS CHANGE, THE COMPANY MAY NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING. ADDITIONALLY, IF THE COMPANY DOES NOT ENGAGE IN ANY ADDITIONAL

POTENTIAL ACQUISITIONS, THE COMPANY MAY NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING.

IF THE COMPANY DETERMINES THAT IT DOES NOT NEED ALL OF THE FUNDS RAISED PURSUANT TO THE OFFERING, THE AMOUNT INVESTED BY EACH SUBSCRIBER WILL BE REDUCED AND RETURNED AND, ACCORDINGLY, ANY AMOUNTS FUNDED BY YOU MAY BE REFUNDED AND RETURNED TO YOU BY THE COMPANY AND NOT ACCEPTED BY THE COMPANY AS AN ACQUISITION OF UNITS. SUBSCRIBERS SHOULD NOT INVEST IN THIS OFFERING UNLESS THEY ARE COMFORTABLE WITH THE POSSIBILITY OF HAVING SOME OF THEIR INVESTED FUNDS REJECTED AND RETURNED TO THEM.

DEFERRED PAYMENTS AND SELLER FINANCING

In connection with the COMO Health Acquisition, the Company has material deferred payments that are owed to the seller in that transaction. The Company is relying on the COMO Dispensaries to generate profits and cash flow that will be used to fund and pay these deferred payments. In the event that the Company is not able to generate sufficient profits and cash flows to pay the deferred payments when they become due, the Company may lose possession, ownership and control of the COMO Dispensaries and all ability of the Company to generate returns to investors. In the event that the foregoing occurs, it may result in a total loss to the Subscribers and the Company.

MARIJUANA BUSINESS CONCENTRATION IN THE STATE OF MISSOURI

The Manager and/or its affiliates also operate multiple other dispensaries, cultivation facilities and processing facilities in the Missouri marijuana industry. After the acquisition and operation of the Dispensaries, the Manager and/or its affiliates may come under additional scrutiny related to the number of dispensaries and other marijuana businesses that are under their supervision or operation and, if this occurs, it could create disruption to the business, the Project and the Dispensaries. Assurances cannot be made that the Missouri Department of Cannabis Regulation will not take issue with the number of marijuana dispensaries operated or supervised by the Manager or its affiliates and any such issues with the Missouri Department of Cannabis Regulation could have a material negative impact on the Company, the Project and the Subscribers. Any of the aforementioned issues with the Missouri Department of Cannabis Regulation may also create issues in having the licenses related to the Dispensaries transferred to the Company and, if this occurs, it could also have a materially negative impact on the Company, the Project and the Subscribers.

DOCUMENTS NOT YET EXECUTED

Neither of the Membership Interest Purchase Agreement or the Asset Purchase Agreement have been executed and neither have any of the documents related to the transactions contemplated therein; further, such documents may never be executed or may not be executed in a manner which reflects the transaction structure described herein. The Company anticipates that the COMO Health Acquisition and the FK Acquisitions will be effectuated in substantially the manner

described herein; however, there can be no assurances or guarantees made to that effect.

FUTURE DISPENSARY ACQUISITIONS

The Company and the Manager anticipate raising funds through the Offering which will allow the Company to make acquisitions of marijuana business in the state of Missouri beyond those which are already contemplated in this PPM. The Company and the Manager have sole discretion as to whether or not enter into the Additional Potential Acquisitions and such acquisitions may create different return profiles or may alter the return profiles then currently in existence for the Company and the Subscribers (if any such return is being generated). There can be no guarantee or assurance made that any Additional Potential Acquisitions will be profitable or if they will cause the Company to incur losses and Subscribers should not subscribe for and purchase Units unless they are comfortable with and willing to accept the risk that the Company and the Manager may engage in the Additional Potential Acquisitions and that the results thereof are uncertain.

RISKS RELATED TO THE COMPANY

THE COMPANY HAS NO OPERATING HISTORY

The Company has no operating history and may not succeed. The Company is subject to all risks inherent in a developing business enterprise. The Project will be the Company's sole purpose and revenue stream, and the Company's likelihood of continued success must be considered in light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with manufacturing specialty products and the competitive and regulatory environment in which the Project operates. For example, the marijuana industry is a new industry that as a whole may not succeed, particularly should the Federal government change course and decide to prosecute those dealing in marijuana under federal law. If that happens there may not be an adequate market for the Project's products. As a new industry there are not established players whose business model the Project can follow or build on the success of. Similarly, there is not information about comparable companies available for potential investors to review in making a decision about whether to invest in the Company. Further, as the marijuana industry is a new market it is ripe for technological advancements that could limit or eliminate the need for the Project's products.

Subscribers should further consider, among other factors, the Project's prospects for success in light of the risks and uncertainties encountered by companies that, like the Company, are in their early stages. For example, unanticipated expenses, problems, and technical difficulties may occur and they may result in material delays in the operation of the Project's business. The Project may not successfully address these risks and uncertainties or successfully implement our operating strategies. This could materially harm the Company's business to the point of having to cease operations and could impair the value of the Company to the point Subscribers may lose their entire investment.

RELIANCE ON MANAGER

Subscribers will be relying extensively on the experience, relationships and expertise of the Manager and others to whom the Manager delegates responsibility. Generally, all decisions with respect to the Company will be made by the Manager. No investor should invest in the Company unless such investor is willing to entrust all aspects of the management of the Company to the Manager. Subscribers generally have limited right or power to take part in the management of the Company and an even more limited right or power to take part in the management of the Company. Furthermore, Subscribers have a very limited right to remove the Manager. The loss of services of the Manager may not be replaceable and could have an adverse effect upon the financial prospects of the Company.

THE COMPANY MAY REQUIRE ADDITIONAL CAPITAL

The Company may require additional capital for future operations. Current conditions in the capital markets are such that traditional sources of capital may not be available to the Company when needed or may be available only on unfavorable terms. The Company's ability to raise additional capital, if needed, will depend on conditions in the capital markets, economic conditions and a number of other factors, many of which are outside of the Company's control, and on the Company's financial performance. Accordingly, the Company cannot assure investors that it will be able to successfully raise additional capital at all or on terms that are acceptable to it. If the Company cannot raise additional capital when needed, it may have a material adverse effect on its liquidity, financial condition, results of operations and prospects. Further, if the Company raises capital by issuing equity, the holdings of the Company's existing members will be diluted. If the Company raises capital by issuing debt securities, such debt securities would rank senior to its equity upon our bankruptcy or liquidation. In addition, the Company may raise capital by issuing equity securities that may be senior to the Units for the purposes of distributions and liquidating distributions, which may adversely affect the value of the Units. Finally, upon bankruptcy or liquidation, holders of the Company's debt securities and shares of membership interests with greater preferences than the Units and lenders with respect to other borrowings will receive a distribution of our available assets prior to the Subscribers. Additional equity offerings may dilute the holdings of the Company's existing members.

LIMITED RECOURSE AGAINST MANAGER

The Operating Agreement and the Management Agreement limit the circumstances under which the Manager or any of its representatives will be held liable to the Company or Subscribers. As a result, Subscribers will have a more limited right of action in certain cases than they would have in the absence of these provisions. By entering into the Operating Agreement, each Subscriber agrees to exculpate the Manager from liability under most circumstances, if applicable. Moreover, by virtue of the Operating Agreement, the Subscribers have agreed that (i) the Manager is not subject to any fiduciary duties, (ii) the Manager's obligations are limited to those specified in the Operating Agreement and (iii) the Manager and its respective affiliates may be engaged in activities that are competitive with the activities of the Company, and such activities do not give rise to any obligation or liability of such parties to any of the Subscribers.

INDEMNIFICATION COSTS

The Operating Agreement provides that the Manager and its members, managers, employees, agents, representatives and Affiliates (collectively, “**MANAGER INDEMNITEES**”) will be broadly indemnified and held harmless by the Company by reason of such Manager Indemnitee acting on behalf of the Company or on behalf of the Manager. All amounts paid by the Company to the Manager Indemnitees or such other persons entitled to indemnification will be paid out of the assets of the Company or the Dispensaries. Such amounts could substantially reduce the cash flow of the Company available for distributions to the Subscribers or payment of the COMO Deferred Payment or any other payments which may arise related to the Additional Potential Acquisitions.

OFFERING PRICE; LIMITS ON TRANSFERABILITY; LACK OF LIQUIDITY

The price per Unit has been arbitrarily set by the Manager at \$1.00 for each increment of one (1) Unit. No market exists for the Units, and it is unlikely that a market will ever develop for the Units. Also, no Subscriber may voluntarily withdraw from the Company. Therefore, the Units may have to be held for an indefinite period of time. Also, there are substantial restrictions on the transfer of Units set forth in the Operating Agreement. All purchasers of Units are required to represent that they are purchasing Units for investment and not for resale or distribution. The Units have not been registered under the Securities Act or any applicable state securities law, and may not be sold or transferred unless there exists an applicable exemption from registration under all applicable securities laws and the Operating Agreement permits such transfer. Accordingly, investors should expect that their Units are non-transferable and cannot be liquidated.

COMPENSATION TO MANAGER AND ITS AFFILIATES

The Company will pay fees and other compensation to the Manager and its affiliates as described herein and as will be described in a Management Agreement with the Manager. These expenses will decrease amounts otherwise distributable by the Company to the Subscribers or which may be used by the Company to pay the COMO Deferred Payments or other payments which may arise pursuant to Additional Potential Acquisitions.

DISTRIBUTIONS

Available cash for distribution shall only exist if there exists a surplus of cash in excess of (i) expenses, (ii) other obligations of the Company and the Dispensaries (including the COMO Deferred Payments) and (iii) reserves deemed appropriate by the Manager. Moreover, any distributions of available cash are subject to the sole discretion of the Manager and will not be made if the distribution thereof violates the provisions of any loan agreement or other agreement to which the Company or the Dispensaries are bound. In some cases, such as any insolvency of the Company, distributions may be prohibited by operation of law.

TAXABLE INCOME WITHOUT CORRESPONDING DISTRIBUTIONS

Each Subscriber will be required to report on the Subscriber's federal income tax return the Subscriber's distributive share of the Company's taxable income or gain, whether or not it receives any actual distributions of money or property from the Company during the taxable year. The Company's Board of Managers and Manager have discretion to cause the Company to make special tax distributions to Subscribers to pay taxes on the Subscriber's allocable share of Company taxable income; however, such obligation is subject to (i) the Company having sufficient funds to do so, (ii) the hold back of a reserve deemed appropriate by the Company's Board and Manager in their sole discretion and (iii) any contractual limitations that may exist in any loan agreement or other agreement to which the Company is bound. Therefore, a Subscriber's tax liability related to the Company could exceed amounts distributed by the Company to such Subscriber in a particular year.

It is anticipated that COMO Health and the entity used to complete the FK Acquisitions will (or already have) elect to be taxed as corporations governed by Subchapter C of the Internal Revenue Code of 1986 (as amended) and, accordingly, income generated by such entities will not be passed through to the Company. Instead the Company intends that it (and ultimately the Subscribers) will only be taxed on funds actually received from COMO Health and the entity used to complete the FK Acquisitions.

ADDITIONAL TAX ISSUES

Numerous additional tax matters and risks related thereto are discussed in "Tax Considerations." The discussion in "Tax Considerations" does not take into account any Subscriber's particular financial or tax situation, does not address all federal income tax consequences or any state or local (except as specifically noted) or foreign tax considerations to Subscribers of acquiring, holding and disposing of Units, and assumes that investors are sophisticated in tax matters or are able to retain and consult with knowledgeable tax advisors. Investors are urged to consult their own tax advisors regarding the possible federal, state, local and foreign tax consequences of an investment in the Company.

Further, given the nature of the Project's business and the fact that marijuana remains illegal under federal law, there will be limitations on certain deductible expenses of the Company. Any trade or business which is trafficking in a controlled substance¹ under Schedule I or Schedule II of the Controlled Substances Act is prohibited from claiming any deductions or credits against such business's income for the year. Pursuant to Section 280E of the Code, the only available "deduction" for businesses in the marijuana industry is a deduction for cost of goods sold.

As a practical matter, Section 280E has a very significant impact on businesses that are involved in retailing of a controlled substance, primarily because of the inventory tax accounting rules. The largest component of cost of goods sold for a marijuana dispensary are the costs of the products acquired by the dispensary which will ultimately be included in cost of goods sold for the Project. The only costs that will not be included are general and administrative expenses, delivery expenses, marketing and advertising expenses and other similar costs and expenses that are not

¹ Trafficking includes any cultivation, processing, buying or selling of a Schedule I or Schedule II controlled substance under the Controlled Substances Act.

directly or indirectly incurred in acquiring marijuana. Any limitations on the Project's ability to claim deductions will likely pass through to the Company and will likely have a negative impact on the Company and the Subscribers.

Despite the fact that it is currently being contemplated that marijuana will be rescheduled from Schedule I of the Controlled Substances Act, this rescheduling has not yet occurred and cannot be guaranteed to occur. No subscriber should anticipate or rely on the aforementioned rescheduling of marijuana occurring or such investor receiving the improved tax benefits that may arise from such rescheduling. **THE FOREGOING IS NOT MEANT TO BE A FULL REVIEW OF ALL TAX CONSEQUENCES ASSOCIATED WITH TRAFFICKING IN A CONTROLLED SUBSTANCE, THE PROJECT OR AN INVESTMENT IN THE COMPANY. YOU SHOULD CONSULT WITH YOUR INDEPENDENT TAX AND LEGAL ADVISORS BEFORE INVESTING IN THE COMPANY.**

COMPANY NOT REGISTERED UNDER THE INVESTMENT ACT OF 1940

The Company is not, and will not be, registered under The Investment Act of 1940, as amended (the "1940 ACT"). The 1940 Act provides certain protections to investors and imposes certain restrictions on registered investment companies, none of which will be applicable to the Company.

SUBSEQUENT MODIFICATIONS

Not all documents concerning or affecting the Company have been finalized or executed. Any final, executed versions of such documents may contain terms that are in addition to or different from those expressed in this Memorandum. Moreover, the Company's Board of Managers has the authority to amend or modify the Operating Agreement and Subscribers are bound to such changes as long as such changes do not adversely impact the Subscriber in a material respect. By subscribing for the Units, investors are entrusting the Company's Board of Managers and the Manager with the right and authority to finalize and/or negotiate all agreements concerning or affecting the Company. Such agreements may have terms that are materially different from or in addition to any terms explained in this Memorandum, some of which may adversely impact the value of an investment in the Company.

LEASING OF PROPERTIES FROM RELATED PARTIES

There is a possibility that the Company or the Dispensaries may lease one or more of the facilities or real properties associated with the Dispensaries from parties which are affiliated with or related to the Manager. Such leases would be set at market rates and are intended to be reasonably and commercially fair and acceptable to the Company and the Dispensaries. The existence of these leases may create a conflict of interest in the Manager which may result in the Company or the Dispensaries not entering into the most commercially favorable lease agreements.

NO ASSURANCE OF RESULTS

No binding representation is or can be made as to future operations or cash return or tax benefits to investors. Each investor should review the information provided with their own accountants and attorneys and obtain such additional information concerning the Company or the Project from the Manager as they or their accountants or attorneys may deem necessary for their independent

review.

ADDITIONAL POTENTIAL ACQUISITIONS

The Company and the Manager currently desire to and anticipate that they will enter into Additional Potential Acquisitions. Any Additional Potential Acquisitions may materially change the projections, plans and outlook of the Company and the Project and a Subscriber should not acquire and purchase the Units unless they are willing to and desire to be subject to the discretion of the Manager in pursuing and engaging in Additional Potential Acquisitions. Any Additional Potential Acquisitions may cause the Company to be responsible for deferred payments which are due in the future or may result in the Company issuing Units to persons selling their legal entities or assets to the Company in connection with an Additional Potential Acquisition. All of the aforementioned are possible and maybe even likely to occur. **ADDITIONAL POTENTIAL ACQUISITIONS MAY HAVE A MATERIALLY NEGATIVE IMPACT ON THE COMPANY, THE COMPANY'S PROFITABILITY AND THE COMPANY'S ABILITY TO MAKE DISTRIBUTIONS TO THE SUBSCRIBERS. A SUBSCRIBER AGREES TO ASSUME THIS RISK BY PURCHASING AND ACQUIRING THE UNITS.**

FORWARD-LOOKING STATEMENTS

The statements contained in this Memorandum and the Exhibits that accompany this Memorandum and any other documentation delivered to potential Subscribers in connection with this Offering that are not historical fact are "forward-looking statements." These statements can be identified by the use of forward-looking terminology, such as "forecast," "budget," "project," "believes," "expects," "intends," "may," "will," "should," or "anticipates" or the negative thereof or other variations thereon or comparable terminology, or by discussions of strategy that involve risks and uncertainties. The Company cautions investors that these forward-looking statements are only predictions. The Company can give no assurance that the future results indicated, whether expressed or implied, will be achieved. Projections and other forward-looking statements are based upon a variety of assumptions relating to the Company's business, which, although the Company considers reasonable, may not be realized. Because of the number and uncertainties of the assumptions underlying the Company's projections and forward-looking statements, some of the assumptions may not materialize and unanticipated events and circumstances may occur subsequent to the date of this Memorandum. These forward-looking statements are based on current expectations, and the Company assumes no obligation to update this information. The inclusion of projections and other forward-looking statements should not be regarded as a representation by the Company or any person that these estimates and projections will be realized, and actual results may vary materially.

(TAX CONSIDERATIONS CONTINUED ON NEXT PAGE)

TAX CONSIDERATIONS

THIS SECTION BRIEFLY SUMMARIZES CERTAIN FEDERAL INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY. ALTHOUGH THIS DISCUSSION MAY BE HELPFUL IN CONSIDERING CERTAIN INCOME TAX ASPECTS OF AN INVESTMENT IN THE COMPANY, THIS SECTION IS NOT TO BE CONSTRUED AS A SUBSTITUTE FOR CAREFUL TAX PLANNING. THE INCOME TAX CONSEQUENCES OF AN INVESTMENT IN THE COMPANY WILL NOT BE THE SAME FOR ALL INVESTORS. EACH PROSPECTIVE INVESTOR SHOULD CONSULT THE INVESTOR'S OWN PROFESSIONAL TAX ADVISOR FOR ADVICE AND INDEPENDENT JUDGMENT CONCERNING THE INCOME TAX AND OTHER RAMIFICATIONS OF BECOMING A SUBSCRIBER.

CIRCULAR 230 DISCLOSURE: PURSUANT TO TREASURY REGULATIONS GOVERNING PRACTICE BEFORE THE INTERNAL REVENUE SERVICE, ANY TAX ADVICE CONTAINED HEREIN, INCLUDING, BUT NOT LIMITED TO, THESE "TAX CONSIDERATIONS," IS NOT INTENDED OR WRITTEN TO BE USED AND CANNOT BE USED BY A TAXPAYER FOR THE PURPOSE OF AVOIDING TAX PENALTIES THAT MAY BE IMPOSED ON THE TAXPAYER. ADDITIONALLY, ANY TAX ADVICE CONTAINED HEREIN, INCLUDING, BUT NOT LIMITED TO, THESE "TAX CONSIDERATIONS," WAS WRITTEN IN CONNECTION WITH AN INVESTMENT IN THE COMPANY BY THE SUBSCRIBER. ALL SUBSCRIBERS SHOULD SEEK ADVICE BASED ON THEIR OWN PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISER.

The following discussion of the federal income tax consequences of an investment in the Company was prepared by counsel for the Company and is based upon the Internal Revenue Code of 1986, as amended (the "CODE"), and current income tax regulations thereunder (the "REGULATIONS"), judicial decisions, and Internal Revenue Service (the "IRS") administrative rulings and practices, any of which could be changed at any time. Any such change could be retroactive with respect to prior transactions and could significantly modify the statements contained in this section.

Prospective investors should be aware that an investment in the Company is not designed to generate deductions that can be used to offset income from other sources, whether passive or otherwise. **THE UNITS ARE NOT A TAX SHELTER INVESTMENT.**

PARTNERSHIP STATUS

The Company has not sought a tax ruling from the IRS that it will be treated, for federal income tax purposes, as a partnership rather than as an association taxable as a corporation. However, the Treasury Department has adopted a simplified system for determining partnership status known as "check the box, pursuant to which a limited liability company elects whether it intends to be taxed as a partnership or as a corporation. Generally, a domestic unincorporated entity is taxed as a partnership unless it affirmatively elects otherwise or it is considered a publicly traded partnership. The Company intends to take advantage of the default classification to qualify for partnership treatment under the "check the box" rules and does not believe itself to be a publicly traded

partnership and as a result, the Company believes it will be classified as a partnership for federal income tax purposes.

TAXATION OF SUBSCRIBERS

Assuming that the Company is treated as a partnership for U.S. federal income tax purposes, the Company as an entity will not be subject to U.S. federal income tax. Rather, each Subscriber will be required to report on its U.S. federal income tax return, and thus take into account in determining its U.S. federal income tax liability, its share of the Company's items of income, gain, loss and deduction for the Company's taxable year ending within or with the Subscriber's taxable year, regardless of whether the Subscriber receives any distributions from the Company in that taxable year.

Recently issued Regulations require taxpayers to make certain additional disclosures in connection with the filing of any tax return that reflects tax benefits from a "reportable transaction" as defined in the Regulations. The Company does not believe that a Subscriber's distributive share of the Company's losses or other tax benefits will be treated as being from a "reportable transaction." However, this term is defined broadly and there can be no assurance that Subscribers will not be subject to such disclosure requirements.

It is anticipated that COMO Health and the entity used to complete the FK Acquisitions will (or already have) elect to be taxed as corporations governed by Subchapter C of the Internal Revenue Code of 1986 (as amended) and, accordingly, income generated by such entities will not be passed through to the Company. Instead the Company intends that it (and ultimately the Subscribers) will only be taxed on funds actually received by the Company from COMO Health and the entity used to complete the FK Acquisitions.

ALLOCATIONS PURSUANT TO THE OPERATING AGREEMENT

A Subscriber's allocable share of Company income, gain, loss or deduction for federal income tax purposes will generally be determined in accordance with the provisions of the Operating Agreement. Under the Code, an allocation will be respected only if it either has "substantial economic effect" or is in accordance with the Subscriber's respective interests in the limited liability company, determined by taking into account "all relevant facts and circumstances." If any allocation required by the Operating Agreement does not meet either test, the IRS will make the allocation in accordance with its determination of the Subscriber's interests in the Company. Upon advice of counsel, the Manager believes that the allocations pursuant to the Operating Agreement have substantial economic effect and are in accordance with the interests of the Subscribers in the Company. However, the applicable Regulations are extremely complex and there can be no assurance that the IRS will not seek to adjust any allocations made pursuant to the Operating Agreement.

TREATMENT OF COMPANY DISTRIBUTIONS

A distribution from the Company to a Subscriber is generally not a taxable event; however, cash distributions in excess of a Subscriber's adjusted basis in his interest in the Company will cause such Subscriber to recognize gain in the amount of such excess. See "Basis of Units."

BASIS OF UNITS

A Subscriber's tax basis in his interest in the Company will be determined initially by reference to the amount of his investment in the Units, increased by his distributive share of Company income and decreased (but not below zero) by his distributive share of Company losses and distributions. The basis of a Subscriber's interest in the Company may also be increased by his share of certain liabilities of the Company. The determination of a Subscriber's basis in his interest in the Company is important for a number of federal income tax purposes. A Subscriber's share of Company losses may be deducted only to the extent of the adjusted tax basis of such Subscriber's interest in the Company. Finally, a Subscriber's adjusted tax basis is relevant in determining gain or loss on the sale or other taxable disposition of such Subscriber's Units. See "Sale of Units."

LIMITATIONS ON DEDUCTION OF COMPANY LOSSES

A Subscriber's ability to deduct his share of losses in the Company to offset income from other sources is subject to certain limitations. First, the amount of any such losses which may be used to offset other income in a given year is limited to the lesser of (i) the Subscriber's adjusted basis for his interest in the Company as of the end of the year in which the loss is incurred (see "Basis of Units") and (ii) in the case of individuals and certain closely held corporations, the amount which the Subscriber is deemed to have economically "at risk" in the Company. If recognition of a Subscriber's distributive share of Company losses would reduce the tax basis of such Subscriber's Units below zero, the recognition of those losses is deferred until such time as the recognition would not reduce the Subscriber's basis below zero.

A Subscriber generally will be considered "at risk" to the extent of the adjusted basis of his interest in the Company, less any amounts borrowed in connection with the acquisition of that interest for which such Subscriber is not personally liable and for which such Subscriber has not pledged any unrelated property as security. A Subscriber's share of Company losses which is not allowable in any year as a result of the "at risk" limitation is carried forward indefinitely until such time, if ever, as it is allowable under the "at risk" rules (and may also be used to offset any gain on the sale of such Subscriber's Units).

In addition to the basis and "at risk" limitations, under the passive activity loss provisions of the Code, a taxpayer that is an individual, estate, trust, or, with certain limited exceptions, a personal service corporation, may not use losses from "passive activities" to offset his earned income, active business income or portfolio income (such as interest or dividends). Instead, passive activity losses generally may be used only to offset income from other "passive activities." Any losses disallowed under this limitation are suspended and may be carried forward and used to offset passive activity income in subsequent years and, upon the sale or other taxable disposition of the taxpayer's entire interest in the passive activity that generated the suspended loss, used against his or her income from any other activity.

DISALLOWANCE OR REALLOCATION OF DEDUCTIONS

The IRS is not bound by the labels affixed by the Company with respect to its expenditures, and may recast the nature of certain expenditures. Syndication costs are not deductible. Syndication costs include costs and expenses incurred in connection with promoting and marketing the Units such as professional fees and printing costs and other costs associated with this Offering. Amounts

that qualify as organizational expenses, as well as other start-up expenditures, may be amortized ratably over 60 months. The IRS may attempt to recharacterize certain expenses as non-deductible syndication costs or certain other expenses which were intended to be currently deductible as organizational expenses amortizable over 60 months. The IRS may also assert that a claimed deduction is not deductible at all, because the claimed deduction is not an ordinary and necessary business expense or is unreasonable in amount. If the IRS is successful in reallocating or disallowing deductions, the amount of taxes payable by the Subscribers could be increased.

INVESTMENT INTEREST

Interest on any amount borrowed by a Subscriber (other than a corporation) to purchase Units will generally be “investment interest,” subject to a limitation on deductibility. In general, investment interest will be deductible only to the extent of the taxpayer’s “net investment income.” For this purpose, “net investment income” will generally include net income from the Company and other income from property held for investment (other than income treated as passive business income). However, long-term capital gain is excluded from the definition of net investment income unless the taxpayer makes a special election to treat such gain as ordinary income rather than long term capital gain. Interest which is not deductible in the year incurred because of the investment interest limitation may be carried forward and deducted in a future year in which the taxpayer has sufficient investment income.

ALTERNATIVE MINIMUM TAX CONSIDERATIONS

Alternative minimum tax is payable to the extent that a taxpayer’s alternative minimum tax exceeds his regular federal income tax liability for the taxable year. Alternative minimum tax for individual taxpayers is a percentage of “alternative minimum taxable income” (“AMTI”) in excess of certain exemption amounts. AMTI is generally computed by adding what are called “tax preference items” to the taxpayer’s regular taxable income, with certain adjustments. While it is not anticipated that an investment in the Company will give rise to any other specific tax preference items, the amount of alternative minimum tax imposed depends upon various factors unique to each particular taxpayer. Accordingly, each prospective investor should consult with a personal tax advisor regarding the possible application of the alternative minimum tax.

SALE OF UNITS

No market is expected to exist for the sale or exchange of Units in the Company. Nevertheless, if a Subscriber were to sell or otherwise dispose of any portion of his Units in the Company, he would be required to recognize gain or loss in the amount of the difference between the amount realized on the sale and the date-of-sale basis of the Units sold. Generally, any such gain or loss will be a capital gain or a capital loss.

AUDIT OF TAX RETURNS

Any income tax return filed by the Company may be audited by the IRS. Any adjustments resulting from an IRS audit could require the Subscribers to file amended tax returns and may lead to an audit of a Subscriber’s own return, whether or not the Subscriber is required to file an amended return. Any audit of a Subscriber’s tax return could result in the adjustment of non-Company as well as Company items. In general, Company tax audits will be handled

administratively at the Company level with the Manager acting as the “tax matters member” or “partnership representative.” Any settlement with the IRS or a court decision at the Company level would be binding on the Subscribers.

PENALTIES

Under Section 6662 of the Code, a 20% penalty is imposed on any portion of an underpayment of tax attributable to a “substantial understatement of income tax.” In general, a “substantial understatement of income tax” will exist if the actual income tax liability of the taxpayer exceeds the income tax liability shown on the taxpayer’s return by the greater of 10% of the actual income tax liability or \$5,000. Unless the understatement is attributable to a “tax shelter,” the amount of an understatement is reduced by any portion of such understatement which is attributable to (i) the income tax treatment of any item shown on the return if there is “substantial authority” for the taxpayer’s treatment of such item on the taxpayer’s return, or (ii) any item with respect to which the taxpayer adequately discloses on the taxpayer’s return the relevant facts affecting the item’s income tax treatment. In the case of a “tax shelter,” which is defined in Section 6111 of the Code as a company or other entity that has as its principal purpose the avoidance or evasion of federal income tax, this reduction in the understatement only will apply in cases where, in addition to having “substantial authority” for treatment of the item in question, the taxpayer reasonably believed that the income tax treatment of that item was more likely than not the proper treatment. Even though the Company may be required to register as a tax shelter, it may not be treated as a tax shelter for this purpose.

Although the Company is not intended to be a so-called “tax shelter,” it is possible that it may be considered a tax shelter for purposes of Section 6111 of the Code and that certain tax items of the Company could be considered tax shelter items within the meaning of Section 6111. The Regulations under Section 6111 provide that an entity will be deemed to be a tax shelter if the tax avoidance or evasion motive exceeds all other motives. Based on the investment objectives of the Company, the Company believes that it does not constitute a tax shelter, however, because the issue is dependent upon facts relating to future operations of the Company and other factual determinations which are not known at this time, it cannot be assured that an investment in the Company will not be considered a tax shelter for purposes of Section 6111 of the Code.

In addition to the substantial understatement penalty, Section 6662 of the Code also imposes a 20% penalty on any portion of an underpayment of tax (i) attributable to any substantial valuation misstatement, generally where the value or adjusted basis of a property claimed on a return is 200% or more of the correct value or adjusted basis or (ii) attributable to negligence, defined as any failure to make a reasonable attempt to comply with the Code, or a careless, reckless or intentional disregard of federal income tax rules or regulations.

NO IRS RULING

The Company will not seek rulings from the IRS as to any of the federal income tax consequences of an investment in the Company. Thus, positions taken by the Company as to tax consequences could differ from positions ultimately taken by the IRS in auditing tax returns, in issuing rulings or otherwise.

STATE AND LOCAL TAXES

In addition to the federal income tax consequences described above, Subscribers should consider the potential state and local tax consequences of an investment in the Company. A Subscriber's share of the income or losses of the Company may or may not be taken into consideration for state or local income tax purposes, depending upon the location of his domicile or residence, the sources of his other income and applicable state laws, local ordinances and regulations. Also, depending on the applicable state and local tax laws, some deductions and credits that are available to Subscribers for federal income tax purposes may not be available for state or local tax purposes. Each investor should consult his own tax advisor to determine if and to what extent his or her Company income, gains, losses and deductions have tax consequences in the state and locality in which he or she is a resident.

GENERAL CAVEATS

The above summary is based upon the relevant law as it existed on the date of this Memorandum. There is uncertainty concerning many aspects of recent changes made in the Code and the Regulations, and there can be no assurance that some of the positions taken by the Company will not be successfully challenged by the IRS. Furthermore, Congressional Committees are considering and will continue to consider legislative proposals to revise the income tax laws or to raise additional revenues by other means, any of which, if enacted, could affect the tax consequences of an investment in the Company. The Company will not request a tax ruling from the IRS or any applicable state or local taxing authority, or request an opinion of its counsel with respect to any tax matters relating to the Company. The Company also has not quantified any of the tax risks discussed in this Memorandum. Prospective subscribers are strongly urged to consult with their own tax advisors regarding their individual tax consequences relating to an investment in the Company.

TAX CLASSIFICATION SUBJECT TO CHANGE

For a multitude of reasons germane to the business of the Company and the Dispensaries, the Manger may determine that it is in the best interest of the Subscribers and the Company as a whole for the Company (or any subsidiary of the Company) to be taxed as a corporation organized under and pursuant to Subchapter C of the Code. There may be a number of benefits associated with the Company (or a subsidiary of the Company) electing to be taxed as a corporation organized under and pursuant to Subchapter C of the Code rather than a partnership and those benefits will be evaluated by the Manager from time-to-time on a commercially reasonable basis. The Subscribers should not rely on or expect that the Company (or any subsidiary of the Company) will be taxed as a partnership for the entire duration of a Subscriber's investment in the Class B Units.

(CONFLICTS OF INTEREST CONTINUED ON THE FOLLOWING PAGE)

CONFLICTS OF INTEREST

Set forth below are some potential conflicts of interest involving the Company, the Dispensaries, the Manager, its affiliates and the Subscribers:

- Neither the Manager, nor any of its affiliates, is required to devote its or his full time to the business of the Company and is not prohibited from engaging in competitive activities. It is possible that the Manager and its affiliates may have conflicts of interest in allocating its management time between the Company and other activities. In any event, the Manager is required to spend such time as is necessary to carry out its obligations to the Company.
- In carrying out the operation of the Company and the Dispensaries, the Manager will need to make various decisions, including those involving (a) the creation and amount of reserves, (b) the raising of additional capital, (c) the timing and amount of distributions to investors, (d) matters concerning the management of the operations of the Company, (e) in the event of insufficient funds, decisions as to which expenses are to be paid as a priority over other expenses and (f) all other matters which require the Manager's discretion. Some decisions of the Manager shall be in its sole and absolute discretion and may involve conflicts of interest between or among the Company, the Manager, the Dispensaries, their affiliates and the Subscribers.
- The Manager or its affiliates may be reimbursed out of the proceeds of this Offering for professional services and other expenses it has incurred in connection with this Offering and due diligence of the activities associated with the business that is contemplated to be conducted by the Company, organizing the Company and other related entities, preparing the documents referenced in this Memorandum, and otherwise taking steps to advance the business interests of the Company. Accordingly, the Manager and its affiliates have an interest in consummating this Offering.
- The Manager will enter into a Management Agreement with the Company and its subsidiaries, substantially the form of which is attached hereto as EXHIBIT B. Pursuant to the terms and conditions of the Management Agreement, the Company, the Dispensaries or other affiliated entities will pay the Manager a fixed fee of Seventeen Thousand Five Hundred Dollars (\$17,500) per month (the "**FIXED MANAGEMENT FEE**") per marijuana dispensary location operated by the Company or the Dispensaries. The Manager shall also be entitled to receive distributions as described in Article V of the Operating Agreement based upon the success, cash flow and profitability of the Company and the Dispensaries, as is described in more detail in other sections of this Memorandum (the "**CONTINGENT MANAGEMENT FEE**"). The Contingent Management Fee and Fixed Management Fee shall only have value to the Manager if this Offering is consummated.
- The Manager's right to receive the Contingent Management Fee from the Company is subject to the holders of Class B Units of the Company receiving certain returns on their investment in the Company as is specifically described and detailed in the

Operating Agreement. In light of this structure, the Manager may have a conflict of interest in determining when and whether to pursue certain sale opportunities on behalf of the Company and the Dispensaries.

- The Company, the Dispensaries, the Manager, and their respective affiliates are not represented by separate counsel. While it is intended that the Operating Agreement and any other agreements referenced herein be on commercially reasonable terms, such agreements have not been negotiated on an arm's length basis, and there can be no assurance that certain terms could be more favorable to the Subscribers if such documents were negotiated on an arms-length basis. Moreover, the Manager and its Affiliates are entitled to exercise rights or waive rights on their own behalf and with their own interests in mind, or on behalf of any of their affiliates and with their affiliates' interests in mind, any of which decisions may be in conflict with the interests of the Company, the Dispensaries and the Subscribers.
- Since the Company, the Dispensaries, the Manager, and their respective affiliates are or may be represented by the same counsel, it is possible that the privilege regarding confidentiality between the client and its attorney may in certain circumstances be waived. In the future, it may be necessary for the various parties to obtain separate counsel.
- The Manager is permitted to enter into transactions on behalf of the Company with affiliates of the Manager. Although the Operating Agreement may require that any fees or other amounts payable for services or goods provided by affiliates of the Manager be comparable to those prevailing in arms-length transactions for similar services or goods, it is possible that the Company or the Dispensaries may be able to obtain more favorable terms if it were to conduct such transactions with parties not affiliated with the Manager.
- The Manager is affiliated with the management and operations of several dispensaries and multiple marijuana cultivation and production facilities which are not owned by the Company and it is likely that the Dispensaries will acquire a material portion of their marijuana products from cultivation or production facilities which are affiliated with the Manager. The Manager has an inherent conflict of interest in managing both of the above-described marijuana cultivation and production facilities and the Company. Further, the Manager has an inherent conflict of interest in managing and operating marijuana dispensaries in the State of Missouri which are not the Dispensaries.
- Certain other conflicts of interest in addition to those referred to above may exist or arise from time to time and may affect the operation or success of the Company or the Dispensaries.

ADDITIONAL INFORMATION

This Memorandum contains a summary of the material terms of the Operating Agreement and the other documents referred to herein. These summaries are qualified by reference to the full text of such documents. Each Subscriber is urged to review such documents in their entirety and to do so with counsel or other advisors. During the course of this Offering and prior to the acceptance of a subscription for Units, each prospective subscriber and his or her advisor(s) are invited to ask questions and obtain additional information from the Company and the Dispensaries concerning the terms and conditions of this Offering and the prospective business of the Company and the Dispensaries, to the extent the Company possesses such information or can acquire it with reasonable effort and expense. Prospective investors or advisors having questions or desiring additional information should contact only the authorized representatives of the Company.

EXHIBIT A

AMENDED AND RESTATED OPERATING AGREEMENT OF BON VERT VENTURES, LLC

(ATTACHED HERETO)

EXHIBIT B

MANAGEMENT AGREEMENT

(ATTACHED HERETO)

EXHIBIT C

SUBSCRIPTION AGREEMENT

(ATTACHED HERETO)

EXHIBIT D

TRANSACTION STRUCTURE CHART

(ATTACHED HERETO)