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**SUPERIOR COURT OF CALIFORNIA**  
**COUNTY OF LOS ANGELES**

James Parker

Plaintiff,

vs.

MM Enterprises USA, LLC, a limited  
 liability company, and DOES 1 through 25,  
 inclusive,

Defendants.

Case No.:

**VERIFIED COMPLAINT FOR  
 DAMAGES FOR:**

- 1) Breach Of Express Contract  
 (Demotion);**
- 2) Breach Of The Implied Covenant Of  
 Good Faith And Fair Dealing;**
- 3) Breach of Express Contract  
 (Termination Without Cause); and**
- 4) Wrongful Termination In Violation  
 Of Public Policy**

**DEMAND FOR JURY TRIAL**

Plaintiff James Parker alleges:

***J'ACCUSE...***<sup>1</sup>

1. The allegations set forth in this Complaint present a compelling indictment of certain members of senior management at Defendant MM Enterprises USA LLC. Contrary to company issued statements that its Chief Financial Officer, Plaintiff James Parker, had resigned, Mr. Parker had informed the company that, as a result of its breach of the written

<sup>1</sup> The title of an open letter that Emile Zola wrote to the President of the French Republic published on January 13, 1898 by the newspaper *L'Aurore* condemning the imprisonment of Alfred Dreyfus. More recently, denoting a public denunciation especially in response to a personal injustice.

employment agreement it had with Mr. Parker, the pervasive and intolerable working conditions to which Mr. Parker was exposed, and forcing Mr. Parker to choose between complying with his fiduciary duty to the company and its shareholders or turning a blind eye and a deaf ear to improper and unlawful behavior, he had been constructively and wrongfully terminated without cause and in violation of public policy.

2. As detailed more fully below, even before the ink was dry on Plaintiff's employment agreement, MM Enterprises was in breach and the nature and scope of the breach only expanded over the coming months. With his authority and responsibilities being steadily stripped away, Plaintiff was confronted with an environment replete with racial, homophobic and misogynistic epithets and slurs, drug and alcohol abuse, personal humiliation occasioned by the words and deeds of the CEO and President of the company, profligate spending by both the CEO and President, their indifference to management's fiduciary duty to the company and its shareholders, and their disdain for compliance with the law in general as well as the laws regulating publicly traded companies in the cannabis industry. Then in an ill-conceived scheme intended to "shoot the messenger," rather than reform their ways, the CEO and President initiated a disguised search for a new CFO behind Plaintiff's back. When Plaintiff discovered Defendant's scheme and confronted the CEO and President, they resorted to manufacturing a false "insubordination" claim and invoking self-serving disciplinary procedures to create a pretextual paper trial which would culminate in a fabricated and unjustified termination for cause and resulting loss of Plaintiff's contract benefits. Under these circumstances, Plaintiff's departure from the company was far from voluntary, but rather, was compelled in the face of unreasonable, continuing and substantial personal financial and legal risk if he stayed.

## I.

## INTRODUCTORY ALLEGATIONS

3. Defendant MM Enterprises USA, LLC (“MM Enterprises”) is, and at all times mentioned herein was, a limited liability company, organized and existing under the laws of

1 the State of Delaware with its principal place of business in Los Angeles County, California.  
2 Plaintiff is informed and believes and upon that basis alleges that MM Enterprises is managed  
3 by a sole manager, MM Can USA, Inc., a California corporation (“MM Can”) and that MM  
4 Can and MM Enterprises (*the* operational entity) are both wholly owned subsidiaries of  
5 Medmen Enterprises, Inc., a British Columbia company whose stock is publicly traded on the  
6 Canadian Securities Exchange.

7 4. Defendants DOES 1 through 25, inclusive, were at all times relevant herein employees,  
8 agents, and/or members of the Board of Directors of Defendant MM Enterprises or its affiliated  
9 companies. Plaintiff is ignorant of the true names and capacities of Defendants sued herein as  
10 DOES 1 through 25, inclusive, and therefore sues these defendants by such fictitious names.  
11 Plaintiff will pray leave of court to amend this complaint to allege the true names and capacities  
12 when ascertained. Plaintiff is informed and believes and thereon alleges that each of the  
13 fictitiously named defendants is responsible in some manner for the occurrences herein  
14 alleged, and that Plaintiff’s damages as herein alleged were proximity caused by those  
15 defendants.

16 5. Plaintiff is informed and believes and thereon alleges that each of the defendants  
17 herein was at all times relevant to this action, the agent and employee of each of the remaining  
18 defendants, and in doing the things hereunder alleged, was acting within the course and scope  
19 of this agency or employment. Plaintiff is further informed and believes and thereon alleges  
20 that each of the defendants herein gave consent to, ratified, and authorized the acts alleged  
21 herein to each of the remaining defendants.

## 22 II.

### 23 ALLEGATIONS COMMON TO ALL CAUSES OF ACTION

24 6. Adam Bierman is the Chief Executive Officer and Andrew Modlin is the  
25 President of MM Enterprises. Together they started the primary businesses that were  
26 restructured into MM Enterprises in a reverse takeover transaction in early 2018. Self-  
27 proclaimed visionary entrepreneurs and “the ultimate disruptors,” they focused upon what they  
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1 believed were the tremendous business opportunities in the growing legalization of marijuana  
2 under state law, while downplaying the risks associated with the cultivation, sale and use of  
3 cannabis which remains illegal under federal law pursuant to the U.S. Controlled Substance  
4 Act of 1970 (“CSA”). According to MM Enterprises’ public disclosures, if prosecuted by the  
5 Department of Justice, pursuant to the CSA, MM Enterprises could face seizure of its cash and  
6 other assets used to support or derived from its cannabis subdivisions, and its officers,  
7 employees, directors, managers, and investors could face charges of ancillary criminal  
8 violations of the CSA for aiding and abetting and conspiring to violate the CSA. Employment  
9 in the cannabis industry carries with it other problems as well. Employees of MM Enterprises,  
10 including Plaintiff, have had brokerage and bank accounts shut down, and insurance  
11 applications denied. Due to his employment by MM Enterprises, Plaintiff, in particular, no  
12 longer is eligible to qualify for a U.S. Government Top Secret security clearance, a credential  
13 Plaintiff previously held for eight years.

14 7. While prior Federal administrations have taken a more lenient view eschewing  
15 prosecutions of state regulated cannabis companies, the current Federal administration is  
16 viewed as more hostile. It remains uncertain how active prosecutions will be against  
17 companies who are nonetheless compliant with state law.

18 8. Against this risky backdrop, CEO Beirman and President Modlin asked Plaintiff to  
19 become MM Enterprises’ first Chief Financial Officer. At the time, Plaintiff was the Chief  
20 Operation Officer of Treehouse Capital, the parent entity to the Medmen organization’s  
21 previous Private Equity ventures. Plaintiff was a seasoned executive with extensive, high level  
22 experience in strategies overhaul, business planning and forecasting. He had held multiple C-  
23 Suite and senior level positions in private equity, consulting, investment management and  
24 banking. He also had earned an MBA from the USC Marshall School of Business and a B.A.  
25 from Rice University.

26 9. In February 2018, Plaintiff entered into a written employment agreement with  
27 MM Enterprises which at the time was exclusively privately held. The agreement sought to  
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1 strike a balance between accepting the risks associated with any new business and the  
2 anticipated financial reward if the business was successful. (That agreement is *not* at issue in  
3 this action.)

4 10. Confronted with the MM Enterprise inability to raise sufficient capital, punitive  
5 banking regulations, and legal challenges facing a cannabis company in the United States,  
6 Plaintiff was the genesis of the idea to qualify MM Enterprises into a fully rolled-up entity for  
7 the Canadian Securities Exchange. While MM Enterprises would remain *the* operational  
8 subsidiary, its indirect parent company, MM Enterprises, Inc., would become a publicly traded  
9 entity (*i.e.* “going public”). In preparation of taking MM Enterprises’ indirect parent public  
10 and the enhanced regulatory scrutiny and fiduciary duties which would be owed to public  
11 investors, key members of MM Enterprises’ senior management (including CEO Bierman,  
12 President Modlin, Chief Strategy Officer Chris Ganan, General Counsel Lisa Sergi Trager and  
13 Plaintiff) all entered into new similar, although not identical, employment agreements with  
14 MM Enterprises. The agreements provided each of them the *authority* necessary to perform  
15 their respective duties and obligations, and the *security* to exercise that authority to safeguard  
16 the company as well as to protect the interests of the investing public. (As organized, MM  
17 Enterprises’ Senior Management also held identical titles in its parent company MedMen  
18 Enterprises, Inc.)

19 11. Reflective of the critical role a CFO occupies in general and, in the case of a  
20 soon to be publicly traded company in particular, Plaintiff’s operative agreement provided in  
21 relevant part as follows:

22 1. **Position and Term.** \*\*\* Your title and position as Chief  
23 Financial Officer will not change during the term of this  
24 Agreement and you will not be demoted. This Agreement will  
25 be in full force and effect for four (4) years form the date of  
26 your countersignatures below. At the end of that four (4) year  
27 period, this Agreement will automatically renew for an  
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1 additional three (3) year period under financial terms that will  
2 be targeted to increase by fifty (50%) percent from the terms  
3 currently provided herein, subject to approval by the Chief  
4 Executive Officer and the Board of Directors of the Company  
5 (“the Board”)  
6

7 **2. General Duties and Responsibilities.** As Chief Financial  
8 Officer, you will report to the Chief Executive Officer. The  
9 Chief Financial Officer is charged with the financial,  
10 accounting, tax, and the financial aspects of the risk  
11 management operations of the company. This includes the  
12 development of a financial and operational strategy, metrics  
13 tied to that strategy, and the ongoing development and  
14 monitoring of control systems designed to preserve company  
15 assets and report accurate financial results. As part of your  
16 responsibilities, you will monitor and direct the  
17 implementation of strategic business plans, develop financial  
18 and tax strategies, manage the capital request and budgeting  
19 processes, develop performance measures that support the  
20 company's strategic direction, participate in key decisions as a  
21 member of the executive management team, manage the  
22 accounting, investor relations, tax, and treasury departments,  
23 oversee the financial operations of subsidiary companies and  
24 any foreign operations, manage any third parties to which  
25 accounting or finance functions have been outsourced, and  
26 oversee the issuance of financial information and reports.  
27 These are examples of your duties and responsibilities and  
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1 other tasks may be assigned to you from time to time by the  
2 Company's Chief Executive Officer where he/she deems  
3 necessary or desirable.

4 (Letter Agreement at 1)

5 (A true and correct copy of Plaintiff's Letter Agreement re Employment with MM Enterprises,  
6 dated May 18, 2018, is attached hereto as Exhibit A and hereby incorporated by reference  
7 herein as though set forth in full.)

8 12. As a result of the tireless efforts of Plaintiff and others, on May 29, 2018,  
9 MedMen Enterprises, Inc. was listed on the Canadian Securities Exchange and the economic  
10 details of Plaintiff's compensation package was detailed in the publicly-available listing  
11 Prospectus filed with the listing application.

12 13. While management in a private company may have to answer to its investors,  
13 who may be more willing to allow greater latitude to nurture an entrepreneurial spirit,  
14 management in a public company is ultimately answerable to its public shareholders. CEO  
15 Bierman and President Modlin have failed to appreciate this distinction and have engaged in  
16 a course of conduct which recklessly jeopardizes the operations of the company, its ability to  
17 raise additional capital and the value of shareholders' interests.

18 14. MM Enterprises' parent going public was an enormous boon to CEO Bierman  
19 and President Modlin (to the tune of hundreds of millions of dollars in direct and indirect  
20 equity value) along with other initial investors in MM Enterprises. However, while more than  
21 willing to accept the benefits of now heading a publicly traded company, neither CEO  
22 Bierman, nor President Modlin, was willing to accept the accompanying responsibilities. They  
23 continued to conduct themselves as if it was their personal company, rather than as custodians  
24 of the public's trust. This included numerous instances of questionable use of public funds  
25 including, but not limited to, suspicious payments consistent with manipulation of Defendant's  
26 stock price, projects targeting third parties believed to have "wronged" the founders  
27 personally, profligate spending both personal and company-related, and a general  
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1 dismissiveness of behavioral requirements expected of executives of a publicly traded  
2 corporation.

3 15. Oblivious to the critical role a Chief Financial Officer has both to the company  
4 *and its shareholders*, CEO Bierman and President Modlin wanted to continue operating MM  
5 Enterprises as they saw fit. They viewed Mr. Parker's allegiance to his duties to *the company*  
6 and his fiduciary duty to *its shareholders* as an impediment to, and incompatible with, their  
7 unfettered conduct. Moreover, having achieved the paramount goal of becoming a publicly  
8 traded company, CEO Bierman and President Modlin viewed Mr. Parker as expendable and  
9 (encouraged by MedMen Enterprises, Inc. Chairman of the Board Ben Rose) that the time had  
10 come to "upgrade" to a "NASDAQ quality" CFO (although ostensibly one who would not  
11 have all the benefits provided to Plaintiff). If this was the objective, Defendant could have  
12 disclosed its intent to Plaintiff and bought out his contract. Instead, Defendant concluded it  
13 would try to force out Plaintiff and avoid paying him what he was due pursuant to their Letter  
14 Agreement.

15 16. To achieve indirectly what they could not achieve directly (*i.e.* termination for  
16 cause), CEO Bierman and President Modlin engaged in a rolling demotion in breach of  
17 Plaintiff's contract. In so doing, CEO Bierman and President Modlin further undercut  
18 Plaintiff's duty and authority to look out for the interests of the company and its shareholders  
19 by, among other things, identifying and attempting to rectify CEO Bierman and President  
20 Modlin's excessive and unnecessary spending, and engaging in transactions and other conduct  
21 which subordinated the interests of shareholders.

22 17. Without limitation, although expressly precluded from doing so, CEO Bierman  
23 and President Modlin interfered with and diminished Plaintiff's responsibilities with respect  
24 to securities law compliance, Investor Relations, Purchasing, Corporate Development, Capital  
25 Markets, expense controls, financial operations and processes, and corporate compensation.  
26 His authority was deliberately undercut. The Corporate Communications Director openly  
27 stated, "I don't have to listen to James, I only answer to [CEO] Adam." Others felt no need to  
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1 seek Plaintiff's approval for projects or spending, or the necessity to adopt and adhere to the  
2 policies Plaintiff established to ensure compliance with MM Enterprises' fiduciary  
3 responsibility. Instead, Plaintiff was confronted with what he viewed as a cult of personality.  
4 CEO Bierman and President Modlin demanded and received whatever they wanted, whether  
5 or not it was in the best interests of the Company. Plaintiff was labelled as angry, old and  
6 overly conservative because he had to constantly tell the CEO and President what they were  
7 doing was not allowed and that Defendant was not their personal piggy bank. After paying  
8 each of the founders (who already own combined more than 20% of a \$2 Billion market cap  
9 entity) \$1.5 Million in salary a year, Plaintiff was ordered to spend several millions of company  
10 dollars on such items as 24-hour armed Executive Protection (security) for the CEO, President,  
11 and their families, high-tech safe rooms and security systems for their new houses, personal  
12 drivers, private jets (often with friends and family along for the ride), luxury hotels, special-  
13 order pearl white Escalades for the CEO (and another car for his family), a custom \$160,000  
14 Tesla SUV demanded by the President, tens of thousands of dollars apiece on multiple  
15 extravagant custom conference room tables, and placing CEO Bierman's personal therapist  
16 and marriage counselor on staff fulltime as a "performance improvement expert" at a pay rate  
17 in excess of \$300,000 a year. Plaintiff as CFO had reduced authority in the company and  
18 employees knew it. Employees openly dismissed his policies and procedures because they  
19 were in favored groups (such as Operations and Marketing run by President Modlin, or  
20 Communications and Corporate Development run by CEO Bierman) or had long-standing  
21 special relationships with President Modlin and CEO Bierman. For example, Plaintiff was  
22 required to approve a \$1200 sushi dinner for President Modlin and his Chief of Staff because  
23 Plaintiff had to tell her she was not getting a raise. (However, the Chief of Staff then received  
24 a 100% raise a month later to \$250,000 a year approved solely by the President.) Against that  
25 backdrop, Plaintiff was tasked with managing it all. To that end, the CEO and President would  
26 contact Plaintiff morning, noon and night directing spending matters and incredulously asking  
27 "why can't we pay our bills on time?" and relaying that the Chairman of the Board wanted to  
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1 know “why the company’s burn rate was so high?” or, demanding to know why management  
2 fee payouts from the Private Equity funds (where Plaintiff is not employed ) were lower than  
3 expected,

4 18. Moreover, rather than participate in key decisions as a member of the executive  
5 management team as contractually mandated, Plaintiff was marginalized with respect to  
6 communications with the Finance Team, excluded completely from the company’s predicate  
7 roadshow for the purchase of Pharmacann (although the Pharmacann CFO was included) and  
8 Pharmacann’s Finance and Accounting teams were then reflected in a public organizational  
9 chart as reporting to *both* President Modlin *and* Plaintiff, rather than exclusively to Plaintiff.  
10 (This was the only such group assigned a founder “babysitter”, and a clear violation of the  
11 responsibilities laid out in Plaintiff’s contract (“*i.e.* to oversee the financial operations of  
12 subsidiary companies.”))

13 19. About the same time, CEO Bierman and President Modlin took direct action to  
14 surreptitiously attack and undercut Plaintiff’s title and position as Chief Financial Officer.  
15 With an eye towards replacing Plaintiff as CFO, Plaintiff is informed and believes and upon  
16 that basis alleges that CEO Bierman and President Modlin consulted with attorneys at MM  
17 Enterprises, outside counsel and with counsel from its largest investor to assess the  
18 enforceability of Plaintiff’s Letter Agreement. Convinced of its validity and the high burden  
19 associated with establishing “termination for cause,” CEO Bierman and President Modlin  
20 adopted a different strategy.

21 20. CEO Bierman and President Modlin accelerated their campaign to deny Plaintiff  
22 the benefits to which he was entitled under the terms of his contract (*i.e.* by coercing Plaintiff  
23 to move “up or out”, ostensibly without triggering the company’s severance obligations under  
24 paragraph 6 of their Letter Agreement.) (Ex. A.)

25 21. Unbeknownst to Plaintiff at the time, Plaintiff is informed and believes and  
26 upon that basis alleges that on or about October 8, 2018 CEO Bierman miscoded an invoice,  
27 circumvented normal invoice process and went behind Plaintiff’s back to pay \$50,000 to an  
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1 executive search firm (specializing in searching for financial executives) which had been  
2 retained on or about September 25, 2018 under cover of a “Management Assessment” project.  
3 When Plaintiff discovered the charge, he was told it was for a “confidential search” for a new  
4 Chief Information Officer, that had been “approved by Adam and Andrew.” Given that  
5 Plaintiff already had been instructed to search for and communicate with data scientist  
6 specialists as introduced by Chairman of the Board Ben Rose, there was no logical reason for  
7 the CIO search to have been confidential, let alone kept confidential from Plaintiff, or outside  
8 of Plaintiff’s established contract review and spending processes. CEO Bierman eventually  
9 admitted to Plaintiff that the leading CIO candidate was already known to the company,  
10 thereby making the engagement of a \$50,000 retained search recruiter unnecessary and merely  
11 a subterfuge to hide the search for a new CFO. (Plaintiff was humiliated again, this time before  
12 his Accounts Payable team, members of which clearly saw what was taking place having  
13 researched the invoice, discovered the inconsistency in the invoice and the service provider,  
14 and brought it to Plaintiff’s attention.)

15         22. When Plaintiff became aware of these events, he brought it to the attention of  
16 CEO Bierman at an October 27, 2018 meeting with the CEO who, after first denying it had  
17 anything to do with replacing Plaintiff as CFO, then “suggested” that Plaintiff renegotiate his  
18 agreement for a more “strategic role” in the Company, and “let some other geek handle the  
19 audit.” (CEO Bierman’s proposal was that Plaintiff become “Vice-President of Strategy.”  
20 Given that Chris Ganan already was Chief Strategy Officer, the proposed title created by CEO  
21 Bierman for Plaintiff was a not a C-suite level position such as his then current position as  
22 Chief Financial Officer and would have relegated Plaintiff to a position of sidelined  
23 irrelevance, a demotion that violates the second line of Plaintiff’s Employment Agreement.)  
24 Plaintiff indicated he was not interested in another position. CEO Bierman continued to insist  
25 even telling Plaintiff (falsely) that General Counsel Lisa Sergi Trager had agreed to a demotion  
26 to Senior V.P./Legal reporting to a new General Counsel and implying that Plaintiff should  
27 similarly play ball. Nevertheless, shortly thereafter, MedMen Enterprises, Inc. Chairman of  
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1 the Board, Ben Rose, met with Plaintiff and announced as a *fait accompli* “I understand you  
2 are moving into a more strategic role and I am very supportive”. Subsequently, when Plaintiff  
3 protested to CEO Bierman that Plaintiff had not agreed to any such move and that CEO  
4 Bierman should not have represented to Mr. Rose that Plaintiff had done so, CEO Bierman  
5 replied “Fuck Ben Rose. He someone’s bitch. Why do you care about him? The only thing  
6 that matters is our supervoting shares.” (The CEO and President own *all* the supervoting  
7 shares, which shares provided them with enhanced voting power.)

8 23. At this point, it was President Modlin’s turn. In response to Plaintiff’s objections  
9 to the material breach of his agreement with MM Enterprises, President Modlin claimed in a  
10 clearly pretextual and retaliatory gesture, in an email dated November 1, 2018, that Plaintiff  
11 had granted unauthorized “stay bonuses” to key employees in his department (which, had been  
12 initiated nearly four months, earlier and, according to Plaintiff, were critical to MM’s  
13 Enterprises’ then recently completed and successful audit and earnings call; arguably a  
14 historical first, given MM Enterprises unique structure, industry, and cross-border nature.) The  
15 following day, President Modlin elevated the charge into an existential threat and imposed  
16 disciplinary remedies:

17 James,

18 As you know, I did not approve the payment of "stay bonuses." As you also  
19 know, you did not have the authority to unilaterally authorize stay bonuses.

20 As I explained to you, the concept of paying stay bonuses runs contrary to  
21 MedMen's culture. In addition, your insubordination in unilaterally  
22 authorizing the stay bonuses constitutes misconduct in the performance of  
23 your duties that is not subject to cure within the meaning of the Letter  
24 Agreement RE: Employment. Nevertheless, MedMen is not presently  
25 electing to terminate your employment with Cause. In addition, you have  
26 engaged in other serious neglect in the performance of your duties and you  
27 have willfully and repeatedly failed and refused to perform your duties. We  
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1 will be providing you with a more detailed description of your performance  
2 deficiencies shortly as well as a plan for curing those deficiencies. Let me  
3 state unequivocally that, as opposed to the allegations made by your attorney,  
4 MedMen has not changed your title and it has not demoted you. We have  
5 proposed that you consider a change in position, but we have neither indicated  
6 that we intend to unilaterally implement any such change. We look forward  
7 to a constructive discussion with you concerning the improvement of your  
8 employment performance so that we can move forward and continue to create  
9 value for our employees and shareholders.

10 Andrew

11 (Email 11/2/18 at 8:42 a.m.)

12 24. Later the same day Plaintiff (who by contract reported directly to the CEO, not  
13 the President, and who had already agreed not to grant similar bonuses in the future to avoid  
14 any repetition of the issue) replied to President Modlin's clumsy attempt to change the focus  
15 from MM's Enterprises' breach of contract to a discussion over fabricated and suddenly  
16 materializing "performance deficiencies:"

17 Andrew,

18 The timing and substance of your email leads to only one conclusion -  
19 pretext. Your self-serving mischaracterization of "insubordination," and  
20 claim of neglect and failure to perform my duties, are both unjustified and  
21 unsubstantiated.

22 This is not the time or place to debate with you the events leading up to  
23 your provocative email of today, but as part of your proposed constructive  
24 discussion about my performance be prepared to discuss the problematic  
25 conduct and behavior displayed by both Adam and you inconsistent with  
26 the terms of my Letter Agreement and how that poses an actual threat to  
27 creating value to our employees and shareholders.

1 It's time for you to stop your charade and address the real issue at hand.  
2 This is not about my performance (I am ready, willing and able to do, and  
3 am doing, my job). It is about your misguided attempt to walk away from  
4 your contractual obligations. That discussion can be had now and there is  
5 no need to wait while you scramble to draft a list of fabricated performance  
6 deficiencies. Since you already have seen fit to engage outside counsel and  
7 refer to our Letter Agreement, further discussions related to our respective  
8 duties, obligations and performance should be handled through our  
9 respective counsel. Of course, that issue aside, our regular business  
10 communications may proceed uninterrupted.

11 Regards,

12 James

13 (Email 11/2/18 at 12:30 p.m.)

14 25. Refusing to engage in represented negotiations between MM Enterprises and  
15 Plaintiff, President Modlin insisted upon subjecting Plaintiff to a sham "plan to improve your  
16 performance" disciplinary protocol to place Plaintiff on a path to fail and ultimately  
17 termination for cause:

18 James,

19 Your response is misguided. I intend to have a comprehensive discussion  
20 with you about what MedMen, as your employer, expects of your  
21 performance on a going forward basis. I am also happy to discuss with you  
22 any issues that you perceive with the performance of any other MedMen  
23 employee, myself included. We value your opinion. We are by no means  
24 "scrambling." Rather, we are taking the time to thoughtfully memorialize  
25 the myriad well documented deficiencies in your performance so that both  
26 you and MedMen can understand what is expected of you in your very well  
27 compensated position. Given the amount of your base salary, the annual  
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1 bonus available to you, and the value of the equity grants given to you,  
2 MedMen has every right to expect you to perform your job duties  
3 admirably. We will communicate the deficiencies that we perceive in your  
4 performance directly to you, in writing as is required by your employment  
5 agreement, and then we will discuss with you directly a plan to improve  
6 your performance. You are an employee of MedMen and, as such, MedMen  
7 will manage your employment performance with you directly. It is  
8 unreasonable to ask that your supervisors communicate employment  
9 performance feedback for one of their key executives through that  
10 executive's attorney. The employer employee relationship simply does not  
11 work that way.

12 We will provide you with the letter outlining your performance deficiencies  
13 early next week. I am looking forward to getting you on the right track to  
14 fulfill your employment obligations to MedMen. In the meantime, if you  
15 would like to discuss this matter, please contact me any time.

16 Andrew

17 (Email 11/2/18 at 1:27 p.m.)

18 26. At that point, it was apparent that not only was MM Enterprises unwilling to  
19 negotiate in good faith with respect to its contractual obligations, but also, it had taken active  
20 steps to manufacture a scenario in which Plaintiff could not succeed and thereby would provide  
21 MM Enterprises with an excuse to terminate him for cause. Not only would Plaintiff be so  
22 hamstrung so as to be unable to perform his full range of responsibilities to the company and  
23 its shareholders, but so long as he stayed he would become a “dead man walking,” vulnerable  
24 to a fabricated and negative performance evaluation and, while tasked with his fiduciary duty,  
25 a scapegoat for any future problem which might arise. In this regard, Defendant had a pattern  
26 of terminating people after key deadlines or discrete periods of usefulness had passed. Some  
27 examples included the former Head of Capital Markets (terminated after the Reverse Takeover  
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1 raised \$100,000,000 at a \$1.65 Billion valuation, then a record for a U.S.-based cannabis  
2 company); the former Chief Marketing Officer (after helping to carry the company through  
3 the historic launch of recreational cannabis sales in California, a recruiter was engaged to find  
4 his replacement, who then requested his termination); the former Chief Operating Officer  
5 (who, deemed expendable after the Reno cultivation factory was opened, was terminated as  
6 soon as the company had identified a high-profile replacement COO); and the Managing  
7 Director for Real Estate Investment (who was terminated after supervising multiple  
8 construction projects simultaneously in coordination with recreational legalization of cannabis  
9 effective January 1, 2018.) While none of these former employees had the same contractual  
10 protections of Plaintiff, Defendant's use, abuse and discard practices was a common  
11 denominator.

12         27. Over time, working at MM Enterprises evolved from miserable to intolerable.  
13 By way of example, CEO Bierman and President Modlin's persistent and pervasive  
14 misconduct during the term of Mr. Parker's written agreement was offensive and at times  
15 unlawful: Mr. Parker was forced to tolerate being ridiculed by CEO Bierman and President  
16 Modlin for the way Plaintiff dressed (not hip enough to satisfy the Founders' millennial  
17 culture); being called "fat and sloppy"; being called a "pussy-bitch;" having his office  
18 diminished in size; assigned to a shared a parking space with his executive assistant while less  
19 senior VP's and Administrative Assistants had their own exclusive spots; subjected to hearing  
20 CEO Bierman's racially inappropriate reference to Los Angeles City Councilman Herb  
21 Wesson as a "midget negro" and the CEO's characterizations of cannabis social equity  
22 programs as "reparations"; CEO Bierman's references to a representative of the Drug Policy  
23 Alliance as a "fat, black lesbian;" CEO Bierman's and President Modlin referring to women  
24 in conflict with them as "cunts" and those with different ideas or perspectives as being  
25 "retarded;" CEO Bierman's public description (in front of the SVP, Corporate  
26 Communications) of an employee who was late for work being "up in his hotel room fisting  
27 his boyfriend" and instructing Plaintiff to "go up to his room, take his fist out of his boyfriend's  
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1 ass, and tell him to get to work;” being subjected to the CEO coming to the office and  
2 Defendant’s events high and the President getting belligerently drunk at Defendant sponsored  
3 events; the President and CEO ignoring reported cocaine use at a company event by senior  
4 staff, and ultimately, Plaintiff having to deal with the all of the resulting cultural fallout at the  
5 company; relegated to using his personal American Express card to fund company purchases  
6 ranging from \$150,000-\$250,000 *a week* because CEO Bierman and President Modlin, and  
7 Defendant could not obtain credit cards with high enough limits since MM Enterprises was in  
8 the cannabis industry (reimbursement for which had become more problematic in light of  
9 recent events); being subjected to last-minute questioning about Plaintiff’s handling of the  
10 audit and earnings process (going so far as the Chairman of the Board dismissively questioning  
11 the necessity of Plaintiff’s – the Chief Financial Officer of a public company - physical  
12 attendance at Defendant’s first earnings call, despite the Chairman’s lack of prior involvement  
13 up to that point); and receiving no support from CEO Bierman, President Modlin, and General  
14 Counsel Sergi, as Plaintiff pushed a historic (and successful) regulatory filing across the line.

15 28. Most problematic, however, was MM Enterprises’ increasing interference with  
16 Plaintiff’s fiduciary obligations to the company and its publicly trading shareholders (placing  
17 him at substantial personal financial and legal risk), including, among others,

- 18 a) ordering Plaintiff to wire hundreds of thousands of public dollars to a  
19 “consultant” in Canada to “buy up our stock when it is under attack”  
20 (Plaintiff repeatedly asked for the trading report and what exactly  
21 happened to the stock that was purchased, was provided nothing, and  
22 told simply this was the way things operated in Canada);
- 23 b) ordering Plaintiff to fund third-party intelligence groups to “dig up  
24 dirt” on perceived corporate and personal enemies;
- 25 c) ordering Plaintiff to pay prohibited success fees to unlicensed broker-  
26 dealers for various fundraising efforts, under the semblance of  
27 “consulting agreements”;

- 1
- 2 d) the CEO and President refusing to retract a materially incorrect press
- 3 release regarding a real estate transaction until Plaintiff forced them
- 4 to do so by demanding that the correction be included in the annual
- 5 Management Discussion & Analysis subsequent event section;
- 6 e) the CEO and President not being fully transparent about non-arm's
- 7 length deals with numerous related parties (including Pharmacann and
- 8 Captor Capital);
- 9 f) the CEO and President failing to publicly disclose all Named
- 10 Executive Officers and other Material Officer compensation packages
- 11 (in violation of Canadian National Instrument Form 51-102 F6 which
- 12 requires that the compensation of the CEO, CFO and next three
- 13 highest paid executives be publicly disclosed);
- 14 g) the CEO and President ordering the opening of a sham office in
- 15 Vancouver (while maintaining a primary, custom designed office in
- 16 Toronto) with the expressed intent of shifting the provincial regulator
- 17 away from Ontario to British Columbia (which is perceived to be
- 18 more permissive);
- 19 h) ordering Plaintiff to pay for improvements to CEO Bierman and
- 20 President Modlin's personal homes under the guise of "Executive
- 21 Protection" without being provided a scope of work or attaining prior
- 22 approval before the work was complete, and without being provided
- 23 a comprehensive security policy after repeated requests (President
- 24 Modlin referred to the security policy, which provides numerous
- 25 lucrative benefits to the Founders, as "really just a tax document in
- 26 the end" and completely ignoring that the security policy was
- 27 designed for their protection, not for their personal convenience);
- 28

- 1 i) ordering Plaintiff to sign and execute what Plaintiff is informed and  
2 believes and upon that basis alleges were over-market contracts for  
3 deals and services with parties to maintain the personal relationships  
4 of Chief Strategy Officer Chris Ganan;
- 5 j) compelling Plaintiff to make political contributions personally  
6 because Defendant had maxed out its legal donations and the CEO  
7 had promised additional donations to a candidate in Nevada and being  
8 required (prior to going public) to directly pay (with Defendant's  
9 funds) for a personal furniture purchase for the President, which  
10 Plaintiff is informed and believes and upon that basis alleges, was to  
11 offset a sizeable donation the President had made, but which could not  
12 be directly reimbursed by Defendant who had met its contribution  
13 limit;
- 14 k) the CEO stating to Plaintiff that the CEO was falsifying his personal  
15 brokerage statement when applying for his home mortgage, with the  
16 assistance of the President, in order to qualify to purchase his home,  
17 ignoring the fact that if such behavior became a matter of public  
18 record it would cause untold damage to the business (as cannabis  
19 licenses often have "clean record" requirements, not to mention the  
20 public perception issues surrounding executives that feel free to  
21 commit bank fraud); and
- 22 l) Plaintiff being confronted by the MedMen Enterprises, Inc. Chairman  
23 of the Board who insisted, despite an irrefutable conflict of interest,  
24 that his investment position in one of the private equity funds (which,  
25 in turn, is a major shareholder of the public company) be given  
26 preferential treatment to advance his own personal economic interests  
27 in direct, and fundamentally statutory, conflict with his fiduciary duty  
28

1 to the public company's shareholders, but Plaintiff being deprived of  
2 the authority to do anything about it.

3 In light of these and similar circumstances, on November 5, 2018 Defendant was advised that  
4 Plaintiff was unable to continue as CFO without violating his duty to the company, and his  
5 fiduciary duty to its indirect parent and its shareholders, because the CEO and President had  
6 created an environment where Plaintiff was stripped of the authority required to manage  
7 expenditures in a public company setting notwithstanding his supposed position. The CEO and  
8 President had usurped and maintained effective control and sole authority over what was paid,  
9 and when, regardless of the impact it may have had upon the Defendant and the threat to  
10 shareholder value. When taken in the aggregate, these events were sufficiently coercive,  
11 extraordinary and egregious to give rise to constructive discharge by MM Enterprises.

12 **III.**

13 **FIRST CAUSE OF ACTION**

14 **(Breach Of Contract-Demotion)**

15 **(Against Defendant MM Enterprises)**

16 29. Plaintiff incorporates by reference and realleges Paragraphs 1 through 28,  
17 inclusive.

18 30. As previously set forth herein, on May 18, 2018 Plaintiff and Defendant MM  
19 Enterprises entered into a written contract for employment. (*Ex. A.*)

20 31. Plaintiff has performed all conditions, covenants and promises required on his  
21 part to be performed in accordance with the terms and conditions of the contract except as to  
22 those as to which performance has been excused by Defendant's breach.

23 32. During the period of May 18, 2018 through November 5, 2018, Defendant  
24 breached its contract with Plaintiff by failing to assign to Plaintiff all the responsibilities to  
25 which he was entitled as Chief Financial officer pursuant to paragraph 2 of the contract and,  
26 as to those responsibilities that were initially assigned, by subsequently re-assigning certain of  
27 those responsibilities to others. (As initially structured, the Finance/Accounting, Capital  
28

1 Markets/IR, Legal, HR and Corporate Development group were all to report to Plaintiff. Over  
2 time, all but Finance and Accounting were reassigned to others: Legal to the General Counsel,  
3 HR to General Counsel and President; Corporate Development to the CEO, and IR to  
4 Corporate Communications, and Pharmacann's Finance and Accounting team to the  
5 President.) Additionally, Plaintiff was assigned as reflected on Defendant's new organizational  
6 chart to report to both the CEO *and* the President (and, in practice, only reporting to the  
7 President on a day-to-day basis), in direct violation of his contract (which provided he was to  
8 report directly to the CEO). By limiting his responsibilities, Plaintiff was deprived of critical  
9 information necessary to fully discharge his remaining responsibilities and by requiring him  
10 to report to both the CEO and President, his authority within the company was diminished.  
11 The loss of responsibility and authority within the company was a material breach of Plaintiff's  
12 Letter Agreement and resulted in a demotion of Plaintiff (both in terms of reduction in stature  
13 and authority within the company) notwithstanding that he retained the title and compensation  
14 of CFO, and exposed Plaintiff to increased risk, both legal and financial, by limiting his ability  
15 to fulfill Plaintiff's fiduciary duty to the company and the investing public. Moreover,  
16 Defendant's decision to engage a CFO search firm and insistence that Plaintiff either move up  
17 and re-negotiate his contract (with lesser benefits), or else be subjected to ever increasing  
18 harassment and sham disciplinary proceedings to force him out, was a further material breach  
19 of his contract the terms of which were intended to protect Plaintiff from such intimidation.  
20 Defendant's actions have materially changed the terms and conditions of Plaintiff's  
21 employment contract and in so doing have breached the contract and excused Plaintiff from  
22 further performance, while requiring Defendant to comply with all remaining financial terms  
23 of the contract.

24         33. As a result of Defendant's breach of contract, Plaintiff has been damaged in an  
25 amount in excess of this Court's jurisdictional minimum, the exact amount of which will be  
26 subject to proof at trial. Plaintiff also has incurred reasonable attorney fees in attempting to  
27 secure the benefits owed to him under his employment agreement.  
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**IV.**  
**SECOND CAUSE OF ACTION**  
**(Breach Of The Implied Covenant**  
**Of Good Faith And Fair Dealing)**  
**(Against Defendant MM Enterprise)**

34. Plaintiff incorporates by reference and realleges Paragraphs 1 through 33, inclusive.

35. The employment contract referred to herein as *Ex. A.* contained an implied covenant of good faith and fair dealing, which obligated Defendant to perform the terms and conditions of the agreement fairly and in good faith and to refrain from doing any act that would prevent or impede Plaintiff from performing any or all of the conditions of the contract that he agreed to perform, or any act that would deprive Plaintiff of the benefits of the contract.

36. Prior to the roll-up that created the consolidated Medmen entity that would eventually be publicly listed, Plaintiff was offered and accepted the Chief Operating Officer role with the predecessor private equity funds. As the evolution of the organization proceeded, Defendant initially contracted with Plaintiff in an agreement, dated February 19, 2018, to become the Chief Financial Officer of what was going to be part of a publicly traded company—a sign of Defendant’s admiration of Plaintiff’s skills and abilities. Defendant was so impressed with Plaintiff’s performance including, but not limited to, his material role in conceiving the idea and helping to implement how the company could go public as well as facilitate the entity’s first ever full third-party audit and comprehensive listing prospectus, that it offered to enter into a new contract with Plaintiff that included enhanced terms and benefits. That new agreement, the operative agreement at issue herein, was signed on May 18, 2018 shortly before MedMen Enterprises Inc., began publicly trading on May 25, 2018. However, after MedMen Enterprises Inc., went public, Plaintiff is informed and believes and on this basis alleges that Defendant concluded that Plaintiff was expendable and, with the urging of MedMen Enterprises, Inc.’s Chairman of the Board, Ben Rose, could and should be replaced by a

1 “NASDAQ level CFO”, with “more juice and better connections” (but without the enhanced  
2 contract that had been provided to Plaintiff and other members of Senior Management).  
3 Plaintiff had been assured by CEO Bierman that Chairman of the Board Ben Rose had  
4 reviewed and approved all of the executive compensation packages but given Rose’s  
5 overwhelmingly negative response shortly after the Reverse Takeover (and the subsequent  
6 negative publicity regarding similar but more lucrative packages provided to the CEO and  
7 President), it became apparent that assurance was false. To that end, Defendant embarked upon  
8 an underhanded and craven campaign to compel Plaintiff to change positions, forego the  
9 benefits to which he was entitled under his operative contract, and renegotiate for a reduced  
10 benefits contract, or move out, but without triggering the severance benefits contained in his  
11 contract.

12 37. As allowed in paragraph 27 above, Defendant’s campaign included verbal *ad*  
13 *hominem* and personal attacks on Plaintiff. He was personally humiliated and disrespected by  
14 acts within the organization, included downsizing his office and assigning him to shared  
15 parking space while other executives and some subordinates had their own spaces. More  
16 substantively, the scope of his responsibilities was cut back so that Investor Relations no longer  
17 reported to him and he was given no input into the selection of a new third-party Investor  
18 Relations consulting firm; Purchasing was not required to report to him, yet he was tasked  
19 with the responsibility for having all bills paid on a timely basis; he was excluded from fund-  
20 raising and non-deal “road-shows” (notably the Pharamcann roadshow which as previously  
21 mentioned did include the Pharamcann CFO who did not have any public CFO experience); no  
22 longer kept abreast of fundraising efforts on a timely manner; excluded from participating in  
23 new acquisitions, including, but not limited to, the fundamental approval or structuring of said  
24 deals; and his role in participating in key decisions as a member of the executive management  
25 team was reduced. Plaintiff’s ability to supervise and lead was compromised when  
26 subordinates learned that they could go around Plaintiff by aligning themselves with the CEO  
27 or President. Then, on or about September 25, 2018, Plaintiff is informed and believes and  
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1 upon that basis alleges that CEO Bierman initiated a formal search for a new CFO under the  
2 guise of looking for Chief Information Officer. Only when confronted face to face by Plaintiff,  
3 did CEO Bierman admit he wanted Plaintiff to take on a new role as “Vice President of  
4 Strategy” pursuant to a *re-negotiated* (i.e. reduced benefits) contract. When Plaintiff objected,  
5 President Modlin exploited a contrived issue over Plaintiff’s issuance of “stay bonuses” (again,  
6 a modest \$30,000 split among six people to ensure the company met statutory deadlines) and  
7 used it as a predicate for a claim of insubordination to initiate a “plan to improve your  
8 performance” based upon “well-documented deficiencies.” Actually, there were no such well-  
9 documented deficiencies (Plaintiff never had a formal negative performance review and his  
10 personal file was “clean”) and the plan to improve performance was nothing more than a  
11 roadmap for a trumped-up termination for cause charade.

12         38. In fact, Plaintiff had performed exemplarily all the duties and conditions of his  
13 employment agreement required up to that time and Defendant knew it. Defendant’s plan  
14 ostensibly to improve performance based upon a trumped up “insubordination claim” was  
15 strictly retaliatory, a smokescreen designed to shift focus away from Defendant’s own  
16 misconduct, and a contrived first step in a bad faith scheme to circumvent the termination for  
17 cause only requirement of his contract. Not only had President Modlin previously used “stay  
18 bonuses” to retain personnel who reported to him (contrary to his contention it was “against  
19 MedMen culture”), but on January 3, 2019, shortly after Mr. Parker’s compelled departure,  
20 MedMen publicly filed a Material Change Report (regarding the then imminent PharmaCaan  
21 acquisition) which specifically detailed carving out \$4,000,000 for “stay bonuses” for key  
22 personnel (dwarfing the \$30,000 Mr. Parker had approved for comparable purposes in July  
23 2018) and further exposed the false narrative that “stay bonuses” were contrary to Medmen  
24 culture.

25         39. As a proximate result of Defendant’s breach of the implied covenant of good  
26 faith and fair dealing, Plaintiff was denied the benefits to which he was entitled under his  
27 contract, and has suffered, and continues to suffer, losses in earnings and other employment  
28



1 benefits and severance benefits in an amount to be established at trial. As a further proximate  
2 result of Defendant's breach of the implied covenant of good faith and fair dealing, Plaintiff  
3 has incurred reasonable attorney fees in attempting to secure the benefits owed to him under  
4 his employment agreement.

5 **V.**

6 **THIRD CAUSE OF ACTION**

7 **(Breach Of Contract-Termination Without Cause)**

8 **(Against Defendant MM Enterprises)**

9 40. Plaintiff incorporate by reference and realleges Paragraphs 1 through 39,  
10 inclusive.

11 41. Plaintiff's aforementioned employment agreement, dated May 18, 2018, also  
12 provided as relevant herein for a specific term of employment: four years, plus one automatic  
13 renewal for an additional three years; and also, provided that throughout the term Plaintiff  
14 would retain the title of CFO and not be demoted. (*Ex. A* at ¶ 1.)

15 42. Moreover, the employment agreement further provided that if Plaintiff  
16 employment was terminated without "Cause," Plaintiff would be entitled to severance  
17 benefits:

18 **6. Severance.** In the event that your employment is terminated by the  
19 Company involuntarily without Cause:

- 20 a. The Company will provide you with a lump sum payment, to be  
21 paid on the first day of the month following the termination date,  
22 equivalent to three (3) times your then-current Base Salary for the  
23 year of the termination.
- 24 b. The Company will provide you with a lump sum payment, to be  
25 paid on the first day of the month following the termination date,  
26 equivalent to two (2) times your then-current Target Bonus  
27 Amount for the year of the termination.
- 28

- 1 c. Any unvested FV LTIPs (or AO LTIPs if granted in a subsequent  
2 agreement) will immediately vest and convert into Common Units  
3 on a one for one (1 to 1) basis on the day prior to the employment  
4 termination date.
- 5 d. Any unvested stock options, restricted stock or other award will  
6 immediately vest on the day prior to the employment termination  
7 date.
- 8 e. The executive protection program referenced in Section 8.d,  
9 below, will continue to apply, at the expense of the Company, for  
10 six (6) months following your termination date. For this post-  
11 severance benefit, the maximum amount of the benefit on an  
12 annual basis will be \_\_\_\_\_ U.S. Dollars (\$ \_\_\_\_\_),  
13 with no carryovers permitted between years (and no consequential  
14 impact between or among years), and reimbursements will be paid  
15 on a current basis (within ninety (90) days of the expense being  
16 incurred) and, in any case, by the end of the year after the year in  
17 which the expense in incurred. Notwithstanding Section 12 or any  
18 other provision contained herein, this benefit cannot be liquidated  
19 for cash or another benefit or substituted for other rights or  
20 benefits.
- 21 f. The Company will provide you with a lump sum payment, to be  
22 paid on the first day of the month following the termination date,  
23 in the amount of Two Hundred and Fifty Thousand U.S. Dollars  
24 (\$250,000).

25 For purposes of this Agreement, "Cause" shall mean, as determined by the  
26 Board and unless otherwise provided in an applicable agreement with the  
27 Company, (a) material violation of Company's policies, including the  
28

1 (disclosure or misuse of confidential information, or those set forth in  
2 manuals or statements of policy issued by the Company; or (b) serious  
3 neglect or misconduct in the performance of your duties for the Company or  
4 willful or repeated failure or refusal to perform such duties. If Cause is  
5 alleged, we will provide you with written notice of the Company's position,  
6 and you will have ninety (90) days from your receipt of that notice to cure  
7 the Cause allegation situation. The Board will review your cure efforts, and  
8 the Board will review your cure efforts, and the Board will then provide you  
9 with a written notice detailing its decision.

10 This Section 6 shall not apply in the event that you voluntarily terminate your  
11 employment or if the Company terminates your employment for Cause.

12 *(Ex. A. at 2-3)*

13 43. Plaintiff have performed all conditions and covenants and promises required on  
14 his part to be performed in accordance with the terms and conditions of the contract except as  
15 to those as to which performance has been excused by Defendant's breach.

16 44. Based upon a combination of facts and circumstances previously alleged herein  
17 in paragraph 28 above, including, but not limited to:

- 18 a) a pervasive and ongoing campaign consisting of words and deeds  
19 conducted by MM Enterprises' CEO and President to embarrass,  
20 ridicule and humiliate Plaintiff both on a personal and professional  
21 level;
- 22 b) a steady stripping away of responsibility contrary to what had been  
23 expressly provided in Plaintiff's employment contract;
- 24 c) the CEO demanding, in violation of Federal Election Campaign Laws,  
25 that Plaintiff make a non-voluntary donation of \$10,000 to a candidate  
26 the CEO had selected, and, separately, to obscure that Defendant's  
27 funds were used to purchase furniture for the President which Plaintiff

1 is informed and believes and upon that basis alleges offset a  
2 substantial financial donation the CEO had made to a candidate that  
3 could not be directly reimbursed by Defendant which already had  
4 reached its legal limits of its campaign donations;

5 d) subjecting Plaintiff to sham disciplinary procedures disguised to give  
6 cover for a plan to fabricate a “designed to fail plan” by which the  
7 Defendant could terminate Plaintiff ostensibly for alleged cause;

8 e) forcing Plaintiff to select between the Hobson’s Choice of either  
9 fulfilling his duty to the company and his fiduciary duty to its public  
10 shareholders or accede to the personal and out of control demands  
11 from the CEO and President, and their profligate spending of  
12 company funds for their own personal benefit while being accused of  
13 “insubordination” for actions made expressly for the public  
14 shareholder’s protection;

15 f) placing Plaintiff directly odds with the Chairman of the Board over  
16 the management of the “share overhang” and a closely-held share  
17 distribution plan, forcing Plaintiff to either call out the Chairman of  
18 the Board on his conflict of interest, or, given the lack of support from  
19 the CEO and President, to accept an outcome Plaintiff believed was  
20 biased against the shareholding public; and

21 g) the CEO and President engaging in other improper activities which  
22 Plaintiff is informed and believes and upon that basis alleges placed  
23 Defendant in violation of Federal, State and Local Laws (including,  
24 for example, and not by way of limitation, 15 U.S.C. §78i; 18 U.S.C.  
25 §1014, Cal. Penal Code § 67 and §532 a; Cal. Bus. & Prof. Code  
26 §26080 and L.A. City Charter, Art. IV., Sec. 470).

1 Defendant either intentionally created or knowingly permitted working conditions that where  
2 so intolerable or aggravated at the time of Plaintiff's notice on November 5, 2018 that he would  
3 not be returning to work that a reasonable person in Plaintiff's position similarly would have  
4 been compelled to resign from a position in which he had been already constructively  
5 discharged.

6 45. As a result of Plaintiff's constructive discharge and termination without cause in  
7 breach of his employment agreement with Defendant, Plaintiff has suffered and continues to  
8 suffer losses in future earnings including salary (*Ex. A* at ¶ 3); bonuses (*Ex. A* at ¶ 4); equity  
9 grants (*Ex. A* at ¶ 5); other employment benefits (including but not limited to *Ex. A* at ¶ 8)  
10 and ¶ 10); his Severance Benefits (*Ex. A* at ¶ 6), unpaid salary due at the time of separation  
11 from Defendant, and a diminution in value of MedMen Enterprises, Inc. publicly traded stock  
12 held by Plaintiff, all to his damage in an amount to the established a trial. Plaintiff also has  
13 incurred reasonable attorney fees in attempting to secure the benefits owed to him under his  
14 employment agreement.

## 15 VI.

### 16 FOURTH CAUSE OF ACTION

#### 17 (Wrongful Discharge In Violation of Public Policy)

#### 18 (Against Defendant MM Enterprises And Does 1 through 25)

19 46. Plaintiff incorporates by reference and realleges Paragraphs 1 through 45,  
20 inclusive.

21 47. As Chief Financial Officer of MM Enterprises and its indirect publicly traded  
22 parent company MedMen Enterprises, Inc., Plaintiff owed a fiduciary duty to, among others,  
23 MedMen Enterprises, Inc. and its shareholders. It was in that capacity that Plaintiff signed the  
24 financial statements upon which Plaintiff is informed and believes and upon that herein alleges  
25 that MedMen Enterprises, Inc. shareholders relied and based their investment decisions.

26 48. An officer's fiduciary duty is codified as public policy in California  
27 Corporations Code, § 309(a) (for corporations) and § 17704.09(f) (for limited liability  
28

1 companies). Accordingly, officers owe fiduciary duties of loyalty and care to shareholders  
2 trading on a public exchange and any provision seeking to immunize officers from their  
3 betrayal of that trust are against public policy and unenforceable.

4           The general rules applicable to the duties of a corporate officer have  
5 been frequently stated. In the leading case of *Guth v. Loft, Inc.*, 23  
6 *Del. CH. 255 [5 A. 2d 503, 510]*, these obligations were cogently  
7 described as follows: “Corporate officers and directors are not  
8 permitted to use their position of trust and confidence to further their  
9 private interests. While technically not trustees, they stand in a  
10 fiduciary relation to the corporation and its stockholders. A public  
11 policy, existing throughout the years, derived from a profound  
12 knowledge of human characteristics and motive, has established a rule  
13 that demands of a corporate officer or director, peremptorily and  
14 inexorably, the most scrupulous observance of his duty, not only  
15 affirmatively to protect the interests of the corporation committed to  
16 his charge, but also to refrain from doing anything that would work  
17 injury to the corporation, or to deprive it of profit or advantage which  
18 his skill and ability might properly bring to it, or to enable it to amend  
19 in the reasonable and lawful exercise of its powers.”

20                                   *Bancroft Whitney Co. v. Glen*

21                                   (1966) 64 Cal. 2d 327, 245

22           49. While Plaintiff’s contractually mandated responsibilities were being steadily  
23 eroded by the acts of Defendants, Plaintiff’s statutory fiduciary duty of loyalty and care  
24 remained undiminished until such time as he resigned or was constructively terminated. The  
25 longer Plaintiff remained at work (albeit constrained by Defendant’s conduct), the greater the  
26 risk to the public shareholders of MedMen Enterprise, Inc. who were unaware that Plaintiff no  
27 longer had the panoply of responsibilities and authority necessary to ensure that the conduct  
28

1 of the officers and directors in MM Enterprises (in part as reflected in the consolidated  
2 financials prepared for MedMen Enterprises, Inc.) was in the best interests of the company  
3 (*i.e.* MM Enterprises and its publicly traded indirect parent MedMen Enterprises, Inc.).

4 50. As the risks to public shareholders grew, the legal and financial risk to Plaintiff  
5 similarly increased. As his authority and responsibilities decreased, his potential for liability  
6 increased. Plaintiff was constructively discharged for refusing to ignore his fiduciary duty to  
7 the shareholders trading in MedMen Enterprise Inc., stock and insisting (often to no avail) that  
8 Defendant comply with applicable law (as alleged in paragraph 28 above). Rather than  
9 remedying the issue by complying with its contractual obligations, it was Defendant's  
10 intention to avoid its contractual obligations and thereby cripple Plaintiff's ability to comply  
11 with his fiduciary duty. Defendant's despicable conduct was designed to render Plaintiff's  
12 working conditions so intolerable and fraught with risk that any reasonable person in Plaintiff's  
13 position would feel compelled to resign from a position in which he had been already  
14 constructively discharged just as Plaintiff was forced to do. (Indicative of the nature and extent  
15 of Defendant's efforts *prior* to Plaintiff separating from the company, is the fact that a new  
16 CFO was sought out, identified, interviewed, reference and background checked, and vetted,  
17 he gave notice to his then current employer and was publicly announced on December 6, 2018  
18 supposedly all within mere weeks of Plaintiff's separation.)

19 51. Defendant continued to mislead the investing public after Plaintiff's termination.  
20 Not only was no mention made of Plaintiff's termination made until a full eleven calendar  
21 days after the event (in direct violation of Canadian material event disclosure rules, which  
22 require almost immediate public announcement to prevent any unauthorized trading activity),  
23 but it was mischaracterized by Defendant as a "resignation". More brazenly, Defendant signed  
24 Plaintiff's name to a required monthly public progress report filing (Canadian Securities  
25 Exchange Form 7) using a digital signature kept on file on November 7<sup>th</sup>, 2018 – a full two (2)  
26 days after Plaintiff's termination. Additionally, Plaintiff is informed and believes and upon  
27 that basis alleges that, unknown at the time to Plaintiff, the Defendant agreed in principle to a  
28

1 “bought deal” financing (a fundraising where the underwriting bank takes on any price risk  
2 that occurs after the agreement) on November 8<sup>th</sup>, 2018 (three days after Plaintiff’s  
3 termination) without first informing the underwriting syndicate of the material change in  
4 executive leadership. Plaintiff is further informed and believes and upon that basis alleges that  
5 Defendant renegotiated the aforementioned bought deal on November 16<sup>th</sup> at significantly less  
6 favorable terms (and causing an almost two-day trading halt). CEO Bierman subsequently  
7 stated to New Cannabis Ventures (arguably the most respected journalism site in the cannabis  
8 industry) that the “departure of the CFO was in no way related to the subsequent change in the  
9 financing.” Instead, he deceptively contended that the unprecedented revision of the deal (a  
10 change which was demonstrably punitive to current shareholders including Plaintiff) was a  
11 result of market forces and Defendant’s concern for its banking “partners”. That statement  
12 was false. Rather than in response to “market forces,” the renegotiation was indicative of the  
13 banking syndicate threatening to cancel the deal on the grounds of a material change (not  
14 previously disclosed by Defendant to the bank). Not content with deceiving the bank (and  
15 being caught and then having to renegotiate), CEO Bierman compounded his deception by  
16 then concealing from the investing public the real reason behind the retrade. When considered  
17 with previous actions, Defendant’s further concealment demonstrates just how little respect  
18 Defendant and its executives had, and continue to have, for their fiduciary responsibility to the  
19 investing public or to the injurious impact it would have upon Plaintiff’s reputation. Not  
20 surprisingly, after Defendant released its speculation-inducing comments concerning  
21 Plaintiff’s “resignation” from the company, Plaintiff’s bank summarily terminated its long-  
22 standing relationship with him.

23 52. Defendant’s conduct was a substantial factor and proximate cause of Plaintiff’s  
24 past and present harm, including but not limited to, general and special damages, humiliation,  
25 embarrassment and mental anguish, lost earnings, salary, bonuses, equity grants and other  
26 employment benefits, and severance benefits, and a diminution in value of MedMen  
27 Enterprises, Inc. publicly traded stock held by Plaintiff, all to his damages in an amount to be  
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established at trial. Plaintiff also has incurred reasonable attorney fees in attempting to secure the benefits owed to him under his employment agreement.

53. Defendant's acted with malice, fraud and oppression and in conscious disregard of Plaintiff's rights, financial interests and reputation justifying an award of punitive damages. Such conduct was done, without limitation, by Defendant's CEO and President with the intent that it would subject Plaintiff to personal humiliation, discomfort and risk to force Plaintiff "up or out" in an attempt to conceal and perpetuate Defendant's own wrongdoing at the expense of retail investors in MedMen Enterprises, Inc. stock and thereafter to intentionally mischaracterize Plaintiff's departure from the company to further Defendant's self-interest albeit to Plaintiff's detriment. As a consequence of such oppressive, malicious and despicable conduct by Defendant's managing agents subjecting Plaintiff to cruel and unjust hardship in conscious disregard of Plaintiff's rights, Plaintiff is entitled to an award of punitive damages in a sum to be shown according to proof at trial and in an amount appropriate to punish Defendant and deter others from engaging in similar misconduct.

## VII.

## PRAAYER

**WHEREFORE**, Plaintiff prays for entry of judgment in favor of Plaintiff and against Defendants, and each of them, as follows:

**For the First Cause of Action:**

1. For damages for breach of contract according to proof, including lost earnings, bonuses, equity grants and other employee benefits, past and future;
2. For prejudgment interest on lost earnings, bonuses, equity grants and employee benefits at the prevailing legal rate from the date of the filing of the Complaint;
3. For post-judgment interest;

1           4.       For reasonable attorney fees incurred by Plaintiff according to  
2 contract;

3           5.       For costs of suit incurred by Plaintiff; and

4           6.       For such other and further relief as the court deems proper.

5       **For the Second Cause of Action:**

6           7.       For damages for breach of contract according to proof,  
7 including lost earnings, bonuses, equity grants, other employee  
8 benefits, past and future;

9           8.       For prejudgment interest on lost earnings, bonuses, equity  
10 grants, other employee benefits at the prevailing legal rate from  
11 the date of the filing of the Complaint;

12          9.       For post-judgment interest;

13          10.      For reasonable attorney fees incurred by Plaintiff according to  
14 contract;

15          11.      For costs of suit incurred by Plaintiff; and

16          12.      For such other and further relief as the court deems proper.

17       **For the Third Cause of Action**

18          13.      For damages for breach of contract according to proof,  
19 including lost earnings, bonuses, equity grants (and  
20 diminution in stock value) and other employee benefits, past  
21 and future, and severance benefits;

22          14.      For prejudgment interest on lost earnings, bonuses, benefits,  
23 equity grants and other employee benefits and severance  
24 benefits, at the prevailing legal rate from the date of the filing  
25 of the Complaint;

26          15.      For post-judgment interest;

- 1           16.       For reasonable attorney fees incurred by Plaintiff according to  
2                       contract;  
3           17.       For costs of suit incurred by Plaintiff; and  
4           18.       For such other and further relief as the court deems proper.

5       **For the Fourth Cause of Action**

- 6           19.       For compensatory damages according to proof, including  
7                       lost earnings, bonuses, equity grants (and diminution in  
8                       stock value), other employment benefits, past and future,  
9                       and severance benefits and damages for humiliation,  
10                      embarrassment and mental anguish;  
11          20.       For prejudgment interest on lost earnings, bonuses, equity  
12                       grants, other employee benefits, and severance benefits at the  
13                       prevailing legal rate from the date of filing of the Complaint;  
14          21.       For post-judgment interest;  
15          22.       For punitive damages in an amount appropriate to punish  
16                       Defendant and to deter others from engaging in similar  
17                       misconduct;  
18          23.       For reasonable attorneys' fees incurred by Plaintiff according  
19                       to contract;  
20          24.       For costs of suit incurred by Plaintiff; and  
21          25.       For such other and further relief as the court deems proper.

22  
23       Dated: January 29, 2019

**FAGELBAUM & HELLER LLP**

24  
25       By: 

26               Jerold Fagelbaum  
27               Attorneys for Plaintiff  
28               James Parker

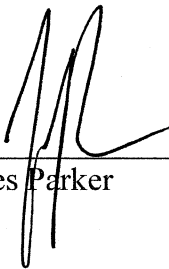
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**VERIFICATION**

I am a party to this action, and I have read the foregoing Complaint and know its contents. The matters stated in the Complaint are true based on my own knowledge, except as to those matters stated on information and belief, and as to those matters I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on January 29, 2019 at Sherman Oaks, California.

  
\_\_\_\_\_  
James Parker

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**DEMAND FOR JURY TRIAL**

Plaintiff hereby demands trial by jury on all issues triable of right by jury.

Dated: January 29, 2019

**FAGELBAUM & HELLER LLP**

By: 

Jerold Fagelbaum  
Attorneys for Plaintiff  
James Parker

# **EXHIBIT A**

MM Enterprises USA, LLC  
10115 Jefferson Blvd  
Culver City, CA 90232

May 18, 2018

via email: james@medmen.com  
James Parker, Chief Financial Officer  
MM Enterprises USA, LLC  
13101 Morrison St.  
Sherman Oaks, CA 91423

Re: Letter Agreement Re: Employment

Dear James:

We are pleased to formally memorialize the terms of your position with MM Enterprises USA, LLC (the "Company") as the Chief Financial Officer, on the following terms and conditions, as set forth in this letter agreement (the "Agreement"):

1. **Position and Term.** Your position as Chief Financial Officer with the Company is already effective and this Agreement will formalize its terms in more detail. Your title and position as Chief Financial Officer will not change during the term of this Agreement and you will not be demoted. This Agreement will be in full force and effect for four (4) years from the date of your countersignatures below. At the end of that four (4)-year period, this Agreement will automatically renew for an additional three (3)-year period under financial terms that will be targeted to increase by fifty (50%) percent from the terms currently provided herein, subject to approval by the Chief Executive Officer and the Board of Directors of the Company (the "Board").
2. **General Duties and Responsibilities.** As Chief Financial Officer, you will report to the Chief Executive Officer. The Chief Financial Officer is charged with the financial, accounting, tax, and the financial aspects of the risk management operations of the company. This includes the development of a financial and operational strategy, metrics tied to that strategy, and the ongoing development and monitoring of control systems designed to preserve company assets and report accurate financial results. As part of your responsibilities, you will monitor and direct the implementation of strategic business plans, develop financial and tax strategies, manage the capital request and budgeting processes, develop performance measures that support the company's strategic direction, participate in key decisions as a member of the executive management team, manage the accounting, investor relations, tax, and treasury departments, oversee the financial operations of subsidiary companies and any foreign operations, manage any third parties to which accounting or finance functions have been outsourced, and oversee the issuance of financial information and reports. These are examples of your duties and responsibilities and other tasks may be assigned to you from time to time by the Company's Chief Executive Officer where he/she deems necessary or desirable.

3. **Base Salary, Expenses.** You will receive a base salary at an annual rate equal to Seven Hundred Fifty Thousand U.S. Dollars (\$750,000.00), payable in accordance with the Company's standard payroll policies and procedures (together with any increases, the "Base Salary"), which will not be subject to any reduction during the term of this Agreement. In the event that your employment is involuntarily terminated without Cause (as hereinafter defined) during the term of this Agreement, the Company will pay to you, in addition to any severance pay provided for herein, the Base Salary for the remainder of the year of the termination plus the Base Salary for any remaining years of the Agreement term, in one lump sum, on the first day of the month following your termination date. Your reasonable business expenses will be reimbursed according to the Company's then-current policies and procedures and no later than one (1) month after the expense incurred.
4. **Annual Bonus.** In addition to the Base Salary, you will be paid an annual bonus, prior to the March 15 following the year in which it is earned, at a target amount of One Hundred Fifty Percent (150%) of your then-current Base Salary for that year (the "Target Bonus Amount"). After considering the Target Bonus Amount level, the actual amount of your bonus (which may be higher or lower and may or may not include additional equity grants) will be determined after review by the Chief Executive Officer.
5. **Equity Grants.** At the execution of this Agreement and the implementation of the Company's RTO (but, in no event, later than May 17, 2018), you shall receive the following equity grants (the "Equity Grants"): (a) an outright grant of Common Units in the Company equal to Two Million Five Hundred Thousand (\$2,500,000) U.S. Dollars, and (b) a grant of Full Value LTIP ("FV LTIP") units equal to Seventeen Million Five Hundred Thousand (\$17,500,000.00) U.S. Dollars. The FV LTIP units will vest as follows: Two Million Five Hundred Thousand (\$2,500,000.00) U.S. Dollars will vest immediately, and the remaining Fifteen Million (\$15,000,000.00) will vest ratably, on a monthly basis, beginning on May 17, 2018 and concluding with all FV LTIPs fully vested on March 15, 2022. The Equity Grants are based on the value of the Company as set forth in the RTO concurrent financing. For the avoidance of doubt, such amount is One Billion Six Hundred Fifty Million (\$1,650,000,000.00) U.S. Dollars.
6. **Severance.** In the event that your employment is terminated by the Company involuntarily without Cause:
  - a. The Company will provide you with a lump sum payment, to be paid on the first day of the month following the termination date, equivalent to three (3) times your then-current Base Salary for the year of the termination.
  - b. The Company will provide you with a lump sum payment, to be paid on the first day of the month following the termination date, equivalent to two (2) times your then-current Target Bonus Amount for the year of the termination.



- c. Any unvested FV LTIPs (or AO LTIPs if granted in a subsequent agreement) will immediately vest and convert into Common Units on a one for one (1 to 1) basis on the day prior to the employment termination date.
- d. Any unvested stock options, restricted stock or other award will immediately vest on the day prior to the employment termination date.
- e. The executive protection program referenced in Section 8.d., below, will continue to apply, at the expense of the Company, for six (6) months following your termination date. For this post-severance benefit, the maximum amount of the benefit on an annual basis will be \_\_\_\_\_ U.S. Dollars (\$ \_\_\_\_\_), with no carryovers permitted between years (and no consequential impact between or among years), and reimbursements will be paid on a current basis (within ninety (90) days of the expense being incurred) and, in any case, by the end of the year after the year in which the expense is incurred. Notwithstanding Section 12 or any other provision contained herein, this benefit cannot be liquidated for cash or another benefit or substituted for other rights or benefits.
- f. The Company will provide you with a lump sum payment, to be paid on the first day of the month following the termination date, in the amount of Two Hundred and Fifty Thousand U.S. Dollars (\$250,000).

For purposes of this Agreement, "Cause" shall mean, as determined by the Board and unless otherwise provided in an applicable agreement with the Company, (a) material violation of the Company's policies, including the disclosure or misuse of confidential information, or those set forth in manuals or statements of policy issued by the Company; or (b) serious neglect or misconduct in the performance of your duties for the Company or willful or repeated failure or refusal to perform such duties. If Cause is alleged, we will provide you with written notice of the Company's position, and you will have ninety (90) days from your receipt of that notice to cure the Cause allegation situation. The Board will review your cure efforts, and the Board will then provide you with a written notice detailing its decision.

This Section 6 shall not apply in the event that you voluntarily terminate your employment or if the Company terminates your employment for Cause.

- 7. **Public Trading, Public Listing, Etc.** In the event that the Company's equity shares are the subject of an initial public offering (or become publicly listed or are similarly traded publicly) on a major equity exchange market (either within or outside of the United States) and if the Company reaches an enterprise value of Two Billion U.S. Dollars (\$2,000,000,000) (regardless of the length of time the market capitalization is held), you will receive a cash payment of Two Million Five Hundred Thousand (\$2,500,000.00) U.S. Dollars no later than sixty (60) days after the conditions in this Section 7 are met. For the avoidance of doubt, if these events occur to a successor entity of the Company

(e.g., through a reverse acquisition or merger), this Section 7 shall also apply to that situation if no such payout has occurred in any related transaction pursuant to this Section 7.

8. **General Benefits, Specific Application, Mandatory Procedures.** You will be subject to all rules and policies applicable to employees of the Company at your level and in your position (which, as Chief Financial Officer, would be the senior executive level). You will be eligible to participate in all employee benefits plans and programs of the Company generally applicable to employees at your level and in accordance with their terms. Notwithstanding the above, the following will specifically apply to you regardless of the terms of the plans and programs:
- a. **Vacation.** You will be entitled to an unlimited amount of vacation, paid time off, or its equivalent (unless prohibited by applicable law).
  - b. **Health Insurance, etc.** The Company will pay all of your premiums for your health insurance and related benefits (including coverage for your spouse and dependents), as well as your premiums or other costs for disability (your short-term disability benefit will provide at least your Base Salary for one (1) year if you are disabled, which will be in addition to your other normal benefits that will continue during any short-term disability), and life insurance benefits, and a benefit for executive financial counseling.
  - c. **Executive Insurance, Disputes.** The Company will maintain, and pay for, the standard insurance coverages for you that it maintains for its executives, including, but not limited to, liability protection in the form of directors and officers coverage, and, additionally, the Company will indemnify you against claims made against you related to your employment with the Company, including paying for your legal fees related to any such claim, even if the claim occurs after this Agreement has terminated. In such case, the provisions of Section 12 shall apply to the indemnification and payment of legal fees if required by the Code §409A rules.
  - d. **Executive Protection.** The Company will maintain a policy regarding mandatory executive protection (at the expense of the Company) in which you are required to participate. This policy has clear and objective definitions and a copy of this policy is attached hereto as Exhibit C.
9. **Termination.** Notwithstanding the contractual nature of your employment, both you and the Company agree to provide each other with ninety (90) days prior written notice of any intention to terminate your employment with the Company. Upon termination of your employment with the Company, this Agreement will also terminate except for the provisions of this Agreement that must survive for their force and effect.

10. **Death.** In the event of your death during the term of this Agreement, your estate shall receive the following from the Company:

a. A lump sum payment equivalent to the sum of X plus Y, where:

X = two (2) times your then-current salary; and

Y = the maximum annual bonus paid to you over the previous five (5) years pursuant to Section 4 of this Agreement,

which payment will be made to your then-current spouse on the first day of the second month after your death. An equivalent payment will be made on the one (1) year anniversary of that payment date.

b. The remainder of your equity grants (that have not vested), which will then be fully vested when transferred to your spouse on the first day of the second month after your death.

11. **Taxes, Gross-Ups, Make-Whole Payments.** In the event that you are required to pay any taxes, other than standard federal, state, and/or local income taxes that generally constitute expected ordinary income or capital gains, the Company will reimburse you for any taxes, penalties, and interest that may be triggered by any other tax code provisions, including, but not limited to §409A of the Internal Revenue Code of 1986, as amended (the "Code"), taxes imposed for failed discrimination tests, excess parachute payments, income that is imputed to you resulting from a benefit or perquisite, or taxes imposed for any similar unanticipated tax issue such as those ancillary liabilities that may be incurred and that are related to the unanticipated tax issues. If the Company is required to provide you with a gross-up payment pursuant to this Section, it will also include in the gross-up amount consideration for the tax consequences of the gross-up amount in an amount to make you whole to the extent reasonably possible, and all such gross-up payments will be paid within thirty (30) days of the date that you remit any such payment to the taxing authority to extinguish the liability. Additionally, and subject to the remainder of this Agreement, in the event that the Company deems it no longer legally possible to provide a compensation amount, benefit, or perquisite that it is required to provide to you due to applicable law, insurance or vendor offerings, discrimination testing or similar legal, compliance, or availability considerations, it will provide you with a similar benefit or a cash amount equivalent to the value of the benefit that no longer is deemed permissible. In the event that such a reformatting or substitution of benefits results in noncompliance with the Code §409A rules, the new benefit or cash will be restructured to comply with the Code §409A rules to the extent possible, and to the extent not possible, the gross-up provisions provided herein will apply to make you economically whole as if there were compliance. Notwithstanding anything to the contrary contained herein, if Code §409A requires any payment to be delayed due to you constituting a "key employee" under the Code §409A rules, then such payment will be delayed for six (6) months (unless a different time period is then applicable for "key employees" under the Code §409A, in which case that required time period will apply). In that case, the delay of any such payment will end and the payment will be made on (or begin on) the first day of the

seventh month after the employment termination date in the same form (e.g., a lump sum) that it would otherwise have been made previously.

12. **Dispute Resolution.** Notwithstanding any other provision herein referencing legal fees, in the event that any dispute arises related to this Agreement, including if the dispute involves the Company, all of your legal fees will be paid by the Company regardless of the outcome of the dispute for your lifetime. In that case, the maximum amount of the benefit on an annual basis will be Five Hundred Thousand U.S. Dollars (\$500,000.00), with no carryovers permitted between years (and no consequential impact between or among years), and reimbursements will be paid on a current basis (within ninety (90) days of the expense being incurred) and, in any case, by the end of the year after the year in which the expense is incurred. Notwithstanding Section 11 or any other provision contained herein, this benefit cannot be liquidated for cash or another benefit or substituted for other rights or benefits.

13. **Exhibits.** Please note that the Exhibits to this Agreement are incorporated by reference herein and are part of this Agreement.

We look forward to your continued service according to this Agreement, and if you have any questions, please contact me.

Sincerely,  
MM Enterprises USA, LLC

By:   
Its: AUTHORIZED SIGNATORY

Accepted and Agreed:

  
James Parker

5/18/18, 2018

Exhibit A  
to  
Letter Agreement  
(Confidentiality and Non-Disparagement Provisions)

**A. Confidential Information.**

1. Definition. During the course of your employment with the Company, you may receive confidential information of, and/or be in the possession of confidential information from, the Company, and/or its parents, subsidiaries, and any affiliated entities (collectively, "Affiliates"), as well as confidential information pertaining to the Company's clients or customers. Confidential information includes, but is not limited to, customer or client lists, services provided to such customers or clients, sources and leads for obtaining new business, vendors or suppliers, trade secrets, images, slogans, logos, designs, sketches, mock-ups, samples, computer software, operations, systems, services, financial affairs of the Company and/or its Affiliates, forms, contracts, agreements, literature, inventions, original works of authorship, copyrights, patents, trademarks, and any and all information and know-how, or other items designed, developed or written by, for, with, or on behalf of the Company and/or its Affiliates (whether or not such information constitutes "Work Product," as defined below), now or in the future (hereinafter, "Confidential Information"). Confidential Information shall not include concepts, ideas, discoveries, or techniques intrinsic to your knowledge or experience (to the extent that those concepts, ideas, discoveries, or techniques are unrelated to the Company and its proprietary information), or information which is or which comes into the public domain through no fault of yours.

2. Exclusive Property. All Confidential Information is, and at all times shall remain, the exclusive property of the Company. You recognize and acknowledge that Confidential Information is valuable, special and unique to the business of the Company and its Affiliates, and that access to and knowledge thereof is essential to the performance of your duties to the Company. During the time that you are an employee of the Company, and at all times thereafter, you will keep secret and will not use or disclose any Confidential Information to any person or entity, in any fashion or for any purpose whatsoever, except at the request of or with prior written consent of the Company (or as may be required by applicable law).

**B. Non-Disparagement.**

Non-Disparagement/No Speaking with the Media. Both during your employment with the Company and at all times thereafter, you agree that, except as required by applicable law or compelled by process of law, you will not, nor will you permit anyone acting on your behalf to (i) make any derogatory, disparaging, or critical statement about the Company, or (ii) without the permission of the CEO/President of the Company (or the Board where it deems necessary or desirable), communicate, directly or indirectly, with the press or other media (including, but not limited to, any electronic media) concerning the past or present employees or business of the Company.

Exhibit B  
to  
Letter Agreement  
(General Provisions)

1. No Waiver. No failure or delay by you or the Company in exercising any right under this Agreement will operate as a waiver thereof or preclude any other or further exercise thereof or the exercise of any other rights.
2. No Oral Modification. This Agreement may not be changed or modified except by a written agreement that has been signed by the Company's CEO/President or approved by the Board.
3. Reformation and Severability. The provisions of this Agreement shall be enforced to the fullest extent possible, but if any court of competent jurisdiction or arbitration panel determines that any provision of this Agreement is unenforceable, that provision shall not impair the remaining provisions of this Agreement. In addition, if any provision is held to be unenforceable because of the scope, duration or area of its applicability, the court or tribunal making such determination shall have the power to modify such scope, duration and/or area, and such provision shall then be applicable in such modified form and every other provision of this Agreement shall remain in full force and effect.
4. Representation. You acknowledge that you have had the opportunity to seek legal and tax counsel prior to entering into this Agreement, and that any legal or tax counsel representing the Company does not also represent you.
5. Tax Matters. All amounts of compensation paid to you shall be paid subject to applicable taxes, withholdings, and deductions, including compliance, where necessary, for issuances of equity interests in the Company and Code §409A, each where applicable.
6. Applicable Law. This Agreement shall be interpreted in accordance with the laws of the State of California, where appropriate, unless preempted by federal law.
7. Entire Agreement and Assignment. This Agreement, including the Exhibits, represents the entire agreement between you and the Company regarding your employment with the Company and supersedes any and all previous and contemporaneous agreements and representations, written or oral. The Company may assign this Agreement to any successor or assign. Notwithstanding the above, this Agreement shall be binding on any successor to the Company by purchase or otherwise.
8. Interpretation. If a provision of this Agreement requires interpretation, the parties agree that no presumption against one party shall apply by reason of the rule of construction that a document is to be construed more strictly against the party who prepared the document.
9. Return of Property. Upon termination of this Agreement, you will immediately return and surrender to the Company originals and all copies of all records, notes, memoranda,

information, documents, and other property created or obtained by you as a result of, or in the course of, or in connection with, your employment with the Company hereunder, including Confidential Information.

10. Notice. Unless one party provides a new address to the other, any notice required under this Agreement shall be written and executed by the sender. Notice shall be sufficient if personally delivered or mailed (or electronically mailed) as follows:

If to James Parker, then to:  
James Parker, CFO  
13101 Morrison St.  
Sherman Oaks, CA 91423

If to the Company, then to:

MM Enterprises USA, LLC  
c/o \_\_\_\_\_  
10115 Jefferson Blvd  
Culver City, CA 90232

11. Counterparts. This Agreement (and its Exhibits) may be executed in counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one agreement. The headings of the various sections of this Agreement have been inserted for reference only and shall not be deemed to be a part of this Agreement.

Exhibit C  
to  
Letter Agreement  
(Executive Protection Policy)

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