

CANWELL, LLC, CANWELL PROCESSING
(RI), LLC and CANWELL PROCESSING
(ME), LLC,

Claimants,

- against -

THE WELLNESS AND PAIN
MANAGEMENT CONNECTION, LLC, and its
Successor-in-Interest HIGH STREET CAPITAL
PARTNERS, LLC., D/B/A ACREAGE
HOLDINGS INC., LLC, KEVIN MURPHY,
JOHN AND JANE DOES 1-20

Respondents.

Case. No. [INSERT]

DEMAND FOR ARBITRATION

Claimants CanWell, LLC ("CanWell LLC"), CanWell Processing (RI), LLC ("CPRI") and CanWell Processing (ME), LLC ("CPME," and collectively with CanWell LLC and CPRI, "CanWell" or "Claimants") hereby demand arbitration in Rhode Island of controversies that have arisen between CanWell and respondents High Street Capital Partners, LLC ("HSC") d/b/a Acreage Holdings, Inc. ("Acreage"),¹ legal successor-in-interest to The Wellness and Pain Management Connection, LLC ("WPMC"), Kevin Murphy ("Murphy"), and John and Jane Does 1-20, all of whom are related individuals or entities in such capacities either as Managers or Members or officers or directors of the named respondents and whose identities are not fully known or developed. Claimants reserve the right to name and add such John and Jane Does to this arbitration proceeding as their identities become fully known.

The Parties' disputes here arise under the Operating Agreements for CPRI and CPME, both dated January 1, 2018, and as between CanWell, WPMC (and its successor-in-interest/alter ego,

¹ HSC does business as Acreage, and therefore, unless otherwise stated, is Acreage for the purposes of this Demand. Furthermore WPMC was acquired by Acreage and Acreage is the successor-in-interest to Acreage and its alter ego.

Acreage) and Wellness Connection Consulting, LLC ("WCC"), and to the extent those Operating Agreements incorporate certain of its terms by reference and/or contemplate or reference the agreement itself, the Alternative Dosage Services Agreement, dated October 1, 2015, as between CanWell on the one hand and, Wellness Connection of Maine ("WCM"), WCC and Acreage/WPMC on the other hand (the "Alternative Dosage Agreement").

In sum, Acreage and its CEO, Kevin Murphy, with the cooperation of WCM's board members, have caused Acreage/WPMC to breach both the CPRI Operating Agreement and the CPME Operating Agreement and terms and conditions and the negative covenants contained in the Alternative Dosage Agreement, which explicitly precludes Acreage/WPMC and WCM from competing with CanWell in New England. Acreage wrongfully is attempting to compete with CanWell in several New England states, including but not limited to Rhode Island, Maine and Massachusetts (WCM also is attempting to compete with CanWell in Maine).

Worse still, Acreage/WPMC and its CEO, Murphy, have engaged in wrongful, unlawful and tortious conduct and have further aided and abetted one another in furtherance of their scheme and effort to tortuously interfere with obvious contractual rights of Canwell, CPRI and CPME. Some of the conduct of the Respondents and each of them and the John and Jane Does consists of 1) Acreage, its CEO and others working in concert with WCM (and its Board) to join Acreage/WPMC in overtly breaching the Alternative Dosage Agreement in order to control greater economics in Maine and avoid restrictive covenants and obligations that run in favor of CanWell under that agreement, 2) Acreage/WPMC unilaterally removing CanWell as a member of Acreage/WPMC in an effort to (a) thwart the Rhode Island Department of Business Regulations (the "DBR") in considering the qualifications of Acreage/WPMC to enter the Rhode Island cannabis market, and (b) avoid fiduciary duties owing to CanWell as a member, and 3)

Acreage/WPMC's unilateral and unlawful withdrawal as a Member of both CPRI and CPME, in order to directly compete with CanWell in New England.

These unlawful tactics include but are not necessarily limited to breaching the Alternative Dosage Agreement and attempting to couch it to the Rhode Island DBR and other regulators as a "termination" of the Alternative Dosage Agreement, "withdrawing" from CPRI and CPME and unilaterally forcing redemption of CanWell LLC's interest in WPMC. These unlawful tactics have all been methodically and rapidly executed within the last 45 days prior to the filing of this Demand for Arbitration by which Acreage and the other Acreage-controlled Respondents and John and Jane Does seek to eliminate CanWell as primary competition in New England. To that end, Acreage and the Respondents have attempted to enter the Rhode Island cannabis market by the third quarter of 2019 through the acquisition of a Rhode Island license holder (hereinafter "Greenleaf"), a direct competitor to CanWell. Acreage is attempting to acquire Greenleaf in order to continue on its current business model of establishing vertically-integrated production, cultivation and dispensing programs in all states where cannabis is legal.

CanWell LLC, CPRI and CPME by and through this Arbitration seek to enforce contractual obligations under the Operating Agreements and given the authority in the Operating Agreements to have the Arbitrator make and issue equitable rulings, and CanWell seeks to obtain equitable relief in the form of an injunction to maintain the status quo until all of the disputes between all of the parties to this Arbitration and the Operating Agreements are resolved.

THE PARTIES' CONTACT INFORMATION

CanWell LLC and CPME are Delaware limited liability companies, registered and authorized to do business in the State of Rhode Island with business addresses located at 117 Metro Center Boulevard, Suite 2001, Warwick, Rhode Island 02886. CanWell Processing (Maine), LLC

is represented by Vincent A. Indeglia, Esq., of Indeglia & Associates and Thomas A. Tarro, III, of Tarro & Marotti Law Firm, LLC, and Jonathan T. Shepard, Esq. and Eric D. Dowell, Esq., of Pryor Cashman LLP. CanWell LLC is represented by W. Mark Russo of Ferrucci Russo, P.C. and Jonathan T. Shepard, Esq. and Eric D. Dowell, Esq., of Pryor Cashman LLP. CPRI is a Delaware limited liability company registered and authorized to do business in the State of Rhode Island with business addresses located at 117 Metro Center Boulevard, Suite 2001, Warwick, Rhode Island 02886, and is represented by John Revens Jr., Esq., of Revens, Revens & St. Pierre located at 946 Centerville Rd., Warwick, RI 02886 and Jonathan T. Shepard, Esq. and Eric D. Dowell, Esq., of Pryor Cashman LLP. Respondent Acreage is a corporation domiciled and with its principal place of business located in British Columbia, Canada, and a business address located at 366 Madison Avenue, 11th Floor, New York, New York 10017. Respondent HSC is a d/b/a of Acreage and shares its business address. Respondent WPMC is a Delaware LLC with its business address located at c/o Acreage Holdings, 200 Portland St., 5th Floor, Boston, MA 02114. Respondent Kevin Murphy is an officer and the CEO and President of Acreage/WPMC, with an address at 70 Island Avenue, Madison, Connecticut 06443.

THE ARBITRATION CLAUSE

The applicable arbitration clause is found in Section 17 of the Operating Agreements for CPRI and CPME, which provide in relevant part:

ARTICLE 17. ARBITRATION.

The parties hereby agree that unless otherwise specifically required by law, any and all disputes, and legal and equitable claims arising between or among the Members, the Managers, the officers, the Company, or any of them or any combination of them, which relate to the rights and obligations of such Persons under the terms of this Agreement, any agreement contemplated hereby or referenced herein, or any future agreement, understanding or instrument to which two or more such Persons may be parties, shall be submitted to binding arbitration in the State of Rhode Island, in accordance with the Rules of the Superior Court of the State of Rhode Island with the arbitrator designated by the

Board of Managers; *provided* that the Company shall have the right to, and be permitted to, seek and obtain injunctive relief from a court as may be available; and *provided further*, that in the event there are claims that cannot be legally arbitrated, such claims shall be adjudicated before the Superior Court of the State of Rhode Island. If a party brings any type of action or proceeding to enforce the terms or adjudicate any rights hereunder, the substantially prevailing party in any action, proceeding or appeal thereon shall be entitled to all reasonable attorney's fees and costs, including without limitation the fees of the arbitrator(s). The term "substantially prevailing party" shall be a party who substantially obtains or defeats the relief sought, as the case may be, whether by compromise, award, judgment or abandonment by the other party of its claim(s) or defense(s). Prior to demand for arbitration, any and all such disputes, and/or legal or equitable claims, may first be submitted to a mediator in the State of Rhode Island as designated by the Board of Managers.

Accordingly, this Arbitration must be heard in Rhode Island pursuant to the above-quoted clear and unequivocal language, by a single arbitrator selected by CPRI's and CPME's Board of Managers.

NATURE OF THE DISPUTE

CanWell And Its Operations

1. CanWell is a Delaware limited liability company headquartered in Warwick, Rhode Island, and is the holding company of a New England-focused medical and recreational cannabis business. Over ninety percent (90%) of CanWell's investors also are Rhode Island residents and/or natives. In particular, CanWell currently owns, operates, and provides services to vertically integrated state licensed cannabis businesses in Rhode Island, Maine, and Massachusetts. Canwell has developed operational expertise and know-how in all aspects of the cannabis business, including cultivation, extraction and processing in general, alternative dosage product development, and dispensing.

2. In Maine, CanWell's state-specific subsidiary—CPME—contracted with WCM, which is a state-sanctioned cannabis non-profit entity that holds a license to cultivate, process and

dispense cannabis in the state, to provide proprietary extraction equipment, processing best practices, various intellectual property and certain production facility services.

3. Similarly, in Rhode Island, Canwell's state-specific subsidiary—CPRI—contracted with Summit Medical Compassion Center ("Summit") to provide the same range of alternative dosage services as CPME provides in Maine. In addition, Canwell also provides cultivation and management services such as, but not limited to, cultivation methodologies, cultivation staff training, dispensary facility best practices, dispensary staff training and the like to Summit through its ownership in Mobley Pain Management LLC.

4. Finally, in Massachusetts, Canwell has invested considerable monies, in excess of \$15,000,000, in connection with Liberty Compassion Inc., a vertically integrated cannabis company that is due to commence cultivation, processing and dispensing operations in Fall 2019.

The Cannabis Business in Maine

5. In or about 2010, WCM was awarded license rights by the State of Maine to cultivate and dispense medical marijuana at four retail dispensaries, and develop and run facilities to accommodate such operations.

6. WCC was established by the WCM Board Members as a for-profit entity to house WCM intellectual property. All WCM Board Members are WCC owners.

7. In 2010, Terence Fracassa (now CanWell's CEO) first met WCM attorney Dan Walker through a phone call relating to the medical marijuana application processes emerging in New England. In 2011, Walker and Jacques Santucci, WCM's then-CFO, reached out to Fracassa to explain that WCM lacked the capital resources and expertise necessary to execute on start-up, development and operational activities authorized and anticipated pursuant to the Maine license rights awarded to WCM.

8. In particular, WCM was seeking millions of dollars in financing, together with services relating to cultivation and dispensary design services, methodologies and protocols, training and other intellectual property relating thereto. WCM sought Fracassa's assistance with funding, expertise and project structuring. WCM was a start-up nonprofit entity that had no assets other than the license rights that it was failing to successfully monetize; federal law enforcement was very attuned to the cannabis space even with respect to state-licensed and regulated activities; customary banking and purchasing transaction matters were problematic; and the industry was in its infancy, with many attendant unknowns.

9. Fracassa agreed to provide such funding, expertise and structuring, and in connection therewith, created WPMC to act as the corporate service provider to WCM. WPMC proceeded to enter into several agreements with WCM on August 3, 2011.

10. First, the parties entered into a cultivation and quality control services agreement (the "Cultivation Services Agreement"), pursuant to which WPMC was obligated to provide cultivation and quality control consulting services to WCM.

11. Second, the parties entered into an intellectual property and know-how agreement (the "License Agreement"), pursuant to which WCM granted and guaranteed WPMC broad and exclusive rights to provide WCM with specifications, guidance and/or training with respect to certain alternative dosage products ("Limited Services"), in order to enable WCM to produce certain alternative dosage products ("Limited Products"). Whereas the Cultivation Services Agreement covered cannabis cultivation and quality control (the "flower" side of the business), the License Agreement essentially covered cannabis processing and alternative dosage products (the "edibles" side of the business).

12. Third, the parties entered into funding agreements consisting of a loan agreement, promissory notes, security agreement and like instruments (collectively, the “Financing Agreement”), pursuant to which WPMC provided financing to WCM on certain repayment terms that, as of the date hereof, appear to have been fully satisfied by WCM.

Kevin Murphy’s Introduction To The Cannabis Industry

13. One of the individuals who invested in WPMC was respondent Kevin Murphy, a former Managing Partner at a New York-based private equity firm known as Stanfield Capital Partners, which in 2010 was acquired by the Carlyle Group. By 2011, Murphy was the Founding Member and the Managing Partner of Tandem Global Partners, a boutique firm focused on the emerging markets. In 2011, after execution of the Cultivation Services Agreement, Fracassa and Murphy met at Murphy’s office in New York to discuss the WPMC opportunity in Maine. Murphy was relatively unfamiliar with the emerging medical marijuana industry and had not previously invested in the space. After speaking with Fracassa, Murphy became interested in the opportunity in Maine and potentially investing in WPMC. In 2012, Murphy invested in WPMC, which marked his first investment and venture into the medical marijuana industry.

14. In the second quarter of 2012, WPMC became fully funded pursuant to its Limited Liability Company Agreement, dated May 3, 2012.

15. In 2013 and early-2014, and based on his experience and track record with respect to the Maine project, Murphy proposed that he and Fracassa create a company called “High Street” that Fracassa would form and serve as Managing Director, that Murphy would capitalize, and that Murphy and Fracassa would spearhead in seeking cannabis-related business opportunities, including those associated with companies such as “Dixie Elixirs” in Colorado.

16. Pursuant to their agreement, on April 20, 2014, Fracassa formed HSC and High Street Capital Partners Management, LLC ("HSM", and together with HSC, collectively and individually "High Street"). In furtherance of the venture, Fracassa provided his name and background for High Street's use, and his biography, experience and role of Managing Director of High Street was incorporated into High Street's marketing materials.

17. Notwithstanding Fracassa's efforts, as opportunities arose for the benefit of High Street and its founders, Murphy and High Street surreptitiously proceeded to cut out Fracassa, and failed to even acknowledge Fracassa's role(s) as owner, officer and/or manager.

18. By way of example, in or about 2014, Murphy and High Street became owners in the Colorado alternative dosage company Dixie Elixirs ("Dixie"), which proceeded to list Murphy as one of its equity owners, directors and officers. Dixie then began touting in its marketing materials that it had market presence in Maine and Rhode Island. At that time and into 2015, Murphy and High Street started pitching Dixie to WCM to be its alternative dosage form vendor in Maine. Murphy and High Street also became involved with a cannabis real estate investment/financing company around that same time, and pitched that company's services, featuring sale-leaseback programs, to WCM. Murphy and High Street also began to purchase other members' ownership interests in WPMC. By October 26, 2015, High Street had taken over Murphy's equity position in WPMC, acquired others members' equity positions in WPMC, and as a result owned close to forty percent (40%) of WPMC.

19. After recognizing that Murphy/High Street intentionally cut him out of multiple opportunities, Fracassa disclosed to WPMC and its board that he was transferring his WPMC ownership interest to CanWell LLC, and that CanWell LLC would be focusing its efforts and resources in Maine (and greater New England) for the benefit of WPMC members and other

stakeholders in the Maine project (in that WPMC and WCC would hold membership interests in CanWell's state-specific LLCs).

20. In particular, CanWell would focus primarily on developing a processing and alternative dosage business platform in Maine, Rhode Island and the rest of New England for the benefit of itself, WPMC and WCC.

Developments Leading To The Alternative Dosage Agreement

21. In 2014, WCM still possessed unsophisticated extraction techniques and alternative dosage form products, which only constituted approximately 6–9% of WCM's gross sales. The State of Maine had just approved more sophisticated processing methodologies, and WPMC and WCM determined that WCM's alternative dosage form manufacturing/processing capabilities and related products could and should be substantially improved. As such, WPMC and WCM began discussing WCM's capabilities to process cannabis flower and trim material, create refined cannabis oil, manufacture sophisticated alternative dosage form products and provide for the facilities and equipment to further those goals.

22. It became clear that both WPMC and WCM lacked the capital resources necessary to embark on such a project, and WPMC in particular did not harbor a desire to raise and invest additional funds until and unless it received a full return on its preexisting investment in Maine. Moreover, neither WCM nor WPMC had the internal expertise to develop what WCM desired, which was a processing facility featuring clean room standards, adequate quality controls, and sophisticated equipment and processing methodologies to create refined cannabis oil for use in the manufacturing of alternative dosage form products.

23. WCM began conducting due diligence with respect to processing and alternative dosage form platforms and products, and considering a number of potential vendors and related platforms around this same time, including some from outside New England.

24. Beginning in or about September 2014 and through 2015, Murphy saw another opportunity to compete with Fracassa and Canwell, and introduced Dixie as a potential alternative dosage form vendor for WCM in Maine.

25. WCM's search for an out-of-state vendor put certain of WPMC's interests at risk. In particular, potential vendors' demands put WPMC at risk of being: (i) excluded from participating in the alternative dosage form sector of the cannabis industry, (ii) excluded from receiving revenue associated with WCM's sale of alternative dosage products, and (iii) being potentially in breach of its obligation under the Cultivation Services Agreement to provide quality control services.

26. By early-2015, WCM was under intensifying pressure to move forward in advancing Maine's cannabis program by way of featuring quality processing methodologies and alternative dosage products. CanWell provided WCM with these solutions and assisted WCM in interacting with the State of Maine to address certain issues regarding processing regulations. WPMC and WCM were aware at the time that Fracassa would be presenting an alternative dosage program proposal and potential solution to their concerns.

27. In the Spring of 2015, CanWell formally presented itself as a possible alternative dosage program vendor, with the advantage to WCM (and WPMC) being that CanWell would: (i) not demand any upfront licensing fee; (ii) bear the entire cost of processing and quality control facility equipment; (iii) provide quality control and clean room standards and features; (iv) enable WPMC and WCC to participate in the alternative dosage form sector of the cannabis industry and

profit from the sales of alternative dosage forms, not just in Maine but in other New England jurisdictions in which CanWell did business; (v) allow WCM to do their own Maine-centric branding; (vi) avoid the concern and potential liability associated with being viewed as having brands crossing state borders; (vii) enable the quality control obligations under the Master Services Agreement to be satisfied; (viii) enable WPMC to expand its economic interests beyond Maine; and (ix) enable WCM to execute on this necessary and lucrative alternative dosage program in a timely manner. All of these advantages in turn caused WCM and WPMC to choose CanWell as the alternative dosage form vendor (and thereby spurn Murphy's company, Dixie).

28. Between June and October 2015, CanWell, WCM, WCC and WPMC engaged in extensive contractual negotiations concerning the details of the contemplated vendor relationship, with the assistance of sophisticated counsel representing each of the parties.

29. Notably, Kevin Murphy was heavily involved in those negotiations despite Dixie having lost out on its bid, in his capacity as a significant investor in WPMC (through High Street) owning close to 40% and as a WPMC board director. In particular, Murphy actually spearheaded negotiations on nearly all of the significant requests made by WPMC (and related concessions made by CanWell), including without limitation that: (i) WPMC be a direct party to the contemplated contract; (ii) any alternative dosage form royalty paid by WCM be delivered directly to WPMC, (iii) WPMC, after paying itself a fee out of such received royalty, would be the entity that delivered the balance of the royalty to CanWell, and (iv) if WPMC were to fund the costs associated with the project (*i.e.*, processing equipment, quality control equipment, installation, and the like), then CanWell would engage in good faith discussions with WPMC relating to WPMC potentially retaining an increased portion of the overall royalty. CanWell accommodated all of

Murphy's requests. As a sign of things to come, WPMC ultimately never provided any direct funds to assist with the alternative dosage form project costs that were borne by CanWell.

The Alternative Dosage Agreement

30. On or about October 1, 2015, CanWell entered into an Alternative Dosage Agreement with WCM, WCC and WPMC. (A true and correct copy of the Alternative Dosage Agreement is annexed hereto as **Exhibit A.**)

31. The purpose of the Alternative Dosage Agreement was to sub-license the edibles side of the Maine cannabis production business to CanWell, understanding that CanWell would be providing much more in terms of services and assets than what was contemplated in the License Agreement. In particular, CanWell among other things would provide more advanced and better practices, standards, inventions, protocols, efficiencies, and products in connection with "edibles" beyond which was contemplated by the original WCM/WPMC License Agreement, including, without limitation, those relating to improved product quality and diversity, extraction and refinement processes and methodologies, testing procedures, improved operational and training protocols, design and build-out techniques, improved and/or newer products and quality control features including cleanroom standards. (See Ex. A at §§ 2 and 3)

32. Moreover, in connection with negotiating and executing the Alternative Dosage Agreement, WPMC and WCC negotiated for 3% and 4% equity interests, respectively, in the state-specific CanWell affiliates that would be providing alternative dosage services inside and outside of Maine (to-date, Rhode Island), and CanWell granted that request. (Ex. A at § 6.1)

33. In return for CanWell's valuable services, the Alternative Dosage Agreement requires WCM to make royalty payments to WPMC (the "Maine Royalty") based on a percentage of Gross Sales of Products, and for the initial term the Maine Royalty is 30%. WCM further is

obligated to deliver quarterly statements of account to WPMC and CanWell within 30 days after each calendar quarter, and together with such statements, to remit Maine Royalty payments to WPMC. Next, within five days after having received Maine Royalty payments from WCM, WPMC is obligated to remit payment to CanWell an amount representing 20% of Gross Sales. (This two-step process was implemented pursuant to Murphy's request during negotiations).² (Ex. A at § 4.1)

34. In addition, the Alternative Dosage Agreement provides that: (i) WCM shall not purchase or license from a third party any of the products or services provided by CanWell, unless CanWell is unable to supply WCM with such products or services; and (ii) all Intellectual Property that is received, generated, improved, refined, modified, expanded, customized, reduced to practice or derived by CanWell or the other parties to the agreement shall remain the sole property of CanWell. (*See generally* Ex. A at § 5)

35. Most relevant to this action, WCM, WCC and WPMC also agreed to an ironclad non-compete clause providing that during the term of the agreement, and for a period of two years thereafter, **"the parties hereto and their respective successors or assigns shall not pursue contracts or operations similar to that which is contemplated herein within Maine or other states within New England without the prior written consent of CanWell."** (Ex. A at § 5.2) (emphasis added) The parties further agreed that the non-compete covenant survives any termination of the Alternative Dosage Agreement. (*See id.*, § 13.9)

36. Moreover, in addition to the specific language in Section 5.2 concerning the non-compete covenant being binding on successors and assigns, the Alternative Dosage Agreement

² In the second and third terms of the Alternative Dosage Agreement, the Maine Royalty is scheduled to drop to 25% and 22.5%, respectively, but CanWell's cut remains at 20%.

more generally provides that it is “binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.” Ex. A at § 13.1)

37. Finally, a substantial component of the Alternative Dosage Agreement’s value to CanWell is its lengthy term. In particular, the initial term is eight years from the Effective Date (October 1, 2015), and the agreement shall be automatically renewed for an immediately succeeding second term of eight years, and then again automatically renewed for an immediately succeeding third term of seven years, subject to termination by either mutual written consent of the parties or upon a material breach by WCM or CanWell, provided that certain conditions are met in the instance of such breach (for instance, provision of an opportunity to cure). (Ex. A at § 4.2) Thus, assuming it fully performed its own obligations, CanWell under the Alternative Dosage Agreement would be entitled to potentially lucrative Maine Royalties for up to 23 years, and the assurance that its counterparties would not wrongfully compete in New England or otherwise breach their fiduciary duties, for that full term and an additional two years after termination.

The Rhode Island And Maine Operating Agreements

38. On or about January 1, 2018, CanWell, WPMC and WCC executed Operating Agreements for CPME and CPRI (collectively, the “Operating Agreements”), memorializing that WPMC and WCC held 3% and 4% interests in both LLCs, respectively (thus giving them economics in both Maine and Rhode Island), with CanWell owning the remaining 93%. (True and correct copies of the Operating Agreements, as amended, are annexed hereto as **Exhibits B** and **C**.)

39. On January 1, 2018, CanWell assigned the Alternative Dosage Agreement to CPME pursuant to an Assignment and Assumption Agreement, which is annexed hereto as **Exhibit D**.

40. Critically, the parties to both Operating Agreements reaffirmed WPMC's and WCC's non-compete obligations under the Alternative Dosage Agreement, in **four** different sections, and expanded those obligations to the entities' respective "Insiders," "Managers" and officers:

§ 3.9: Notwithstanding anything in here to the contrary, **all members and parties hereto and their respective successors and assigns shall be and hereby are at all times bound and restricted by, and shall at all times adhere to and comply with, the last sentence of Section 5.2 of the Alternative Dosage Agreement, which sentence is hereby incorporated herein by reference and which provision and Alternative Dosage Agreement the Members and parties hereto hereby acknowledge and agree was the basis for, and was detrimentally relied upon by, Canwell, LLC and Company in their expenditure of time, resources and energy, incurring of opportunity costs, and formation of this Agreement and all of the rights covenants, duties, obligations and other provisions contained herein.** The Members and parties hereto acknowledge and agree, and covenant, to make their respective successors or assigns aware of and agree to the provisions of this Agreement as such applies by reference or otherwise to such Persons and their obligations with respect hereto, and in particular the provisions of this Section 3.9. The Members and parties hereto hereby acknowledge and agree that they shall be liable to the company with respect to any violations of Section 3.9 by any of their respective successors or assigns.

§ 4.16: Notwithstanding anything in here to the contrary, **the Insiders and Managers and officers, agents, trustees, beneficial interest holders and Affiliates thereof shall be and hereby are at all times bound and restricted by, and shall at all times adhere to and comply with, the last sentence of Section 5.2 of the Alternative Dosage Agreement, which sentence is hereby incorporated herein by reference and which provision and Alternative Dosage Agreement the Managers and Insiders shall acknowledge and agree was the basis for, and was detrimentally relied upon by, CanWell, LLC and Company in their expenditure of time, resources and energy, incurring of opportunity costs, and formation of this Agreement and all of the rights, covenants, duties, obligations and other provisions contained herein.** The Managers and Insiders shall also acknowledge and agree, and covenant, to make their respective officers, agents, trustees, beneficial interest holders and Affiliates aware of and agree to the provisions of this Agreement as such applies by reference or otherwise to such Persons and their obligations with respect thereto, and in particular the provisions of this Section 4.16 and Sections 3.9 and 5.8 as applicable. The Managers and Insiders shall also acknowledge and agree that they shall be liable to the Company with respect to any violations of Sections 4.16, 3.9 and/or 5.8 by any of their officers, agents, trustees, beneficial interest holders and/or Affiliates.

§ 5.8: Notwithstanding anything in here to the contrary, the officers of the Company and their respective Affiliates **shall be and hereby are at all times bound and restricted by,**

and shall at all times adhere to and comply with, the last sentence of Section 5.2 of the Alternative Dosage Agreement, which sentence is hereby incorporated herein by reference and which provision and Alternative Dosage Agreement the officers of the Company and their respective Affiliates shall acknowledge and agree was the basis for, and was detrimentally relied upon by, Canwell, LLC and Company in their expenditure of time, resources and energy, incurring of opportunity costs, and formation of this Agreement and all of the rights covenants, duties, obligations and other provisions contained herein. The officers of the Company shall also acknowledge and agree, and covenant, to make their respective Affiliates aware of and agree to the provisions of this Agreement as such applies by reference or otherwise to such Persons and their obligations with respect hereto, and in particular the provisions of this Section 5.8 and Sections 3.9 and 4.16 as applicable. The officers of the Company shall also acknowledge and agree that they shall be liable to the Company with respect to any violations of Sections 5.8, 3.9 and/or 4.16 by any of their Affiliates.

§ 15.1(iv): Upon the execution and delivery of this Agreement by the undersigned, it shall represent the valid, binding and legal obligation of the undersigned, enforceable in accordance with its terms.

41. In reliance on the non-compete and fiduciary duties obligating WCM, WCC, WPMC, and their successors-in-interest, CanWell completed the Maine alternative dosage form project, expanded into and completed a similar project in Rhode Island, and spent in excess of fifteen million dollars (\$15,000,000) expanding its operations into Massachusetts.

42. With respect to Rhode Island and particularly Maine, CanWell provided services and assets above and beyond those required under the License Agreement and the Alternative Dosage Agreement including without limitation the following: kitchen equipment and protocols were supplied; training, maintenance and repair activities were performed at no extra cost; extra work was performed at no cost to achieve compliance with new and additional operational requirements of regulatory bodies; national alternative dosage statistics and data were made available; quality control equipment including more than one chromatography machine was supplied and implemented; and packaging and filling machines were purchased.

43. As a result of CanWell's efforts, WCM in Maine, and Summit in Rhode Island, now possess unique and sophisticated processing and quality control facilities and alternative

dosage product platforms which did not exist prior to 2015, which feature the capacity to meet future demand and expansion, and have received praise from a leading national media company in the cannabis industry that has singled out the facilities, platforms, processes and products as being a leader on the East Coast in terms of sophistication and quality. By way of example, in terms of production, alternative dosage product sales grew from approximately 6% of total cannabis sales, prior to 2015, to over 35% of total sales today (on information and belief). The foregoing demonstrates a resounding success story for WCM (and Summit), and for each of Acreage/WPMC and WCC due to their participation in the economics of CPME and CPRI.

Acreage Becomes WPMC's Successor In Interest

44. Having been introduced to the cannabis industry by Fracassa, and having gained exposure to the industry through his investment in WPMC and involvement in the alternative dosage space through CanWell, and High Street's investments in companies such as Dixie, Murphy sought to transition High Street into a national and publicly-traded cannabis company. To this end, in 2017, High Street Capital rebranded itself as Acreage Holdings and began its transition from a cannabis investment vehicle to a vertically-integrated multi-state cannabis operator.

45. By 2018, Acreage had become a high growth, vertically integrated cannabis operator (comprised of cultivation, processing and dispensing operations) on a multi-state level. Its stated mission is to establish a market dominant position on a state-by-state basis as it rolls up small player after small player in order to gain footholds in new states, with the goal of becoming the dominant cannabis player in the United States. It currently has operations in at least 19 states, and already is one of the largest cannabis companies in the U.S.

46. To this end and with regard to Maine, in or about May 2018, Acreage acquired a majority controlling interest in WPMC, increasing its ownership percentage to 74%. That

controlling stake now has grown to 97.4%, with WCM owning 2%, CanWell owning 0.1% and Opus Unlimited LLC owning 0.5%.

47. Immediately after acquiring the overwhelming majority stake in WPMC, Acreage set about making it an alter ego. Acreage dismantled WPMC's board of directors and appointed a five-member WPMC board consisting entirely of Acreage principals. It changed WPMC's business address from Rhode Island to an Acreage office address in Boston. More generally, Acreage also has taken over ownership, day-to-day operations, management, marketing, financial control, planning and communications of WPMC.

48. Through these actions, Acreage became WPMC's successor in interest and alter ego, including in connection with the Alternative Dosage Agreement, in that it assumed all of WPMC's rights and obligations thereunder, including, most critically, WPMC's obligations under Section 5.2 thereto with respect to not competing with CanWell in New England.

49. Acreage similarly became WPMC's successor in interest with respect to the CPRI and CPME Operating Agreements, in which WPMC, among other things, unequivocally reaffirmed its obligations under the non-compete covenant set forth in Section 5.2 of the Alternative Dosage Agreement and its fiduciary duties as a member of CPRI and CPME.

**CanWell Specifically Reminded Acreage And WCM Of
Non-Compete Obligations And Other Duties Throughout 2018**

50. Acreage was well aware of the existence and terms of the Alternative Dosage Agreement prior to acquiring a controlling stake in WPMC, as it already owned a minority stake, and its CEO, Kevin Murphy, as described above, had been a WPMC board member intimately involved in the negotiations preceding execution of the Alternative Dosage Agreement. Indeed, Murphy insisted that CanWell agree to multiple substantive terms in the Alternative Dosage Agreement, to which CanWell consented. Notably, he never objected to the non-compete

covenant found in Section 5.2 thereof nor to any of the other covenants and fiduciary duties arising in connection with the Alternative Dosage Agreement and Operating Agreements.

51. Lest any doubt exist in terms of the non-compete and its application to Acreage as WPMC's successor in interest/alter ego, and to others such as WCM, Fracassa recently met and had telephone conferences with Kevin Murphy (often in the presence of others), and sent numerous communications to agents of Acreage with respect to such covenants, and specifically the non-compete. In addition, Fracassa also sent numerous communications concerning these non-compete and fiduciary duties to agents of WCM and WCC, and personally met with those same individuals.

52. For example, in the wake of Acreage acquiring a controlling interest in WPMC, on July 2, 2018, Fracassa sent a memorandum to WPMC/Acreage and their counsel, identifying several key terms in the Alternative Dosage Agreement, and specifically quoting the non-compete language found in Section 5.2 thereto. Fracassa also noted that CanWell had exclusivity with respect to alternative dosage form matters relating to WCM and Maine, and owned all intellectual property relating thereto. Tellingly, neither Acreage/WPMC nor its counsel objected in any way to this memorandum, much less with respect to the obligations set forth in Section 5.2 of the Alternative Dosage Agreement.

53. Next, in a July 16, 2018 email to WPMC/Acreage, WCM, and WCC, Fracassa again raised the non-compete and other important duties:

- a. "Restrictions [of WCM]: Sections 14 ([Cultivation Services Agreement]); 3.2, 4.1, 4.2 ([License Agreement]); 5.1, 5.2 ([Alternative Dosage Agreement]);";
- b. "Restrictions [of WPMC/Acreage]: Sections 14 ([Cultivation Services Agreement]); 5.1, 5.2 ([Alternative Dosage Agreement]);";
- c. "Cornerstones to [CanWell's] alternative dosage enterprise (of which WPMC and WCC are significant beneficiaries and interest holders) are the important ME and RI contracts relied on by [CanWell] in expending resources, foregoing

opportunities and pursuing dominant market share position in New England and elsewhere”;

- d. “Parties, successors and assigns cannot pursue similar contracts or operations within New England”;
- e. “[CanWell] will remain in an active and expanding role in the industry, particularly in New England”;
- f. “In that I have received a number of questions from various people on status and roles of various stakeholders, I hope that this document has clarified the various entities, contracts, rights, obligations, fiduciary duties and activities existing with respect to Maine; the opportunities and economic interests existing for individuals; and the goals and direction of certain of the stakeholder entities and individuals. And, again, I hope that this document is helpful for important disclosure needs and requirements.”

54. In subsequent and separate July 16, 2018 emails to WPMC/Acreage, WCM, and WCC, Fracassa again raised the non-compete and other related covenants:

- a. “Although applicable parties (and their successors and assigns) cannot pursue contracts or operations similar to CanWell’s in New England...”
- b. “I send the attached to you for your own record keeping purposes as owners of WPMC and WCC, which entities are owners of CanWell Processing (Maine), LLC and CanWell Processing (Rhode Island), LLC. This message is also sent to WCM in its capacity as enjoying shareholder and economic beneficial interests in WPMC. In summary: ... 3. WPMC, WCC, WCM and CanWell have rights, fiduciary duties and obligations by virtue of being: (a) owners of CanWell Processing (Maine), LLC, CanWell Processing (Rhode Island), LLC and/or WPMC; (b) parties to the Alternative Dosage Services Agreement, the attached Operating Agreements of the processing entities, and/or the WPMC operating agreement itself; and/or (c) parties to the License Agreement, as applicable.”
- c. “The success of WPMC, WCC, WCM and CanWell in the alternative dosage space will be based on continued expansion, but rests heavily on the preserved integrity of the important ME and RI contracts relied on by CanWell in expending resources, foregoing opportunities and pursuing dominant market share position in New England (where CanWell has exclusivity pursuant to its various agreements) and elsewhere.”

55. Once again, none of WCM, Acreage/WPMC, or WCC objected in any way to Fracassa’s repeated characterization of the non-compete covenant and other duties.

56. In a July 27, 2018 memo sent to Acreage, its auditors and its legal counsel, Fracassa again raised the fact that they were bound by the non-compete: “Non-compete: Parties, successors and assigns cannot pursue similar contracts or operations in New England.” Again, neither Acreage nor its agents objected.

CanWell’s Reasonable Reliance On The Non-Compete And Other Duties

57. In reliance on the Alternative Dosage Agreement and Operating Agreements, and fiduciary duties attendant thereto and covenants contained therein, in particular the non-compete covenant found in Section 5.2 of the Alternative Dosage Agreement and reaffirmed repeatedly in the Operating Agreements, which now, critically, binds Acreage with respect to processing and alternative dosage form activities in New England, Canwell and its members initially invested nearly \$2 million in alternative dosage programs and facilities in Rhode Island and Maine, and have paid approximately \$150,000 in distributions to WCC and WPMC.

58. More generally, at the time the Alternative Dosage Agreement was executed, CanWell intentionally negotiated for the non-compete given that it was embarking on a substantial investment in the processing part of the business, incurring opportunity costs, and dedicating almost all time, energy and other resources primarily in connection with the New England region. CanWell since has invested millions of dollars in Rhode Island, Maine and Massachusetts, and in 2018 raised over \$32 million in order to execute upon its business plan to establish itself as business leader in the cannabis industry in New England; in particular, the preeminent alternative dosage processor and provider in the region.

59. In addition and importantly, CanWell (through CanWell LLC) insisted on maintaining an ownership interest in WPMC so as to further safeguard itself from Acreage/WPMC attempting to breach fiduciary duties, interfere with or otherwise disrupt the Alternative Dosage

Agreement, and most importantly, violate its non-compete covenants with respect to the New England region, including but not limited to Rhode Island. In other words, CanWell negotiated for and received a seat at the proverbial table, which would further the interest of transparency and encourage other members, most notably Acreage, to be honest in their dealings. Thus, while the ownership interest that CanWell LLC received—0.1%—did not carry significant value as a matter of book value accounting, it did carry serious value as insurance against Acreage engaging in commercial wrongdoing, of the exact sort in which Acreage recently has engaged.

60. Through its capital raising efforts, CanWell and its investors relied heavily on the economics of, and covenants and other legal provisions contained in, the ownership interest in WPMC, the contracts and operating agreements pertaining to CanWell, and specifically the non-compete provision because of the limited license nature of the New England market (the company's core focus) and the fact that the covenant binds Acreage.

61. Through diligence, CanWell's investors were made privy to the historical correspondence between Fracassa and the parties to the Alternative Dosage and Operating Agreements, which in multiple instances, specifically referenced the non-compete covenant, thus demonstrating that the parties were notified and aware of the key provisions of the contracts. CanWell's investors are accredited and experienced business investors, most of whom manage investment funds and regularly conduct due diligence with respect to billions of dollars in investments. Each CanWell investor was represented by sophisticated legal counsel, each of whom reviewed the non-compete covenants contained and/or referenced in the Alternative Dosage Agreement and Operating Agreements.

62. In summary, both CanWell and its investors relied on the language of the contracts and operating agreements when it completed over a \$32 million capital raise in 2018, and based

its business model and strategy on creating a New England processing footprint unencumbered by the other parties to the contracts, most notably Acreage.

63. Moreover, CanWell has at least another \$25 million capital raise in its near-term pipeline. CanWell also is in ongoing discussions with potential future partners and the like, and both the ongoing \$25 million capital raise and those discussions are predicated on the value of CanWell's business, which in turn is highly dependent on the covenants and fiduciary duties arising under the Alternative Dosage and Operating Agreements, including without limitation the critically important non-compete covenant, which now binds Acreage.

CanWell Fully Performed Its Obligations Under The Alternative Dosage Agreement

64. CanWell fully performed all of its obligations under the Alternative Dosage Agreement.

65. As of November 2017, WCM Board members had nothing but overwhelming praise for CanWell's/CPME's performance.

66. On or about July 16, 2018, Fracassa memorialized in emails and memoranda the fact that only three matters remained outstanding with respect to the scope of services contemplated by the Alternative Dosage Agreement: (i) wholesale pricing discussions (the "Wholesale Pricing Matter"; (ii) CanWell's consent to a certain doctor being a competing vendor (the "Dr. Sulak Matter"); and (iii) Canwell's willingness to invest in additional equipment for the benefit of WCM; in particular, an automated "spinning band distillation" set up. Fracassa communicated this punch list to the parties to the Alternative Dosage Agreement. The two former items were matters that CanWell had no obligation to address. However, CanWell forwarded the Dr. Sulak matter to Acreage/WPMC as any determination on such matter would require its consent, but Acreage/WPMC never responded to or furthered discussions with respect to such.

With respect to the Wholesale Pricing Matter, CanWell delivered an interactive “whole sale pricing model” to WCM for their consideration in or around September 2018 and in large part under the guidance and in coordination with one of WCM’s own board members William Eldridge. WCM provided no comment on such until a meeting in or around June 2019 in Maine attended by Patricia Rosi, Ron MacDonald as an Acreage employee, Dan Walker, Terence Fracassa and Steve Harrington Jr. Although it had no obligation to do so, CanWell satisfied the third matter by purchasing automated spinning band distillation equipment for WCM’s use, which was then delivered and installed in August 2018. In sum, CanWell satisfied every punch list item that remained outstanding as of mid-July 2018.

67. As further evidence of CanWell going above and beyond its duties under the Alternative Dosage Agreement, it responded promptly to WCM’s plea for help in late Summer and Fall of 2018, when WCM became aware that its processing facility had to come into compliance with new state (Maine) rules and regulations, including Section 15.22 MRSA §2423-F 3 A(1) requiring “Certification from a professional engineer licensed in this State of the safety of the equipment used for marijuana extraction and the location of the equipment and the professional engineer’s approval of the standard operating procedures for the marijuana extraction.” CanWell, which did not charge or seek reimbursement of costs from WCM, deployed personnel and professionals to address the situation, earned praise from WCM, including but not limited to board member William Eldridge’s praise of “Excellent work” in an August 15, 2018 email.

68. Several months later, in or around late-January 2019, WCM CEO Patricia Rosi expressed displeasure to Fracassa with the yield resulting from the CO2 extraction machines provided and installed by CanWell, claiming that the yield was under 40%, versus WCM’s target

of 85-90%. CanWell promptly attended to Ms. Rosi's concern, sending an expert team to Maine in early-February 2019 to conduct an in-person inspection. The team extensively documented its efforts, and ultimately demonstrated that the machine actually was creating a yield close to 100% (two successive runs of 100% and 99%), "when properly operated and the proper preparations are made." That yield is superior result in the market, and indicative of the quality of the processing platform created by CanWell in Maine. Ms. Rosi later acknowledged that Canwell had promptly and fully addressed her (as it turned out, unfounded) concern that CanWell's equipment was running at less-than-maximum efficiency by any measure.

69. Turning to today, CanWell is well-positioned to have the largest alternative dosage processing and distribution market share in New England by mid-2020 subject to the presumption that Acreage (and WCM) is not improperly competing with CanWell in New England, and not tortiously interfering with CanWell's contractual relations with WCM, Summit and others in the region. In particular, CanWell's operations in Rhode Island and Maine are cornerstones to the company's alternative dosage enterprise, to its nascent operations in Massachusetts, and to its past and present capital raises and business development in New England.

Respondents' Recent Bad Faith And Wrongful Competition

70. The aforementioned praise from WCM continued consistently into the first half of 2018, and CanWell was poised to achieve its goal to become the largest alternative dosage processing and distribution operator in New England by mid-2020. Upon information and belief, Acreage with inside knowledge and a premeditated plan to violate fiduciary duties and non-compete obligations, tortuously interfered with CanWell's business contracts and relationships, and other covenants, bargained for and running in favor of CanWell, and made overt and intentional decisions and engaged in conduct to directly harm CanWell for its and Murphy's

personal benefit and to the detriment of CanWell. A dispute regarding Acreage/WPMC and Murphy's conduct began to ripen in the second half of 2018, when Acreage acquired control of WPMC and initiated a process to wrongfully influence WCM and individual WCM Board Members, and to consolidate power and economic rights in Maine. These actions were in furtherance of Acreage's goal to become the dominant vertically-integrated cannabis player in the U.S. Kevin Murphy and Acreage/WCPM have instituted plans through their conduct to enter and control the New England edibles market. Upon information and belief, Acreage/WPMC and Murphy seek to put CanWell out of business and to intentionally violate CanWell's bargained-for right to be free of competition, which Acreage repeatedly acknowledged.

Wrongful Conduct in Maine

71. In Maine, even though Acreage/WPMC only holds a Cultivation Services Contract with WCM, upon information and belief Acreage is attempting to exercise total control over WCM by way of (i) structuring a transaction giving it the right to appoint WCM Board Members, (ii) directing WCM board actions through its employee Ronald MacDonald; and (iii) seeking consolidation of all economic and legal interests relating to Maine and WCM by intentionally and tortuously breaching the Alternative Dosage Agreement. Acreage/WPMC has engaged in these wrongful activities in an effort to accomplish its goal of completely controlling all economic interests in the Maine cannabis market in contravention of the restrictive covenant by which it is clearly bound.

72. WCM and its Board Members accordingly are aiding and abetting Acreage and Murphy in their wrongdoing, and also are breaching fiduciary duties and contract obligations in connection with the Alternative Dosage Agreement and the Operating Agreements. It is important to note in this respect that WCM is a WPMC equity owner; that WCM Board Members are WCC

equity owners; and that WCM is party to the License Agreement, Alternative Dosage Agreement and Cultivation Services Agreement. Further, WCM Board Members incredibly have authorized the deployment of non-profit resources to (a) lobbying for legislation authorizing a non-profit entity such as WCM to be converted to a for-profit entity, and relaxing residency requirements associated with the resulting license holders, and (b) at the same time, upon information and belief, negotiating for significant financial remuneration from Acreage in exchange for vacating their non-profit board seats.

73. Moreover, and upon information and belief, WCM in its own right wrongfully is competing against CanWell in Maine by carrying and selling alternative dosage products from third party vendors without CanWell's consent, in express breach of the Alternative Dosage and Operating Agreements.

74. As a result of its wrongful actions and WCM's and its Board Members' complicity to which Acreage/WPMC and Murphy have all aided and abetted, Acreage now presents itself publicly as being a dominant player in Maine featuring four out of the state's eight medical dispensaries pursuant to a so-called "management" contract granted by WCM. However, Acreage only is able to present itself in this manner as a result of having engaged in the overt wrongdoing and wrongful conduct detailed above.

Wrongful And Unlawful Conduct In Rhode Island

75. Simultaneously with its recent efforts to establish total control in Maine, Acreage is attempting to wrongfully enter the Rhode Island cannabis market. In order to accomplish this goal, the Respondents and the WCM Board members have aided and abetted one another in various intimidation tactics which amount to breaches of fiduciary obligations and tortious breaches of contract and interference with business relations.

76. Specifically, in or around mid- to late-2018, Acreage appears to have surreptitiously entered into an agreement to acquire all ownership interests in GCCC Management, LLC, a management company overseeing the operations of Greenleaf Compassionate Care Center ("Greenleaf"), a non-profit cultivation, processing and dispensing company in Rhode Island, which it expected to close in the first half of 2019.

77. The scope of Acreage's anticipated operations in Rhode Island almost certainly will extend to overlapping with CanWell's business, which would result in Acreage wrongfully competing with CanWell in one of New England's six states. This is because Greenleaf currently directly competes with CanWell in the edibles space, and Acreage in acquiring Greenleaf presumably will continue all of Greenleaf's operations in Rhode Island, including those that compete with CanWell.

78. After Acreage's intent to purchase Greenleaf became known to Rhode Island regulators, and due to the presence of the aforementioned factors, the regulators met with Summit and its "key persons," which included CanWell as a large investor, in late-2018. During that meeting, the regulators expressed concern regarding the overlapping ownership interests in WPMC and CanWell, and discussions also touched on CPRI's ownership structure in Rhode Island, and more generally, the non-compete found in the Alternative Dosage Agreement and the CPRI Operating Agreement.

79. The Rhode Island regulators have informed Acreage of their concerns, and preliminarily indicated that they have concerns that need to be addressed prior to allowing Acreage to acquire Greenleaf.

80. As a result, Murphy and Acreage have demanded that CanWell sell its 0.1% interest in WPMC, agree to a restructuring of the Alternative Dosage Agreement, and permit

Acreage/WPMC to withdraw from CPRI and/or CPME. CanWell refused to surrender, and has not surrendered, any rights or other assets upon which it and its investors have substantially relied.

81. During this same time, Acreage was publicly disclosing that it was entering the Rhode Island market through a “pending” transaction with Greenleaf, and was positioning itself to take over all of WCM and all of the economics associated with the WCM/Maine project through lobbying for nonprofit to for-profit conversion, relaxed residency requirements and control or appointment influence over the WCM board.

Respondents’ Bad Faith Campaign Seeking to Ruin CanWell

82. Having been made aware that CanWell would not simply go away into the night, Acreage and its CEO, Kevin Murphy, responded by commencing a bad faith, scorched earth campaign against CanWell in furtherance of its goal to dominate the New England cannabis market, and coopted WCM’s Board Members along the way.

83. Murphy, among other things, threatened that he would have WCM, again a state-sanctioned non-profit entity, terminate the Alternative Dosage Agreement unless Canwell agreed to (a) sell its 0.1% interest in WPMC for a fraction of its actual value, (b) restructure the Alternative Dosage Agreement and thereby eliminate CanWell’s valuable entitlement to substantial Maine Royalty payments, and (c) Acreage/WPMC withdrawing from CPRI and CPME, so as to eliminate the ownership overlaps that stand in the way of Acreage entering the Rhode Island market. Murphy made clear that all of these issues were of concern to the Rhode Island regulators because of the prohibition against having a financial interest in more than one compassion center in the state.

84. Within three days of Murphy making his threats, CanWell met with WCM CEO Patricia Rosi in Maine to address the topic of WCM’s potential wholesaling ability in the adult use

market. However, the meeting did not go as CanWell expected. Instead, Ronald MacDonald and WCM's attorney Dan Walker unexpectedly were in attendance, and MacDonald threatened that CanWell's agreement would be terminated unless the company reduced the royalty to a single digit percentage of gross sales (from the 20% that CanWell is entitled to) and sold all of its processing and other equipment to WCM on an installment sale or lease-to-purchase basis. This ambush "proposal" did not include any meaningful consideration. MacDonald's "asks" instead constituted thinly-veiled "or else" threats.

85. Just days later, MacDonald, who remarkably is both a WCM Board Member and an Acreage employee, again threatened via email (sent from his Acreage account) that the Alternative Dosage Agreement would be cancelled unless CanWell agreed to significantly reduce its Maine Royalty entitlement from 20% of Gross Sales to a single-digit percentage and agreed to sell the alternative dosage processing equipment to WCM.

86. Upon information and belief, Acreage also (incredibly) offered WCM Board members significant financial remuneration if they took actions enabling Acreage to increase its economic interests in connection with WCM, and assist Acreage in engineering a termination of the Alternative Dosage Agreement.

87. Acreage/WPMC and WCM have pressed other levers in their effort to bow CanWell to their will; for instance, withholding information and significant payments that indisputably are due. To wit, WCM has failed throughout 2019 to provide quarterly reports of WCM's Gross Sales to CanWell, as is required under the Alternative Dosage Agreement. Relatedly, neither Acreage/WPMC nor WCM has made any royalty payments in 2019 in connection with WCM alternative dosage sales as required under the Alternative Dosage

Agreement. As of March 2019 (the end of Q1), WCM/WPMC owed more than \$500,000 to CanWell, and likely owes more than \$650,000 to date.

Acreage's Attempts To Wrongfully Compete In Other New England States

88. In addition to its attempt to wrongfully compete with CanWell in Rhode Island and its related bad acts in Maine, it turns out that Acreage likely also is wrongfully competing (or at least attempting to do so) elsewhere in New England.

89. In Connecticut, Acreage operates two of the most profitable dispensaries in the state, and there is good reason to believe that Acreage is competing in the processing and alternative dosage program space or will be attempting to do so, given its stated mission in a recent investor presentation to be vertically-integrated (meaning ownership of cultivation, processing and dispensing facilities and operations) in every state in which it operates.

90. In Massachusetts, that same recent investor presentation shows that Acreage appears to own multiple licenses, and has at least three open dispensaries, and as many as six others awaiting final licensing. It also owns two cultivation facilities. Thus, it almost is guaranteed that Acreage is wrongfully competing with CanWell in that state as well given that, again, its mission is to be vertically-integrated.

91. Finally, in New Hampshire, Acreage is operating one of the state's vertically integrated licenses under a management services contract with an affiliated non-profit entity that holds the licenses, and operates a dispensary in Merrimack. Acreage also operates a large cultivation facility in the state. Thus, it almost is guaranteed that Acreage is wrongfully competing with CanWell in that state as well.³

³ In April 2019, the dominant cannabis player in Canada, Canopy Growth Corp., announced it had acquired the right to purchase Acreage for \$3.4 billion, contingent on the United States legalizing recreational cannabis use on the federal level.

Lead Up to Acreage/WPMC's and WCM's Wrongful Termination of CanWell

92. Needless to say, Acreage's current attempts to compete with CanWell in New England are violating numerous covenants and restrictions, most notably the non-compete found in Section 5.2 of the Alternative Dosage Agreement, which is reaffirmed and incorporated by reference in the Operating Agreements for CPRI and CPME. Acreage has made clear that it does not care.

93. As referenced earlier, in a June 13, 2019 call with, among others, Kevin Murphy and Acreage's in-house counsel James Doherty, Murphy repeatedly demanded that CanWell sell its 0.1% interest in WPMC, and threatened that, as an alternative, Acreage would simply walk away from its membership in CPRI and/or CPME and that the Alternative Dosage Agreement would have "problems."

94. During that same call, CanWell representatives repeatedly mentioned that the non-compete covenant contained in the Alternative Dosage Agreement was the most valuable asset in play as between CanWell and Acreage. Murphy began by ignoring CanWell's repeated references to the non-compete, but ultimately attempted to argue that Acreage is not competing with CanWell because all businesses in the space are collectively competing only with "the black market." When pushed further (given the incoherence of that economic proposition), Murphy simply disclaimed the relevance of the non-compete, implying that if CanWell was "actually suggesting" that Acreage could not compete with it in New England, that Acreage would use its substantial economic weight to crush CanWell through scorched earth litigation(s). Murphy specifically claimed that litigation on such issue would hurt Acreage "a little," but would hurt CanWell "a lot," and boasted that his company was a \$5 billion juggernaut heading to \$10 billion in the near term.

95. That call ended with the parties at loggerheads. Murphy kept insisting that all Acreage needed to do to get around the concerns of the Rhode Island regulators was purchase CanWell's 0.1% interest in WPMC, restructure the Alternative Dosage Agreement (which Murphy claimed, from his perspective, had "zero" value as a contract) and walk away at some point from its membership interest in CPRI and/or CPME (in order for Acreage/WPMC to, in theory, rid itself of fiduciary duties and restrictive covenants). Any time CanWell attempted to remind Murphy that its assets—including, most importantly, the non-compete that is enforceable against Acreage across New England—are worth tens of millions of dollars, Murphy responded alternatively by ignoring the substantive points, or with bluster about Acreage's relative might in the cannabis space and ability to crush CanWell if the parties went to litigation.

Acreage & WCM's Bad Faith Termination Of The Alternative Dosage Agreement

96. Having failed to beat out CanWell through his interest in Dixie for the Maine contract, and not yet having any success in forcing CanWell out of Maine and competing against CanWell in Rhode Island, through one-sided take-it-or-leave-it "negotiations," Murphy/Acreage/WPMC and WCM and its Board Members (who are WCC owners) just weeks ago resorted to employing the proverbial nuclear option—purporting to terminate the Alternative Dosage Agreement, when in fact their conduct is nothing short of a unilateral breach and violation of good faith covenants.

97. In a letter dated July 12, 2019 (the "Termination Notice"), WCM and Acreage/WPMC (both signed) began by "thanking" CanWell for participating in recent discussions regarding the "multitude of issues" relating to the parties' relationship, before referring *for the first time ever* to an alleged "long history of non-compliance" by CanWell, which

supposedly provided grounds for termination and “restructuring” a new deal. In particular, Acreage and WCM detailed four categories of alleged non-compliance.

98. The Termination Notice then provides that WCM and Acreage/WPMC are terminating the Alternative Dosage Agreement for cause pursuant to Section 4.2 thereof, effective 60 days from the date of the letter, “as a result of the repeated and material breaches” by CanWell and CPME. (A true and correct copy of the Termination Notice is annexed hereto as **Exhibit C.**)

99. The purported “grounds” for termination set forth in the Termination Notice are completely meritless. As recited above, CanWell fully performed all of its obligations under the Alternative Dosage Agreement. The four alleged categories of CanWell’s alleged “failures” are entirely manufactured.

100. First, Acreage/WPMC and WCM claim that CanWell failed to provide adequate equipment, methodologies and training regarding cannabinoid extraction and quality control, notwithstanding WCM having relied on CanWell to reach industry standard performance levels. Acreage claims that the alleged non-compliance supposedly resulted in cannabinoid extract results almost one-fifth the standard yield, resulting in product loss worth over \$14 million. However, as described above, in early-2019 tests conducted by CanWell, the yields neared 100%. These tests were confirmed by Rosi and multiple WCM employees at the time, and she conceded that CanWell always had provided assistance when asked. To the extent WCM previously had been achieving substandard yields using this same equipment, the likely explanation is that WCM has a history of (i) employing inexperienced employees who cannot competently operate CanWell’s sophisticated equipment (as the February 2019 tests conducted by CanWell conclusively demonstrated), and (ii) experiencing very high turnover numbers (in that close to 20 employees from WCM’s processing and kitchen departments either have quit or been fired by WCM since October 1, 2015).

101. Whatever the cause, CanWell could not have been at fault for any substandard yield results, as its processing equipment and methodologies guarantees no product loss, as any material remaining after an initial processing run simply can be put through additional runs until all product is extracted. Product loss (*i.e.*, yield loss) only occurs if WCM employees are running the equipment and/or employing the methodologies improperly, or shockingly and disturbingly throwing product in the “garbage” which they admitted to doing in their notice.⁴ CanWell therefore bears no responsibility for Acreage/WPMC’s and WCM’s purported damages relating to THC yield, which supposedly total \$14 million, particularly since the supposed yield loss was not related to the equipment or the training, and the fact that no breach exists is further evidenced by the fact that WCM and WPMC actually have conceded CanWell adequately addressed their so-called “yield” issue.

102. The other categories of CanWell’s alleged failures, even if based on truth (which they are not), are beyond *de minimus*. Acreage/WPMC’s and WCM’s second complaint is that it has experienced “ongoing problems” with the “A10 Vape Cartridge Filler”) provided by CanWell in April 2018. First, CanWell had no obligation to provide such automated piece of “packaging equipment.” CanWell is only obligated to provided CO2 extraction machines and refinement equipment, and either a high pressured liquid or gas chromatography equipment, all of which CanWell supplied to WCM. The “A10 Vape Cartridge Filler” is not included in the foregoing, and instead simply was provided by CanWell to WCM as a good faith gesture in the same manner in which it purchased and provided kitchen equipment that it was not obligated to provide under

⁴ Importantly, under Sections 7 and 8, CanWell was obligated to provide equipment training, maintenance and repairs through December 31, 2016, and did so. Since WCM personnel charged with operating the equipment kept quitting or kept being fired, CanWell continued in good faith to provide training and assistance at no cost to WCM.

the Alternative Dosage Agreement. In addition, WCM personnel were trained by the manufacturer on the machine in Rhode Island, and elected to take the machine with them to Maine.

103. Acreage/WPMC's and WCM's third complaint is that the equipment that CanWell originally provided needed to be modified to comply with an amendment to Maine's Medical Use Marijuana Act in July 2018. Acreage claims that the costs of compliance, which it fronted, totaled \$16,425.62. This matter is addressed in Paragraph 67 of this Arbitration Demand.

104. Acreage/WPMC's and WCM's fourth and final complaint is that CanWell supposedly has ignored repeated requests for assistance with research and development of new products, product packaging and recipes for new products such as concentrates, tablets and/or tinctures. This simply is untrue. As further evidence that this complaint is completely unfounded, Acreage/WPMC and WCM fail to even argue that the alleged ignored requests have resulted in economic harm. In any event, CanWell delivered hundreds of alternative dosage skews, products and recipes to WCM. CanWell also made numerous suggestions to WCM which they ignored—including using fan leaves as feed material; using a \$200 drier to simply dry fan leaves; using alcohol with minor plumbing adjustments and with the extraction process to further increase efficiency in terms of time and quality—all of which Charlie Langston, WCM's General Manager, disregarded and indicated that "he was not interested." Furthermore, although CanWell always has shared research and development related matters with WCM, it does not have an obligation to initiate research and development jointly with or "on demand" by WCM. Under Section 3.5 of the Alternative Dosage Agreement, CanWell will simply allow WCM to benefit from CanWell's research and development activities and resulting matters only to the extent "as such are freely developed or possessed by CanWell". And indeed, CanWell has shared everything that it has developed or possessed with WCM for WCM's benefit and consideration.

105. In sum, of the four categories of supposed breach detailed in the Termination Notice, the last is tellingly vague, the second and third (supposedly) resulted in costs totaling less than \$20,000, and the first complains of an issue (low THC yield results), that even if true had nothing to do with the equipment provided by CanWell.

106. More generally in terms of proof that the Termination Notice is a fabricated sham, **neither WCM nor Acreage/WPMC ever raised these alleged failures (including supposedly long-running issues resulting in more than \$14 million in yield loss) prior to them commencing their scorched earth tactics earlier this year, much less in a written notice of breach/non-performance.** Moreover, the Alternative Dosage Agreement plainly addresses Acreage/WPMC's obligation to work proactively with Canwell: In Section 3.8, Acreage/WPMC covenanted to "provide ongoing oversight and strategic coordination" with respect to services under the Alternative Dosage Agreement, and "facilitate regular communication between WCM and CanWell with respect to [such services] and the parties' performance under this Agreement." This obligation makes the fact that Acreage/WPMC never "coordinated" or "communicated" with CanWell regarding the supposed issues raised in the Termination Notice all the more telling.

107. The "out of thin air" nature of the complaints set forth in the Termination Notice betray its actual purpose—Acreage's bad faith attempt to force its way into the Rhode Island market and attempt to create a dominant economic presence in Maine specifically, and in other New England states generally, without being restrained by the non-compete covenant set forth in the Alternative Dosage Agreement and incorporated by reference into the Operating Agreements.

108. In particular, with regard to Rhode Island, it appears that Acreage has concluded that its attempt to enter the market will not succeed unless it frees itself of its "entanglements" with CanWell and CanWell's state-specific affiliate LLCs.

109. Lest there be any doubt regarding the Termination Notice being a bad faith and unfounded intimidation tactic, Murphy recently called both Fracassa and CanWell Board member Ed Ricci, offering to “fix” the “termination issue” if CanWell agrees to reciprocate by altering the terms of the Alternative Dosage Agreement (to its substantial detriment) and “fix” various corporate ownership matters (*i.e.*, untangle the ownership overlaps that regulators have raised as a concern) to allow Acreage to enter the Rhode Island market and directly compete with CanWell through Greenleaf. In these same conversations, Murphy acknowledged the non-compete provision in the Alternative Dosage Agreement, but attempted to diminish its worth by claiming that it was a “bad deal” that he regrets and that he was “outvoted” at the time.

110. Yet more evidence of the Termination Notice being a manufactured sham is found in late-2017 and early-2018 email correspondence between Fracassa, Murphy, and WCM Board Members that took place shortly after a leading national media company in the cannabis industry singled out CanWell’s facilities, platforms, processes and products as being a leader on the East Coast in terms of sophistication and quality. William Eldridge responded, “You rock!” Ronald MacDonald responded, “Congrats Terry!!!” Dave Cowens responded, “Great news Terry. Given time good things happen to good people who adhere to sound principles of dedicated, focused and intelligent approaches to their vision. Being a true gentleman doesn't hurt either. I look at you as the grounding force behind all that has and will happen in your company's business pursuits.” Even more tellingly, Murphy and Paul Sevigny, who signed the Termination Notice on behalf of WPMC and WCM, respectively, also sang CanWell’s praises. Murphy offered: “Well done Brother. Good going and keep going. Murph.” Finally, Sevigny also was effusive in his praise: “Terry, Thank you for sharing this terrific news! Hard work, perseverance and being a class act are the formula for success. You have all of the qualities that people admire. We really enjoy

working with you and consider you a true friend.” Fast forward 18 months, and the WCM Board Members, firmly in Acreage’s pocket, now have joined Murphy in maintaining that terminating the Alternative Dosage Agreement is appropriate because CanWell supposedly has materially breached the agreement, going back several years.

111. Furthermore, it is worth noting that the Termination Notice in its own right flouts the terms of the Alternative Dosage Agreement. Specifically, Section 4.2 thereof provides that the agreement shall not terminate prior to expiration of its term unless by mutual consent (not relevant here) or in the instance of “material breach by WCM or CanWell of a material term or condition” of the agreement, provided that the charged party receives 60 days’ prior written notice from the party alleging material breach clearly detailing and describing the concerns and nature of such material breach; “provided, however, that such potential termination shall not take effect if the Charged Party has cured such material breach prior to the end of the 60-day period by the following receipt of the Termination Notice or, if the material breach cannot reasonably be cured by the Charged party within said 60-day period, the Charged Party within said 60-day period has commenced and maintains reasonable and good faith actions to attempt to cure or address such material breach.”

112. Acreage’s and WCM’s Termination Notice wholly ignores this precise language, which obviously inures to the Charged Party’s (CanWell’s) benefit, in that it de facto imagines that termination already is a *fait accompli* 60 days after service due to the fact that repayment of the alleged \$14 million in damages supposedly is a precondition to any cure: “Accordingly, WCM and WPMC hereby terminate the Agreement, effective 60 days from the date of this letter. Any attempt to cure the material breaches identified above must, at a minimum, include repayment of damages suffered by WCM...” This obviously is not the process provided for in the Alternative

Dosage Agreement, which requires the noticing party to provide notice as soon as breach as apparent, such that the Charged Party can have a *reasonable opportunity* to cure.

Acreage's Additional Recent Bad Faith Acts Confirming Its Illicit Scheme

113. Finally, Acreage/WPMC and WCM have taken additional steps in furtherance of their scheme since sending the Termination Notice. First, Acreage/WPMC is attempting to convince parties and third persons that it has unilaterally withdrawn from CPRI and CPME, asserting that the (unlawful) withdrawal relieves WPMC and its successor-in-interest, Acreage, of the obligations imposed by Alternative Dosage Agreement and Operating Agreements, most notably the non-compete. Second, Acreage/WPMC served notice on August 8, 2019 that it engineered an amendment to the WPMC LLC Agreement in order to allow for forcing a compulsory redemption of CanWell LLC's interest in the company. In particular, the amendment provides that a "Regulatory Adverse Shareholder" (as defined in the LLC Agreement) shall, "upon the reasonable opinion of the Board of Directors [controlled by Acreage], be required to withdraw from the Company and sell such Regulatory Adverse Shareholder's equity interest in the Company back to the Company." Accordingly, Acreage/WPMC: (i) provided notice that it determined that CanWell LLC is a Regulatory Adverse Shareholder based on the Rhode Island regulators' stated position that its 0.1% equity interest "prevents the consummation" of the Greenleaf acquisition; (ii) provided notice that CanWell therefore was required to withdraw from WPMC and sell its interest back to WPMC at fair value; and (iii) determined the fair market value of the 0.1% interest to be \$43,621 (Acreage/WPMC enclosed a check in that amount with the notice).

114. In sum, when CanWell did not accede to Acreage's threatening demands to reduce its Maine Royalty entitlement, sell the 0.1%, and substantively ignore the non-compete, Acreage simply resorted to blatant, bad faith self-help, with WCM's and its Board Members' complicit

assistance. It manufactured the sham Termination Notice, provided notice that it would be “withdrawing” from CPRI and CPME (presumably to claim that it is not bound by the Operating Agreements and the non-compete incorporated/memorialized therein) and engineered a purported self-serving amendment to the WPMC LLC Agreement, which in turn allowed it to force CanWell LLC to redeem the 0.1% interest (for a “fair market value” unilaterally determined by Acreage/WPMC). Thus, in Acreage’s myopic world view, it no longer is faced with the troublesome ownership overlaps in WPMC, CPRI and CPME, no longer is bound the troublesome terms in the Alternative Dosage Agreement and Operating Agreements, and takes the convenient (and newfound) position that CanWell owes it/WPMC in excess of \$14 million.

Acreage’s Wrongful Competition And WCM’s Wrongful Actions, If Left Unchecked, Will Cause CanWell To Suffer Significant And Irreparable Harm

115. Acreage at this point is a publicly-traded colossus in the U.S. cannabis space, and it continues to grow. Despite being well aware of the terms of the Alternative Dosage Agreement and the fact that WPMC only held a cultivation-related contract, Acreage nonetheless chose to acquire a majority controlling interest in WPMC, in order to gain an entry point into the Maine market and claim full ownership of WCM and the Maine project in general, even though CanWell is an equity holder in WPMC and holds a major contract representing a significant portion of the Maine project’s economics and value; *i.e.*, the Alternative Dosage Agreement.

116. What Acreage chose to ignore is that in becoming WPMC’s successor-in-interest and alter ego, it thereby inherited all of WPMC’s rights and obligations in connection with both the Alternative Dosage Agreement and the Operating Agreements for CPRI and CPME, including with respect to the non-compete covenant. Acreage appears to have decided that it would simply enter the markets in various New England states, where all evidence points to it already wrongfully competing with CanWell, and take a “come and get me” approach to Canwell with regard to that

wrongful competition. Acreage also has incorporated WCM and its Board Members into its wrongful actions, upon information and belief promising each of them significant financial remuneration if they aid Acreage's quest to stamp out CanWell as an obstacle to its goals in Maine.

117. Then came Acreage's attempt to enter Rhode Island, and when state regulators communicated their concerns regarding the substantial ownership overlaps between CanWell and Acreage, and the non-compete found in the Alternative Dosage Agreement became an issue, Acreage finally showed its true colors and followed up on Murphy's threats to bulldoze CanWell if it dared to protect its non-compete and other interests in New England. When CanWell refused to back down in the face of Murphy's threats, he responded in short order: Acreage/WPMC purported to terminate the Alternative Dosage Agreement for sham reasons (along with WCM), purported to withdraw from CPRI and CPME, and effectively stole CanWell's bargained-for 0.1% interest. Acreage/WPMC in turn has professed to third parties, and most likely regulators, that it has freed itself of non-compete covenants, fiduciary duties and all other obligations and/or obstacles to entering Rhode Island and other New England states, and crushing CanWell as a company in the process. This dispute accordingly is ripe for injunctive relief.

118. If Acreage and WCM are not enjoined from competing with CanWell in Rhode Island, and the other five states in New England, and from successfully terminating the Alternative Dosage Agreement, CanWell will face significant and irreparable harm. Moreover, CanWell will incur additional harm if Acreage is not enjoined from following through on the illicit "withdrawal" from CPRI and CPME, and the illicit "redemption" of CanWell LLC's membership interest in WPMC. As stated herein, a substantial piece of CanWell's value proposition is the competitive protections against Acreage within the New England territory. The non-compete and fiduciary duties memorialized in and/or relating to the Alternative Dosage Agreement, and the Operating

Agreements for CPRI and CPME, were relied on substantially by CanWell and its investors, who have already invested over \$33 million in reliance thereon.

119. If Acreage is allowed to complete its entry into Rhode Island and the rest of New England, its economic might almost guarantees that it quickly will become the dominant player in any state it enters. In addition, if Acreage is able to advertise the “withdrawal” and “redemption” as real and factual events, CanWell will be cast in a false light to regulators and the public in general. And the result from CanWell’s perspective quite likely will be the destruction of its entire business, and irreparable harm and damage to its reputation. In any event, the significant monetary harm and reputational damage that would result from Acreage’s unchecked competition and actions would be impossible, or at least nearly impossible, to calculate with anything resembling certainty.

**FIRST CAUSE OF ACTION
(BREACH OF CONTRACT AGAINST ACREAGE/WPMC)**

1. CanWell repeats and realleges paragraphs 1 through 119 of the Demand as if fully set forth herein.

2. The Operating Agreements and the Alternative Dosage Agreement are valid and enforceable contracts, as set forth herein.

3. CanWell, LLC has fully performed its obligations under the Alternative Dosage Agreement, and CPRI and CPME, respectively, have fully performed their obligations under the Operating Agreements, as set forth herein.

Acreage/WPMC breached its obligations under the Operating Agreements and the Alternative Dosage Agreement, as set forth herein.

4. As a direct result of Acreage/WPMC's breaches, CanWell has been damaged in an amount to be determined at hearing, plus interest and all reasonable attorneys' fees and costs of suit.

**SECOND CAUSE OF ACTION
(BREACH OF THE COVENANT OF GOOD FAITH AND FAIR DEALING
AGAINST ACREAGE/WPMC)**

5. CanWell repeats and realleges paragraphs 1 through 119 of the Demand as if fully set forth herein.

6. A covenant of good faith and fair dealing is implied into all contractual and quasi-contractual relationships under law.

7. As a result, Acreage/WPMC owed CanWell the duties associated with the covenant of good faith and fair dealing.

8. Respondents Acreage/WPMC has breached its obligations to CanWell under the covenant of good faith and fair dealing, as set forth herein.

9. As a direct result of Acreage/WPMC's breaches, CanWell has been damaged in an amount to be determined at hearing, plus interest and all reasonable attorneys' fees and costs of suit.

**THIRD CAUSE OF ACTION
(BREACH OF FIDUCIARY DUTIES AGAINST ACREAGE/WPMC AND MURPHY)**

10. CanWell repeats and realleges the allegations set forth in paragraphs 1 through 119 of the Demand as if fully set forth herein.

11. Acreage/WPMC and Murphy owe CanWell LLC fiduciary duties of loyalty and care arising from the parties' relationship in connection with Acreage/WPMC, in that Acreage (controlled by Murphy) completely controls WPMC through its 97.4% ownership interest, and CanWell LLC as a 0.1% member reposed trust and confidence in Acreage/WPMC and Murphy to

not place their own interests above CanWell LLC's (or its affiliates), nor take any actions that would be detrimental to CanWell LLC's.

12. CanWell LLC actually and justifiably relied upon Acreage/WPMC and Murphy not breaching their fiduciary duties.

13. Acreage/WPMC and Murphy breached their fiduciary duties to CanWell LLC, thereby proximately causing damages in an amount to be determined at hearing, plus interest and all reasonable attorneys' fees and costs of suit.

14. Furthermore, CanWell LLC is entitled to an award of punitive damages in an amount determined by the Arbitrator at hearing.

**FOURTH CAUSE OF ACTION
(TORTIOUS INTERFERENCE WITH CONTRACT AGAINST MURPHY)**

15. CanWell repeats and realleges paragraphs 1 through 119 of the Demand as if fully set forth herein.

16. The Operating Agreements and the Alternative Dosage Agreement are valid and enforceable contracts, as set forth herein.

17. Murphy is aware of the Operating Agreements and the Alternative Dosage Agreement.

18. Murphy has intentionally interfered with the terms of the Operating Agreements and the Alternative Dosage Agreement.

19. As a result of Murphy's interference, CanWell has been damaged in an amount to be determined at hearing, plus interest and all reasonable attorneys' fees and costs of suit.

20. Furthermore, Claimants are entitled to an award of punitive damages in an amount determined by the Arbitrator at hearing.

**FIFTH CAUSE OF ACTION
(TORTIOUS INTERFERENCE WITH PROSPECTIVE ECONOMIC ADVANTAGE
AGAINST ALL RESPONDENTS)**

21. CanWell repeats and realleges paragraphs 1 through 119 of the Demand as if fully set forth herein.

22. CanWell has business relationships, and an expectation to conduct business, in Rhode Island, Maine and the rest of New England, without facing improper competition from the parties to the Operating Agreements and the Alternative Dosage Agreement.

23. Respondents have knowledge of CanWell's business relationships and expectations.

24. Respondents engaged in intentional and improper acts of interference with respect to CanWell's business relationships and expectations.

25. As a result of Respondents' interference, CanWell has been damaged in an amount to be determined at hearing, plus interest and all reasonable attorneys' fees and costs of suit.

26. Furthermore, Claimants are entitled to an award of punitive damages to punish and deter such future conduct in an amount determined by the Arbitrator at hearing.

**SIXTH CAUSE OF ACTION
(UNJUST ENRICHMENT AGAINST ACREAGE/WPMC)**

27. Claimants repeat and reallege the allegations set forth in paragraphs 1 through 119 above as if fully set forth herein.

28. Acreage/WPMC has been unjustly enriched in that they have benefitted, at Claimants' expense, by wrongfully withholding Maine Royalty payments due CanWell LLC, and by wrongfully competing with Claimants in multiple states.

29. Acreage/WPMC further has been unjustly enriched in that it engineered a compulsory redemption of CanWell LLC's 0.1% interest in WPMC, for less the interest's true

value (including with respect to impeding Acreage's ability to wrongfully compete with CanWell in New England).

30. Equity and good conscience requires payment of all past due Maine Royalty payments to CanWell LLC, return of Canwell's 0.1% interest in WPMC, and disgorgement of all profits gained through wrongful competition.

**SEVENTH CAUSE OF ACTION
(CONVERSION AGAINST ACREAGE/WPMC)**

31. Claimants repeat and reallege the allegations set forth in paragraphs 1 through 119 above as if fully set forth herein.

32. CanWell LLC previously was in rightful possession of its 0.1% membership interest in WPMC.

33. Acreage/WPMC wrongfully converted CanWell LLC's 0.1% interest without CanWell's consent and now is exercising dominion and control over that 0.1% interest in a manner inconsistent with CanWell LLC's right to possession.

34. As a result of Acreage/WPMC's conversion of the 0.1% interest in WPMC, CanWell LLC has been damaged in an amount to be determined at hearing, plus interest and all reasonable attorneys' fees and costs of suit.

**EIGHTH CAUSE OF ACTION
(DECLARATORY JUDGMENT)**

35. Claimants repeat and reallege the allegations set forth in paragraphs 1 through 119 above as if fully set forth herein.

36. Claimants seek a Declaratory Judgment declaring that: (i) Acreage/WPMC lacked proper grounds to issue the Termination Notice, and that the Termination Notice therefore is null and void and that the Alternative Dosage Agreement therefore remains in full force and effect; (ii)

Acreage/WPMC remains bound by its obligations under the Operating Agreements for CPRI and CPME and remains a member of these LLCs, notwithstanding its purported “withdrawal” from those LLCs; and (iii) the compulsory redemption of CanWell LLC’s 0.1% interest in WPMC is null and void, as is the blatant self-serving purported Amendment to the WPMC Operating Agreement providing for the basis and means to compel that redemption, without CanWell’s consent, and therefore CanWell LLC remains a member of WPMC.

**NINTH CAUSE OF ACTION
(PERMANENT INJUNCTION)**

37. Claimants repeat and reallege the allegations set forth in paragraphs 1 through 119 above as if fully set forth herein.

38. Claimants seek a permanent injunction enjoining Acreage/WPMC from competing with CanWell in any state in New England during the term of the Alternative Dosage Agreement, and for two years following termination.

39. Claimants are likely to prevail on the merits of their claim that Acreage/WPMC wrongfully has been competing, and attempting to compete, with CanWell in Rhode Island, Maine and other New England states.

40. Acreage/WPMC wrongfully competing with CanWell in New England will result in irreparable harm.

41. A balance of the equities plainly favors Claimants.

THE RELIEF AND REMEDIES SOUGHT

CanWell, by this proceeding, seeks an Award: (1) awarding CanWell money damages that have been caused by Respondents’ breach of contract, breach of fiduciary duties, tortious interference with contract, tortious interference with business relations, and unjust enrichment, in an amount to be determined at the hearing; (2) declaring that (a) Acreage/WPMC lacked proper

grounds to issue the Termination Notice, and that the Termination Notice therefore is null and void and that the Alternative Dosage Agreement therefore remains in full force and effect; (b) Acreage/WPMC remains bound by its obligations under the Operating Agreements for CPRI and CPME and remains a member of these LLCs, notwithstanding its purported “withdrawal” from those LLCs; and (c) the compulsory redemption of CanWell LLC’s 0.1% interest in WPMC is null and void, as is the blatant self-serving purported Amendment to the WPMC Operating Agreement providing for the basis and means to compel that redemption, without CanWell’s consent, and therefore CanWell LLC remains a member of WPMC; (3) permanently enjoining Acreage/WPMC from competing with CanWell in any New England state; (4) awarding CanWell punitive damages, in an amount to be determined at the hearing; and (5) granting CanWell such other and further relief as is just and proper.

Pursuant to Section 17 of the Operating Agreements, CanWell also seeks its reasonable attorneys’ fees and costs incurred in connection with this proceeding, as well as the proceeding commenced by CanWell in Rhode Island court for injunctive relief in aid of arbitration.

Respectfully submitted,
CanWell Processing (Maine), LLC

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