

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

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 :  
 FLORIDA MCBD, LLC, :  
 :  
 Plaintiff, :  
 :  
 - against - :  
 :  
 COLUMBIA CARE, LLC, BETTER-GRO :  
 COMPANIES, LLC, MICHAEL ABBOTT, and :  
 NICHOLAS VITA, :  
 Defendants. :  
 ----- X

Index No. \_\_\_\_\_

**SUMMONS**

Plaintiff designates New York  
County as the place of trial  
  
Venue is proper pursuant to  
CPLR § 503

**YOU ARE HEREBY SUMMONED** to answer the complaint in this action and serve a copy of your answer on Plaintiff's attorney within twenty (20) days after the service of this summons, exclusive of the day of service, or within thirty (30) days after the service is complete if this summons is not personally delivered to you within the State of New York. In case of your failure to appear or answer, judgment will be taken against you by default for the relief demanded in the complaint.

Dated: New York, New York  
May 29, 2020

**KASOWITZ BENSON TORRES LLP**

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**COMPLAINT**  
**JURY TRIAL DEMANDED**

**COMPLAINT**

Plaintiff Florida MCBBD, LLC (“MCBBD”), for its complaint against defendants Columbia Care, LLC (“Columbia Care”), Better-Gro Companies, LLC d/b/a Columbia Care Florida (“Columbia Care Florida”), Michael Abbott (“Abbott”), and Nicholas Vita (“Vita,” and collectively with Columbia Care, Columbia Care Florida, and Abbott, “Defendants”) alleges:

**PRELIMINARY STATEMENT**

1. This action arises from Defendants’ wrongful and fraudulent scheme to strip MCBBD of its ownership of a license to operate a medical marijuana treatment center in Florida (the “License”), to secure the License for themselves, and to fraudulently prevent MCBBD from reclaiming its controlling interest in the License by transferring it to Columbia Care Florida -- an entity with which MCBBD did not have a direct contractual relationship. The Florida Department of Health (“DOH”) awarded the License -- which is valued in the tens of millions of dollars -- based on a 2,600 page application submitted in July 2015 by a joint venture of which MCBBD was a member and 65% owner (the “Application”).

2. Defendants executed their scheme to obtain and retain the License by wrongfully inducing MCBD's joint venture partner, Sun Bulb Company, Inc. ("Sun Bulb") to breach its obligations to MCBD under the joint venture agreement (the "JV Agreement"), including by fraudulently inducing MCBD into failing to stop the DOH from awarding the License to Sun Bulb rather than the joint venture; by misappropriating the confidential information and trade secrets that MCBD contributed to the Application for purposes of exploiting the License; and by aiding and abetting Sun Bulb in breaching its fiduciary duties to MCBD and engaging in a fraudulent transfer of the License from Sun Bulb to Columbia Care Florida, thereby precluding MCBD from availing itself of its rightful interest in the License.

3. In 2014, the Florida legislature enacted the Compassionate Medical Cannabis Act of 2014 (the "Act"), which legalized the growth and cultivation of high-CBD, low-THC medical marijuana in the state. The Act created the Office of Compassionate Use within the DOH, which was the office to which applications for licenses to operate a medical marijuana treatment center ("MMTC") would be submitted. Under the Act, licenses could only be awarded to nurseries that had operated in Florida for at least 30 years and that could cultivate more than 400,000 plants. The Act further provided that licenses would only be awarded to five qualified applicants who submitted applications by July 8, 2015.

4. In June of 2015, MCBD -- a limited liability company comprised of members with extensive experience in medical marijuana cultivation, processing, distribution, and sales in other states -- formed a joint venture with Sun Bulb (the "Joint Venture") for the purpose of submitting an application to obtain a license to operate a MMTC. Under the JV Agreement, dated July 6, 2015, Sun Bulb agreed to apply, on behalf of the Joint Venture, for a license from

the DOH to operate as a MMTC. Section 3 of the JV Agreement provides that “[o]nce obtained and in perpetuity thereafter, the rights granted to Sun Bulb under the License shall be exercised only through the Joint Venture” and that “the parties agree, in perpetuity, not to circumvent . . . the Joint Venture in the application and exploitation of the License . . . at any time or in any way.”

5. Throughout the Spring, Summer and Fall of 2015, MCBBD expended nearly \$800,000 dollars in out-of-pocket costs to prepare, organize and support the 2,600-page Application, which describes in painstaking detail its members’ proprietary cultivation, processing and dispensing methods, its policies and protocols for the operation of a medical marijuana treatment center, and demonstrates compliance with the DOH’s statutory and regulatory requirements. MCBBD undertook this effort with little assistance -- financially or otherwise -- from Sun Bulb. On July 8, 2015, the Application was submitted to the DOH.

6. In November 2015, the DOH denied the Application, which fell only one point short of being awarded a license. Thereafter, MCBBD and Sun Bulb pursued an administrative appeal of the DOH’s decision, which the DOH denied in August 2016. Between January 2017 and July 2017, Sun Bulb -- *pursuant to its obligations under the JV Agreement* -- lobbied the Legislature to amend the Act to expand the review process to allow the DOH to approve the Application. Sun Bulb did so with the assistance of at least one member of MCBBD -- former Administrative Law Judge William Pfeiffer -- and the knowledge of others.

7. In June 2017, the Legislature amended the Act to permit the DOH to award licenses to applicants whose prior applications scored within one point of receiving a license. As a result, the Application submitted by MCBBD and Sun Bulb in July 2015 automatically entitled

the Applicant to be eligible to obtain a license to operate as a MMTC -- provided it represent to the DOH under the penalty of perjury that the entire 2,600-page Application, including the plan for cultivation, processing and distribution, and the entirety of the JV Agreement, were still 100% true and accurate.

8. During the same 2015-2017 period, Columbia Care (a New York-headquartered national cannabis conglomerate) and Abbott and Vita (its chief executives) feverishly sought to obtain a license to operate a MMTC from the DOH. In fact, Columbia Care itself submitted two unsuccessful applications for licenses to operate MMTCs at the same time as MCBBD and Sun Bulb submitted the Application. Columbia Care's desire to obtain a license to operate a MMTC was unsurprising, as such licenses were valued in excess of \$50 million. Moreover, Columbia Care projected that the MMTCs in Florida would generate millions of dollars annually within just a few years of their inception. Moreover, because Columbia Care sought to make an initial public offering in the first half of 2018, the necessity to demonstrate to investors and to the public markets that they were licensed to operate their business in Florida -- one of the largest markets in the United States -- and to successfully navigate the regulatory scheme presented there was pivotal to their ability to ensure a high stock price for Columbia Care's initial public offering.

9. Unable to lawfully obtain a license from the DOH, Columbia Care, Abbott, and Vita -- all of whom have engaged in a pattern of racketeering and tortious activity in furtherance of their efforts to obtain medical marijuana licenses in other jurisdictions -- embarked upon a fraudulent scheme intended to strip MCBBD of its 65% ownership interest in the License, to dislodge MCBBD from the Joint Venture with Sun Bulb, and to secure the License for themselves.

Columbia Care Florida joined this fraudulent scheme to transfer the License so that MCBBD could not reclaim its ownership interest from Defendants. In June 2017, unbeknownst to MCBBD, Defendants and Sun Bulb conspired to defraud MCBBD and the DOH. By early July 2017, Sun Bulb -- to lull MCBBD into a sense of security and delay MCBBD from protecting its interests in the License -- actively engaged with MCBBD concerning the operation the MMTC, including, without limitation, the necessary next steps for cultivation and processing of medical marijuana for which members of MCBBD were responsible under the terms of the JV Agreement, or, in the alternative, the potential sale of the License to a third party. During this time, Sun Bulb, at all times, led MCBBD to believe that it intended to operate the business with MCBBD as the Application contemplated or jointly sell the License to a third party, and never disclosed that it had commenced negotiations with Columbia Care. As it would later become apparent, Sun Bulb's representations were false at the time they were made, as Sun Bulb never intended to participate in a deal with MCBBD. Sun Bulb's statements were designed to delay MCBBD from seeking timely administrative action from the DOH or preliminary injunctive relief to prevent the DOH from issuing the License to Sun Bulb alone.

10. Indeed, Sun Bulb and Columbia Care -- notwithstanding that the plain language of the JV Agreement prohibited Sun Bulb from circumventing the Joint Venture in exploiting the License and required that Sun Bulb only use the License through the Joint Venture -- entered into a joint venture agreement seeking to do exactly that. In particular, Columbia Care -- with full knowledge of the JV Agreement -- sought to exploit the License for itself and agreed: (i) to pay Sun Bulb more than \$11.3 million for a 70% ownership interest in the joint venture, (ii) to invest tens of millions of dollars with no additional immediate equity dilution to Sun Bulb, and (iii) to

indemnify Sun Bulb for any damages or legal fees incurred in connection with a dispute with MCBBD concerning the ownership of the License. Columbia Care did so notwithstanding that it entered into its agreement with Sun Bulb with full knowledge of the existence and terms of the JV Agreement.

11. Thereafter, Sun Bulb laid plain its intent to defraud MCBBD out of its ownership interest in the License. In August 2017, notwithstanding MCBBD's efforts to secure its ownership interest in the License, the DOH, in reliance on Sun Bulb's false representations and Sun Bulb's lawyers' submissions by Sun Bulb's lawyers made in consultation with Defendants and their counsel, awarded the License to Sun Bulb. Soon thereafter, Defendants directed Sun Bulb's attorneys and their own attorneys to make false representations to the DOH for the purpose of obtaining approvals for variances to the Application that resulted in Columbia Care replacing MCBBD in the Application.

12. Specifically, Defendants failed to inform the DOH, despite that they were required to do so, that the cultivation, processing and dispensing staff listed in the Application -- which included employees and agents of MCBBD -- were, in fact, removed and excluded by Sun Bulb. Likewise, Defendants fraudulently misled the DOH by stating that proprietary and confidential information contained in the Application and provided by MCBBD would "*remain[] in place.*" In doing so, Defendants induced the DOH to grant variances that otherwise would have been denied and improperly benefitted from proprietary and confidential information that indisputably belonged to MCBBD.

13. Columbia Care also exploited the contents of the Application -- namely, MCBBD's proprietary and confidential information -- in order to prepare its own business plan for entering the Florida market.

14. But for Defendants' indemnification of Sun Bulb for legal claims asserted by MCBBD concerning the ownership of the License, and Defendants' orchestrating of the fraudulent variance submissions made to the DOH, Sun Bulb would not and could not have defrauded MCBBD and breached its contractual and fiduciary duties to MCBBD. Tellingly, upon information and belief, Defendants have gone to great lengths to conceal Columbia Care's indemnification of Sun Bulb, failing to disclose the indemnification -- a contingent liability valued in the tens of millions of dollars -- to investors, lenders and other relevant stakeholders.

15. Moreover, following the issuance of the License to Sun Bulb by the DOH, Defendants -- aware of the massive liability created by the indemnification -- fraudulently transferred ownership in the License to Columbia Care Florida -- a 70% subsidiary of Columbia Care managed by Abbott and Vita that does not have a direct contractual relationship with MCBBD -- to preclude MCBBD from recovering its controlling ownership interest in the License. In furtherance of this scheme, on December 22, 2017, at Defendants' direction, Sun Bulb submitted a request to the DOH to transfer the License to Columbia Care Florida. This request was subsequently approved in January 2018.

16. The result of Defendants' fraudulent scheme has been to defraud and strip MCBBD of its rightful ownership interest in the License, to misappropriate MCBBD's confidential information and trade secrets, to aid and abet Sun Bulb's breach of the fiduciary duty owed to MCBBD, and to unjustly enrich itself at the expense of MCBBD. Not only has MCBBD lost its 65%

ownership interest in a valuable asset valued in the tens of millions of dollars, but MCBBD has been denied the millions of dollars of lost profits it stood to realize had been provided the opportunity to seize upon the value of the License and operate a MMTC as the Application and the JV Agreement expressly contemplated.

### PARTIES

17. Plaintiff Florida MCBBD, LLC is a Florida limited liability company with a principal place of business at 4274 Colby Road, Winchester, KY 40391. MCBBD is comprised of member partners who have industry-recognized experience in engineering, formulation, cultivation, processing, and distribution of low-THC cannabis.

18. Defendant Columbia Care, LLC is a Delaware limited liability company with a principal place of business at 680 Fifth Avenue, New York, NY 10019.

19. Defendant Better-Gro Companies, LLC, is a Florida limited liability company with a principal place of business at 3746 Plymouth-Sorrento Road, Apopka, FL 32712, which does business under the name Columbia Care Florida (“Columbia Care Florida”). Columbia Care Florida is an indirect subsidiary of Columbia Care. Columbia Care Florida has three managers: Michael Abbott, Nicholas Vita, and Rodney W. Hollingsworth, Jr. (“Hollingsworth”). Hollingsworth is also a principal of Sun Bulb.

20. At all times relevant to this action, Columbia Care Florida has functioned as an alter ego of Columbia Care. More specifically, Columbia Care has dominated and controlled Columbia Care Florida’s actions -- both those actions alleged in this complaint and otherwise. Upon information and belief, Columbia Care Florida is financially dependent on Columbia Care and has inadequate capitalization. There is significant overlap between the corporate officers

and directors of Columbia Care and Columbia Care Florida: Nicholas Vita, one of the three Managers of Columbia Care Florida, is Columbia Care's Founder, Chief Executive Officer, and Director. Michael Abbott, Columbia Care's Founder, Executive Chairman, and Director, is also one of the three Managers of Columbia Care Florida. Upon information and belief, Columbia Care Florida's management is conducted from Columbia Care's primary office in New York. Columbia Care Florida does not have business discretion separate from that of Columbia Care. Upon information and belief, Columbia Care Florida's property, including the License, is used by Columbia Care as its own property.

21. Alternatively, Columbia Care Florida has functioned as a mere department of Columbia Care at all times relevant to this action. In particular, Columbia Care Florida operates as Columbia Care's department in Florida and is thus subject to the jurisdiction of this Court by virtue of Columbia Care's presence in New York. Columbia Care Florida is financially dependent on Columbia Care and would not exist but for its relationship with Columbia Care. Columbia Care Florida's executive leadership is selected by Columbia Care and is comprised primarily of Columbia Care employees. Columbia Care controls Columbia Care Florida's marketing and operations. Columbia Care Florida's locations are listed as Columbia Care's locations in Florida (*see, e.g.*, <https://col-care.com/location/jacksonville/> (last visited May 28, 2020)). Columbia Care Florida's operations and capabilities are listed as Columbia Care's operations and capabilities in Florida. (*See, e.g.*, [https://d1io3yog0oux5.cloudfront.net/\\_4cee26c24bbf42e71d830853c4531370/colcare/db/276/1844/pdf/CCHW+Investor+Presentation+%282020Q1%29+.pdf](https://d1io3yog0oux5.cloudfront.net/_4cee26c24bbf42e71d830853c4531370/colcare/db/276/1844/pdf/CCHW+Investor+Presentation+%282020Q1%29+.pdf) (last visited May 28, 2020)). Columbia Care Florida's job openings are advertised and listed on the "Careers" section of

Columbia Care’s website (*see* <https://col-care.com/jobs/> (last visited May 28, 2020)). Indeed, in a transaction prospectus dated February 20, 2019, Columbia Care acknowledged that, with reference to Columbia Care Florida, (i) “Columbia Care actively operates or has under development cultivation and/or production assets in . . . Florida,” and (ii) “Columbia Care entered the Florida market in 2018 and holds a 70% interest in Better-Gro Companies, LLC, which holds a license to manufacture, process, and distribute medical cannabis.” Likewise, Columbia Care’s financial statement for the period ended September 29, 2018, indicated that “the Company acquired a 70% interest in a license to cultivate, process, and sell cannabis in the State of Florida.”

22. Defendant Michael Abbott is the co-founder, Executive Chairman and member of the Board of Directors of Columbia Care. Abbott also serves as a manager of Columbia Care Florida. Abbott is a resident of the State of New York, and, upon information and belief, primarily conducts business on behalf of Columbia Care, Columbia Care Florida, and other corporate affiliates from Columbia Care’s headquarters at 680 Fifth Avenue, New York, NY 10019.

23. Defendant Nicholas Vita is the co-founder, Chief Executive Officer, and member of the Board of Directors of Columbia Care. Vita also serves as a manager of Columbia Care Florida. Vita is a resident of the State of New York, and, upon information and belief, primarily conducts business on behalf of Columbia Care, Columbia Care Florida, and other corporate affiliates from Columbia Care’s headquarters at 680 Fifth Avenue, New York, NY 10019.

## **JURISDICTION AND VENUE**

24. This Court has personal jurisdiction over Defendants pursuant to CPLR § 301 as Columbia Care maintains its principal place of business in New York State, and Abbott and Vita are both residents of the State of New York. This Court has personal jurisdiction over Columbia Care Florida because it is the alter ego and/or mere department of Columbia Care. Alternatively, this Court has personal jurisdiction over Defendants pursuant to CPLR § 302(a)(2) as Defendants have committed tortious activities within New York State.

25. Venue is proper pursuant to CPLR § 503(a) as Columbia Care maintains its principal place of business in New York County, and a substantial portion of the activities from which this matter arises occurred in New York County.

## **FACTS**

### **I. The Compassionate Medical Cannabis Act of 2014**

26. On June 16, 2014, the State of Florida enacted the Compassionate Medical Cannabis Act (the “Act”), which legalized the growth and cultivation of high-CBD, low-THC medical marijuana in the state. Pursuant to the Act, the DOH was authorized to create the Office of Medical Marijuana Use (“OMMU”)<sup>1</sup> for the purpose of implementing and managing the state’s medical marijuana program.

27. In 2015, the OMMU created an application process through which entities could become licensed MMTCs in the State of Florida. This application process was designed to

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<sup>1</sup> Under the Act, this office was originally named the Office of Compassionate Use.

ensure that the State would license only the most dependable and qualified entities to act as MMTCs.

28. The initial application process was intended to limit the licensing of MMTCs to only five entities in the State. This limit was raised to seven entities shortly after the creation of the application process. The OMMU would score applications based on the applicant's ability and plans for cannabis cultivation, processing, and dispensing, a medical director, and its business plan.

29. The Act also included application requirements that were intended to protect the State's local interests. Primarily, it required that any entity that applied for a license to act as a MMTC needed to be associated with a qualified Florida-based nursery. These qualification standards required that the nursery have been in continuous operation in the State of Florida for at least thirty years and that it have a certification by the Florida Department of Agriculture and Consumer Services for the cultivation of more than 400,000 plants.

## **II. MCBD And Sun Bulb Apply To Become A Florida MMTC**

30. Seeing an opportunity to enter into a potentially extremely lucrative market, MCBD sought to become a licensed MMTC in Florida. Given the application requirements, MCBD needed to partner with a longstanding and large-scale nursery in Florida.

31. Accordingly, MCBD began identifying potential qualified partners that could meet the statutory requirements. In February 2015, a mutual acquaintance introduced Matty Mangone-Miranda of GenCanna, a founding member of MCBD, to Rodney Hollingsworth, Sun Bulb's President and Chief Executive Officer. Throughout the spring of 2015, MCBD and Sun Bulb discussed a potential partnership to operate a MMTC in Florida.

32. By June of 2015, MCBBD had settled on Sun Bulb as the most suitable potential partner for this endeavor. While Sun Bulb met the application requirements for an acceptable nursery, Sun Bulb did not have experience in the cannabis industry. Accordingly, through this partnership, Sun Bulb would provide MCBBD with the necessary qualifications to obtain a license to operate as a MMTC, and MCBBD would provide is extensive experience, capabilities, and cutting-edge technology in medical marijuana cultivation to allow the partnership to operate a medical marijuana business.

### **III. The Joint Venture Agreement**

33. On July 6, 2015, MCBBD and Sun Bulb entered into a joint venture agreement (the “JV Agreement”) for the express purpose of applying for and obtaining a license to operate a MMTC in Florida (the “License”).

34. Pursuant to the JV Agreement, the parties agreed to form a new Florida limited liability company named Solcanna Scientific, LLC (“Solcanna”), which would act as the vehicle for the Joint Venture. Under Section 1(a) of the JV Agreement, MCBBD would maintain a 65% ownership interest in Solcanna, and Sun Bulb would own the remaining 35% interest.

35. Section 3 of the JV Agreement provided that MCBBD and Sun Bulb would work together to apply for a license to act as a MMTC and that the application would be submitted in Sun Bulb’s name. This provision was based on MCBBD and Sun Bulb’s belief that Florida law required the application to be submitted in Sun Bulb’s name since it was the in-state nursery. Section 3 of the JV Agreement further provided that “once obtained and in perpetuity thereafter, the rights granted to Sun Bulb under the License shall be exercised only through the Joint Venture . . . .”

36. Section 6 provided, in relevant part, that “the parties hereby acknowledge that they will have full fiduciary duties to maximize the value of the Joint Venture and [Solcanna].” Through this provision, Sun Bulb had fiduciary obligations to MCBBD.

37. Under Section 6(c), Sun Bulb had “exclusive authority to retain and direct lobbyists, governmental relations teams, and legal teams” on behalf of the Joint Venture.

38. Section 8 provided that “the parties agree that any License granted to Sun Bulb shall be treated at all times as an asset exclusive to the Joint Venture created by this Agreement” and that “the parties agree, in perpetuity, not to circumvent [Solcanna] or the Joint Venture in the application and exploitation of the License (or any other governmental authorization to grow, process, market, distribute, or sell cannabis-based products in the State of Florida) at any time or in any way.”

39. Section 11 also provided that “[e]ach party acknowledges that the other party is providing (and prior to the date hereof has provided) it with non-public confidential information that the Joint Venture has and will use only as necessary to obtain, maintain, and exploit the License.”

#### **IV. The Application**

40. While MCBBD and Sun Bulb were still negotiating and finalizing the terms of the Joint Venture, MCBBD began actively working on the Application for the License given Florida’s looming July 8, 2015 application deadline. This involved a lengthy, expensive and detailed application laying out the unique qualifications and characteristics of the applicants in implementing a vertically integrated “seed to sale” business plan for the availability of medical marijuana throughout Florida and meeting the statutory requirements.

41. The DOH scored each application comparatively against other applications, with only the highest-scoring applicants receiving licenses to operate MMTCs. The DOH determined the scores as follows: cultivation (30%), processing (30%), dispensing (15%), medical director (5%), and financials (20%). For the cultivation, processing, and dispensing portions of the application, equal portions of each section's score were based on technical ability, infrastructure, premises resources personnel, and accountability.

42. MCBBD's preparation of the Application required extensive time, effort, and resources. MCBBD began the process of compiling the information necessary to apply and meet the onerous requirements to obtain a License. MCBBD's principals and employees invested thousands of hours to create the Application. Since Sun Bulb had no experience with the engineering, formulation, cultivation, or distribution of cannabis products, MCBBD completed all of the relevant sections of the Application on its own.

43. The Application required the Applicant to, among other things: (a) provide information about the Applicant and Application; (b) document its compliance with requirements mandated by statute; and (c) demonstrate to the OMMU the ability and experience necessary to carry out all aspects of cultivation, processing, and dispensing, as well as the state's medical director leadership requirements and financial requirements.

44. The Application required detailed information to demonstrate ability and experience to the OMMU on all topics. For example, with respect to the "technical ability" section of the "processing" score, applicants were required to demonstrate the following:

- a. Experience with good manufacturing practices;
- b. Experience with analytical, organic chemistry, and micro-biology;

- c. Experience with analytical laboratory methods;
- d. Experience with analytical laboratory quality control, including maintaining a chain of custody;
- e. Knowledge of, and experience with, cannabis extraction techniques;
- f. Knowledge of cannabis routes of administration;
- g. Experience with recalls;
- h. Knowledge of, and experience with, producing cannabis products; and
- i. Any awards, recognition or certifications received for relevant expertise.

45. In compiling this information and drafting the Application, MCBBD spent over \$800,000 and thousands of hours of sweat equity. MCBBD, including its principals, employees and contractors, expended these efforts to procure the License -- and did so almost entirely without Sun Bulb's assistance.

**V. Sun Bulb and MCBBD Submit Application to DOH**

46. MCBBD ultimately filed the Application with the DOH on behalf of the Joint Venture on Florida's July 8, 2015 deadline for the submission of applications, which in its final form exceeded 2,600 pages in length.

47. MCBBD submitted the final Application in Sun Bulb's name, despite being prepared almost entirely by MCBBD, based on MCBBD's and Sun Bulb's belief that Florida law required Sun Bulb to be the named applicant.

48. Despite being in Sun Bulb's name, the Application repeatedly clarified that the License would be operated by MCBBD and its members. Indeed, the Application laid out the proposed division of labor for the License and particularly emphasized the cooperation and

technical experience of MCBBD's members, the additional experts in the field MCBBD procured for the operation of the License, and that MCBBD would be responsible for the Joint Venture's day-to-day management and operations.

49. The Application also provided a proposed operating structure that would govern the operation of the MMTC if awarded the License. This structure provided that Solcanna would operate MMTC pursuant to the License, and showed that four of the six primary officers of the Joint Venture would be from MCBBD -- Hugh Hempel (Chief Executive Officer), Chris Stubbs (Chief Science Officer), Steve Bevan (Chief Operating Officer), and Darrell O'Connor (Chief Security and Regulatory Officer) -- with only one officer coming from Sun Bulb -- Tim Taylor (Chief Financial Officer).

50. The Application contains extensive information about MCBBD and its members' experience in the cannabis industry. For example, the Application details, among other things, the following:

- a. ***Hugh Hempel and Strainz, Inc.*** CEO Hugh Hempel is the founder and CEO of Strainz, Inc., a Nevada corporation focused solely on legally developing and distributing medical cannabis products at competitive prices. Strainz maintains successful operations in numerous U.S. jurisdictions. Mr. Hempel also previously founded a biotechnology startup and has worked with the Federal Drug Administration to develop a new drug for his twin daughters who suffer from a rare and fatal neurodegenerative disease called Niemann-Pick Type C, which is often referred to as "Childhood Alzheimers."
- b. ***Matty Mangone-Miranda and GenCanna Global, Inc.*** GenCanna, and its president and CEO, Mr. Mangone-Miranda, have been actively involved in the cultivation, processing, and testing of low-THC cannabis through its members in California, Colorado, and Kentucky. Mr. Mangone-Miranda has extensive experience in the cannabis industry, having, among other things, co-formed Colorado's first cannabis-based political action committee.

- c. **Chris Stubbs.** Chief Science Officer Chris Stubbs is an expert in the human endocannabinoid system with experience in rigorous research, analysis, testing, and labeling of low-THC cannabis products. He has co-chaired the Colorado Testing and Labeling rule making committee and is well-equipped when it comes to sharing his knowledge with regulators, lawmakers, the public, and scientists alike. Mr. Stubbs has also served as the Chief Science Officer and Laboratory Director for the analytical testing laboratory, CannLabs, in Denver, Colorado.

51. The Application is replete with references to the Joint Venture, *i.e.*, that MCBBD and Sun Bulb were partners in the venture and that Sun Bulb and Solcanna were referred to interchangeably for purposes of the Application. Indeed, the Application listed all owners and managers. The Application to the DOH also included a copy of the JV Agreement between Sun Bulb and MCBBD.

52. MCBBD also included, due to necessity, its confidential business information and trade secrets in the Application (the “Confidential Information”).

53. That Confidential Information included but was not limited to: (a) procedures and processes related to the cultivation, processing and dispensing of low-THC cannabis; (b) formulas related to the cultivation, processing and dispensing of low-THC cannabis; (c) scientific, technical and commercial expertise related to the cultivation, processing and dispensing of low-THC cannabis; and (d) materials describing devices, equipment and combinations of devices and equipment, including their use, related to the cultivation, processing and dispensing of low-THC cannabis and waste disposal.

54. MCBBD derived substantial economic value from the secrecy and non-public nature of its Confidential Information. This information provided, among other things, valuable information for the financially successful cultivation and sale of low-THC cannabis, which is a highly lucrative industry. Furthermore, this information would be crucial to the Application’s

ability to score high enough to obtain a License, which would be valued in the tens of millions of dollars.

55. None of this Confidential Information was publicly known or readily accessible by third-parties. This is because MCBBD and its members took reasonable steps to maintain its secrecy and protect the confidentiality of this information -- including, without limitation, imposing confidentiality obligations on their employees. MCBBD did so by, among other things, entering into a non-disclosure agreement with its joint venture partner, Sun Bulb. Indeed, Section 11(a) of the JV Agreement acknowledges this, stating: “Each party acknowledges that the other party is providing (and prior to the date hereof has provided) it with non-public confidential information that the Joint Venture has and will use only as necessary to obtain, maintain, and exploit the License . . . .” It further provided that: “All Confidential Information of a party shall be kept confidential by the other parties, and such parties will cause its members, officers, managers, directors, agents, employees, and [Solcanna] to keep the Confidential Information confidential, as provided in this Section.”

56. MCBBD also ensured that Sun Bulb would never be able to disclose its Confidential Information through Section 11(d) of the JV Agreement. This section provided that “[t]he covenants set forth in this Section shall survive termination of this Agreement for any reason, and shall continue in perpetuity . . . .”

57. MCBBD further ensured that its Confidential Information would remain confidential by making sure that it was redacted from the public version of the Application submitted to the DOH. Such redactions were intended to prevent disclosure of MCBBD’s Confidential Information under the state’s open records laws.

58. Through the Application process, and with MCBBD's partnership, Sun Bulb had access to MCBBD's Confidential Information and the entire Application.

**VI. The Application Is Denied And The Joint Venture Pursues Administrative Appeal**

59. On November 23, 2015, the DOH informed Sun Bulb that it had rejected the Application. The Application scored less than one point below the threshold at which the DOH awarded licenses.

60. Upon learning of the denial, MCBBD wanted to immediately pursue an administrative appeal -- as allowed by Florida law. However, Sun Bulb vetoed MCBBD's request to appeal.

61. Several months later, in May 2016, Sun Bulb reversed course on the administrative appeal and consented to jointly pursuing an appeal of the DOH's denial with MCBBD. Both MCBBD and Sun Bulb were integrally involved in the administrative appeal. The DOH denied the appeal in July 2016.

62. Despite the initial denial neither Sun Bulb nor MCBBD withdrew the Application and neither entity supplemented or amended the Application.

63. At no time did the members of MCBBD ever relinquish their interests in the Application or otherwise authorize any other person or entity to retain any exclusive benefit or use of the Application or the Confidential Information contained in it.

**VI. Sun Bulb Engages Lobbyists To Persuade Legislature To Amend The Act**

64. Following the denial of the Joint Venture's administrative appeal, in accordance with its obligations under Section 6(c) of the JV Agreement, Sun Bulb engaged lobbyists on

behalf of the Joint Venture to seek the approval of the legislature for the DOH to issue additional licenses.

65. In March 2017, while Sun Bulb's lobbying effort on behalf of the Joint Venture was still ongoing, MCBBD contacted Sun Bulb and reaffirmed its desire to move forward with the Joint Venture's efforts to seek a license. Throughout the spring of that year, MCBBD maintained regular contact with Sun Bulb, and made clear that it had not relinquished its rights under the JV Agreement or the Application, and wished to move forward with the Joint Venture if it were to receive a license.

66. Following this lobbying effort, in June 2017, the Florida legislature amended the law to authorize the DOH to award additional MMTC licenses. This amendment required the DOH to grant licenses to any *existing* applications that had scored within one point of being awarded a license -- such as the Application submitted by Sun Bulb and MCBBD in July 2015. Under the amended Act, to claim a license based on previously-submitted applications, the DOH required previous applicants to submit, by August 1, 2017, documentation confirming that they had the existing infrastructure and ability to begin marijuana cultivation within 30 days.

## **VII. Columbia Care Desperate To Enter Florida Market**

67. During the same 2015 to 2017 period, Columbia Care, Abbott, and Vita -- a New York-headquartered national cannabis conglomerate and its chief executives -- feverishly sought to obtain a license to operate a medical marijuana treatment center from the DOH. Their desire to obtain a license to operate a medical marijuana treatment center was unsurprising, as such licenses were being bought and sold for over \$50 million. Moreover, because Columbia Care sought to make an initial public offering in the first half of 2018, it needed to demonstrate to

investors and to the public markets it was licensed to operate its business in Florida -- one of the largest markets in the United States. The ability to successfully navigate the regulatory scheme presented in Florida was pivotal to Columbia Care's ability to ensure a high stock price for the initial public offering.

68. In fact, Columbia Care itself submitted two unsuccessful applications for licenses to operate a medical marijuana treatment center at the same time as MCBBD and Sun Bulb submitted the Application.

69. First, Columbia Care partnered with Dewar Nurseries to submit an application for the two companies to jointly operate a MMTC license under the brand "Sunshine Holistic Care." Through this partnership, Dewar Nurseries would have provided the requisite local nursery to comply with Florida law, while Columbia Care would have acted as the expert in the cultivation, processing, and dispensing of medical marijuana. If their application had been approved, Dewar Nurseries and Columbia Care intended to operate the license through a pair of subsidiaries -- Sunshine Holistic Care LLC and Columbia Care Central Florida LLC. The partnership sought to operate dispensaries in four counties in central Florida -- Brevard County, Lake County, Orange County, and Osceola County.

70. Through this partnership, Columbia Care would have held all three position on the Board of Directors of Sunshine Holistic Care. Abbott and Vita would have held two seats on the board, with Robert Mayerson, Columbia Care's then-President and Chief Operating Officer, holding the third.

71. Columbia Care and Dewar's application revealed that on July 1, 2015, Columbia Care, through its subsidiary, issued a letter of commitment to Dewar's, which agreed to provide \$5,000,000 to fund the operations of the joint venture.

72. The application also provided Columbia Care and Dewar's projections of revenue growth upon receipt of a license, which reflected extremely quick growth. In particular, Columbia Care projected that after having \$0 of revenue in 2015, that figure would increase to approximately \$4,100,000 in 2016, \$6,850,000 in 2017, \$9,150,000 in 2018, and \$11,875,000 in 2019. This reflects annual revenue growth of 67% in 2017, 34% in 2018, and 30% in 2019. Columbia Care indicated in the application that these estimates were based on its affiliates' experiences in other jurisdictions.

73. In July 2015, Columbia Care and Dewar submitted their joint application for a MMTC license.

74. Second, Columbia Care partnered with Nature's Way Nursery of Miami, Inc. to submit a MMTC license application under the brand "Dawn's Hope." As with its Dewar partnership, Columbia Care intended to act as the expert in medical marijuana cultivation, processing, and dispensing, while Nature's Way was to act as the in-state nursery. If their application had been approved, Nature's Way and Columbia Care intended to operate the license through a pair of subsidiaries -- Nature's Way Greenhouse I LLC and Columbia Care Southeast Florida LLC. The partnership sought to operate dispensaries in two counties in Southeast Florida -- Miami-Dade County and Palm Beach County.

75. Through this partnership, Columbia Care again would have held all three positions on the Board of Directors of Dawn's Hope. In particular, Abbott, Vita, and Mayerson would each have held seats on the board if their application had been approved.

76. Columbia Care and Nature's Way's application revealed that on July 1, 2015, Columbia Care, through its subsidiary, issued a letter of commitment to Dewar's, which agreed to provide \$5,000,000 to fund the operations of the joint venture

77. In its application with Nature's Way, Columbia Care projected that the joint venture would quickly become a highly profitable venture. In particular, Columbia Care projected that after having \$0 in revenue in 2015 that figure would rise for the joint venture to approximately \$3,800,000 in 2016, \$6,350,000 in 2017, \$8,500,000 in 2018, and \$11,000,000 in 2019. These projections reflect annual revenue growth of 67% in 2017, 34% in 2018, and 30% in 2019. Columbia Care indicated in the application that these estimates were based on its affiliates' experiences in other jurisdictions.

78. In July 2015, Columbia Care and Nature's Way submitted their joint application for a MMTC license.

79. Notwithstanding Columbia Care's determination to obtain a license in Florida, as evidenced by its submission of two separate applications and willingness to commit in excess of \$10 million in connection with those transactions, the DOH reject the applications submitted by Columbia Care with both Dewar Nurseries and Nature's Way.

80. Nevertheless, Columbia Care, Abbott, and Vita remained intent on entering the Florida cannabis market, as they believed the jurisdiction offered Columbia Care an unparalleled economic opportunity. As Vita himself acknowledged: "Florida is one of several big prospects

on the horizon for Columbia Care” and “Florida has one of the largest medical cannabis programs in the country with over 100,000 registered patients.”

81. As of May 2017, Columbia Care remained unable to enter the Florida market -- a market with only seven MMTC licenses serving a state with over 20 million people. Comparatively, Washington (state) had granted 1,050 licenses for a population of 7 million, Colorado had granted 3,000 licenses for a population of 5 million, and Oregon had approved 540 business and granted 65,000 individual licenses for a population of 4 million. Thus, Columbia Care, Abbott, and Vita keenly were aware that Florida’s market offered significant economic opportunities for companies in possession of an MMTC license.

### **VIII. Columbia Care, Abbott, Vita, And Sun Bulb Fraudulently Strip MCBBD Of Its Ownership Of The License**

82. Unable to obtain a license from the DOH, Columbia Care, Abbott, and Vita embarked upon a fraudulent scheme intended to strip MCBBD of its 65% ownership interest in the License, dislodge MCBBD from the joint venture with Sun Bulb, and secure the License for themselves. Upon information and belief, Defendants made decisions and conducted email and telephonic communications concerning this fraudulent scheme from Columbia Care’s New York headquarters.<sup>2</sup>

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<sup>2</sup> Defendants’ conduct is part and parcel of a pattern of racketeering and tortious activity in furtherance of Columbia Care’s efforts to obtain medical marijuana licenses in other states, including Arizona and Massachusetts. For example, it has been reported that Abbott and Vita defrauded the founders of an Arizona local medical marijuana company to obtain control of its operations, and intentionally failed to disclose derogatory material information about Vita on its application for a Massachusetts medical marijuana license as was required.

83. In June 2017, unbeknownst to MCBBD, Columbia Care, Abbott, Vita, and Sun Bulb conspired to defraud MCBBD and the DOH. It is beyond dispute that, at the time, Columbia Care, Abbott, and Vita were aware that MCBBD owned 65% of the License, as publicly available documents (including the Application itself) and routine diligence on Sun Bulb would have revealed as much. Indeed, Columbia Care, Abbott, Vita, were aware of MCBBD's ownership interest in the License and the JV Agreement by no later than July 2017 when they agreed to indemnify Sun Bulb for MCBBD's ownership claims over the License.

84. Notwithstanding Defendants' fraudulent scheme, by early July 2017, Sun Bulb -- in an effort to delay MCBBD from protecting its interests in the License -- actively engaged in discussions with MCBBD concerning the operation of the MMTC, including, without limitation, the necessary next steps for cultivation and processing of medical marijuana for which members of MCBBD were responsible under the terms of the JV Agreement, or, in the alternative, the Joint Venture's potential sale of the License to a third party. Sun Bulb, however, took the position that the Joint Venture had been terminated when the parties elected not to pursue an appeal after the Application was denied in November 2015. It did so notwithstanding that the Joint Venture, in fact, pursued an appeal in May 2016, that no documents ever were filed with the DOH withdrawing the Application or informing the DOH that the Joint Venture had been terminated, that no filings were made the Florida Department of State or any other governmental agency terminating the Joint Venture, and that neither Sun Bulb nor MCBBD took steps to liquidate or wind up the Joint Venture.

85. Nevertheless, to protect its economic interest in the License, MCBBD engaged in negotiations with Sun Bulb to salvage the Joint Venture in June and July 2017, in lieu of

proceeding to litigation immediately. Sun Bulb, however, ultimately rejected all of MCBBD's proposals for how both parties could equitably share the benefits of the License, as the JV Agreement contemplated, for reasons that subsequently became apparent.

86. During this time, Sun Bulb, at all times, led MCBBD to believe that it intended to operate the business with MCBBD as the Application contemplated, or sell the License to a third party, and never disclosed that it had commenced negotiations with Defendants. For example, on July 8, 2017, Rod Hollingsworth -- Sun Bulb's CEO -- informed a member of MCBBD that Sun Bulb and other members of MCBBD "have had positive discussions . . . over the past few weeks." On July 13, 2017, a member of MCBBD reached out to Sun Bulb to determine "what is most important" to Sun Bulb and "what terms would [Sun Bulb] like to see." In response, Hollingsworth provided terms and indicated that the parties may be able to get the "term sheet signed next Monday." On July 21, 2017, a member of MCBBD sent to Hollingsworth a term sheet for a potential sale of the License by Sun Bulb and MCBBD to a third party. Three days later, on July 24, 2017, Sun Bulb's attorney sent back to MCBBD a revised term sheet for the joint sale. That same day, a member of MCBBD informed Sun Bulb that they were "standing by to finalize [the] contract." In response, Hollingsworth informed MCBBD that he would "get back to you guys."

87. As would later become apparent, Hollingsworth's statements were false at the time he made them, as he never intended to operate the business with MCBBD as the Application contemplated or sell the License with MCBBD to a third party. Hollingsworth's statements were designed to delay MCBBD from seeking timely administrative action from the DOH or preliminary injunctive relief to prevent the DOH from issuing the License to Sun Bulb. Indeed,

by that time, Hollingsworth had already paid off his mortgage from the proceeds received from Columbia Care.

88. In reliance on Sun Bulb's misrepresentations concerning its intent to operate the business with MCBBD as the Application contemplated or jointly sell the License to a third party, MCBBD refrained from taking an affirmative action to preserve its rights, such as seeking an injunction. Instead, MCBBD, to claim to the License *on behalf of the Joint Venture*, on July 3, 2017, directed attorneys for Solcanna to submit a letter to the DOH requesting certification as a MMTC based on the July 2015 application. The letter noted that Solcanna is "authorized to act on behalf of Sun Bulb . . . pursuant to its existing joint venture agreement and as described in Sun Bulb's July 2015 application." Solcanna informed the DOH that it was entitled "to be registered as a [MMTC]" under the revised statute because "(1) the Application was denied by the [DOH] under former section 381.986, Florida Statutes (2014) and (2) the Application had a final ranking score within 1 point of the highest final ranking score in the Southwest Florida region." Through this letter, Solcanna additionally requested a meeting to discuss providing the appropriate documentation to receive this certification.

89. Unbeknownst to MCBBD, at this time, Sun Bulb and Columbia Care, through Abbott and Vita, already were negotiating the formation of a new joint venture through which they would operate the License together to the exclusion of MCBBD. Upon information and belief, Vita and Abbott led Columbia Care's pursuit of Sun Bulb and personally engaged in all facets of the negotiating and structuring of the joint venture with Sun Bulb, including, without limitation, conducting diligence.

90. During the course of those negotiations, Columbia Care, Abbott, and Vita became aware of MCBBD, the Joint Venture, and the JV Agreement. Indeed, by July 2017, Columbia Care and Sun Bulb were negotiated the terms of a joint venture agreement, which provided for Columbia Care to indemnify Sun Bulb for claims arising from MCBBD's ownership interest in the License. During that time, Columbia Care received a copy of the JV Agreement itself from Sun Bulb.

91. Having previously submitted two failing applications for a MMTC license in Florida, Columbia Care Abbott, and Vita determined to improperly benefit from and misappropriate the contents of the Application -- namely, MCBBD's trade secrets and confidential information -- to build their business plan in Florida.

92. Nevertheless, by no later than the middle of July 2017, Columbia Care had paid Sun Bulb's principal, Rod Hollingsworth, considerable sums of money, allowing Hollingsworth to pay off the mortgage on his home. Moreover, as Hollingsworth later admitted to members of MCBBD, Columbia Care agreed to indemnify Sun Bulb for any damages or legal fees incurred in connection with a dispute with MCBBD concerning the Joint Venture and ownership of the License.

93. By late July 2017, members of MCBBD began to suspect Sun Bulb's malfeasance. On July 25, 2017, a member of MCBBD wrote Hollingsworth stating that MCBBD was prepared to perform and that "I'm greatly concerned that you aren't acting in good faith, have arranged and finalized and have a separate deal and are simply trying to run out the clock. If this is true this is completely unacceptable. We are and have been your partners and are committed to getting this license. . . The entire group has backed my decision to not litigate and make this deal.

Everything I've set out to accomplish in this negotiation has been secured now all we have to do is the right thing. All I ask is you and Doug [Holder] do right by your partners." Thereafter, on July 26, 2017, just days before the expiration of the DOH's August 1, 2017 deadline, MCBBD again wrote Sun Bulb "to formally advise of [its] readiness to perform" and to seek confirmation from Sun Bulb of its intention to permit MCBBD take the necessary next steps.

94. The next day, on July 27, 2017, Columbia Care and Sun Bulb -- notwithstanding the plain language of the JV Agreement prohibiting Sun Bulb from circumventing the Joint Venture in exploiting the License and requiring that Sun Bulb only use the License through the Joint Venture -- entered into a joint venture agreement to exploit the License awarded based on the Application. Columbia Care paid Sun Bulb more than \$11.3 million for a 70% ownership interest in the joint venture. Critically, pursuant to the joint venture agreement, Columbia Care agreed to indemnify Sun Bulb for damages arising from its breach of the JV Agreement.

95. Thereafter, Sun Bulb laid plain its intent to defraud MCBBD of its ownership interest in the License. On July 27, 2017, at Columbia Care, Abbott, and Vita's direction, Sun Bulb's attorneys submitted a letter to the DOH, which stated that they were the representatives of Sun Bulb and requested that the DOH award Sun Bulb a license to operate as a MMTTC based on the Application. Columbia Care, Abbott, and Vita did so knowing that the statements contained in this letter were false. Columbia Care, Abbott, Vita, and Sun Bulb were aware that Solcanna was the only entity authorized to act on behalf of Sun Bulb's application under the unambiguous provisions of the JV Agreement. Nonetheless, this letter ignored this critical fact, omitted any reference to Solcanna's role in the joint venture, and wrongfully sought the License for itself.

96. The statements contained in the July 27 letter directly contradicted those made by Solcanna's attorneys in a prior letter to the DOH, which rightly noted that Solcanna is the sole authorized representative of Sun Bulb in connection with the Application. Based on this discrepancy, on July 31, 2017, the DOH wrote a letter to Solcanna and Sun Bulb requesting a meeting with the two parties. This meeting, however, did not occur.

97. On July 29, 2017, two days after Sun Bulb executed a joint venture agreement with Defendants and wrote the DOH to claim the License for itself, Sun Bulb's attorneys informed MCBBD -- for the first time -- that Sun Bulb would not be partnering with MCBBD.

98. On August 9, 2017, notwithstanding MCBBD's efforts -- efforts that were hamstrung and delayed by Sun Bulb's misrepresentations and material omissions and Defendants' conduct -- to secure its ownership interest in the License, the DOH, in reliance on false representations by Sun Bulb and submissions by Sun Bulb's lawyers made at the direction of Defendants and their counsel, awarded the License to Sun Bulb.

99. Such award was specifically recognized in the OMMU's September 6, 2017 weekly update, which listed Sun Bulb as one of Florida's then-twelve "approved medical marijuana treatment centers."

100. Specifically, Columbia Care, through Abbott and Vita, directed Sun Bulb's attorneys and its own attorneys to make false representations to the DOH to obtain approvals for variances to the Application that resulted in Columbia Care's participation in the Application. These variances did not materially alter the substance of the Application. Instead, the variances sought to change minor information to account for the fact that Columbia Care was (improperly)

replacing MCBBD. For example, on October 4, 2017, Sun Bulb submitted a variance naming Columbia Care as its partner.

101. In furtherance of the fraudulent scheme, on October 4, 2017 -- at Columbia Care, Abbott, and Vita's direction -- Sun Bulb submitted an "application amendment request" to DOH, which contained "updates to partner information." This request further stated that "Sun Bulb has partnered with nationally renowned medical cannabis expert and manager Columbia Care LLC" and included a revised organizational chart that included Columbia Care officers. The update indicated that principals and employees from Sun Bulb and Columbia Care would jointly operate the License.

102. The representations contained in the October 4 submission by Sun Bulb, however, were false and fraudulent. The October 4 submission failed to inform the DOH that the cultivation staff listed in the Application -- which included employees and agents of MCBBD -- were, in fact, removed and excluded by Sun Bulb. Instead, Sun Bulb -- at Columbia Care, Abbott, and Vita's direction -- informed the DOH only that the new Columbia Care principals and employees would be *supplementing* the staff previously identified in the Application: "*In addition to the resumes for proposed personnel previously communicated at the Cultivation Facility, the following individuals have been added to the Sun Bulb team . . .*"

103. Likewise, the October 4 submission fraudulently misled the DOH by stating that proprietary and confidential information contained in the Application and provided by MCBBD -- "the specialized resources or expertise regarding data collections, security, and tracking at the Cultivation Facility" -- would "*remain[] in place.*" In doing so, not only did Sun Bulb, Columbia Care, Abbott, and Vita induce the DOH to grant variances that otherwise would have

been denied, but also permitted Sun Bulb, Columbia Care, Abbott, and Vita to capitalize and benefit from proprietary and confidential information that indisputably belonged to MCBD.

104. Indeed, Sun Bulb and Columbia Care's numerous requests for variances from the DOH contain numerous references to information "previously communicated" and/or "described in the Initial Application" -- nearly all of which reference and relate to MCBD information contained in the Application that MCBD prepared, paid for, and filed.

105. By fraudulently inducing the DOH to consider Columbia Care and Sun Bulb's requests for variances as supplementing -- rather than replacing MCBD's Confidential Information and MCBD's other contributions to the Application -- Columbia Care and Sun Bulb exploited and misappropriated for their own benefit MCBD's Confidential Information and the Application that MCBD prepared, paid for, and filed.

106. Through Sun Bulb's fraudulent representations to the DOH -- which were made at Columbia Care's direction -- Sun Bulb received authorization to begin cannabis cultivation by at least December 1, 2017. This was reflected in the OMMU's December 8, 2017 weekly update.

**IX. Sun Bulb And Columbia Care Fraudulently Transfer License To Columbia Care Florida To Prevent MCBD From Recovering Its Value In Anticipated Litigation**

107. Immediately following Sun Bulb's receipt of its authorization to begin cannabis cultivation, Sun Bulb, Columbia Care, Abbott, and Vita entered the next phase of their fraudulent scheme -- transferring the License to an affiliate of Columbia Care for the express purpose of hindering, delaying, or preventing MCBD from recovering its interest in the License through anticipated litigation.

108. As of June 2017, Sun Bulb was aware that members of MCBBD intended to pursue litigation to protect MCBBD's interests in the license if MCBBD and Sun Bulb were unable to negotiate in good faith and come to a mutual resolution. For example, on June 26, 2017, MCBBD formally advised Sun Bulb that MCBBD would have no choice but to immediately take "all legal measures available to protect our client's investments and rights."

109. Indeed, on July 9, 2017, Sun Bulb's principal acknowledged that its renewed negotiations with MCBBD were "in furtherance of settlement of a bona fide dispute" and requested that all parties agree that such discussions be inadmissible in a "future adversarial proceeding."

110. Sun Bulb's knowledge of its potential liability to MCBBD for its breach of the JV Agreement was further apparent from its negotiation of an indemnification agreement with Columbia Care. In particular, in connection with its execution of a joint venture agreement with Columbia Care, Hollingsworth has expressly acknowledged to MCBBD that Columbia Care agreed to indemnify Sun Bulb for any damages sustained in any dispute with MCBBD over the ownership rights to the License. Tellingly, however, upon information and belief, Defendants have gone to great lengths to conceal Columbia Care's indemnification of Sun Bulb, failing to disclose the indemnification -- a contingent liability valued in the tens of millions of dollars -- to investors, lenders and other relevant stakeholders.

111. In order to prevent this liability -- valued in the tens of millions of dollars -- from being realized, Columbia Care sought to prevent MCBBD from recovering its rights to the License and damages from Sun Bulb. Specifically, Sun Bulb and Columbia sought to shield the

License -- Sun Bulb's single most valuable asset -- from MCBBD by transferring it to another entity, Better-Gro.

112. On December 22, 2017, Sun Bulb's attorneys, at the direction of Columbia Care, Abbott, and Vita, wrote to the DOH (the "December 22 Letter"). In the December 22 Letter, Sun Bulb's attorneys specifically "request[ed] to transfer ownership of its [MMTC] license to [Columbia Care Florida]."<sup>3</sup> Sun Bulb's stated intent behind the transfer request was "to permit [Columbia Care Florida] to focus its efforts entirely on providing top quality medical marijuana to Florida patients." Sun Bulb intended this statement to deceive the DOH and to hide Sun Bulb and Columbia Care's true intent -- to attempt to place the License outside MCBBD's reach.

113. Furthermore, in the December 22 Letter, Sun Bulb admitted that "while technically a transfer of the MMTC license to a different legal entity . . . [Columbia Care Florida] will continue to operate in the same manner as Sun Bulb" and that "the team currently managing Sun Bulb's MMTC operation will remain the same." Such admission was an implicit concession that the transfer was intended solely for legal purposes -- shielding the License from MCBBD -- and was not intended to actually substantively change to how the License is controlled or utilized.

114. Under Florida law, Columbia Care Florida is an "insider" to this transaction by virtue of its close relationship with both Sun Bulb and Columbia Care. Indeed, Columbia Care Florida is 30% owned by Sun Bulb, and the remaining 70% ownership stake is indirectly held by Columbia Care -- Sun Bulb's joint venture partner.

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<sup>3</sup> At that time, Columbia Care Florida was still operating as Better-Gro Companies LLC. On June 25, 2018, Better-Gro filed a fictitious name registration with the Florida Division of Corporations to conduct business as Columbia Care Florida.

115. Through the December 22 Letter, Sun Bulb expressly conceded to the DOH that it would retain actual possession or control of the property after the transfer.

116. On January 24, 2018, the DOH responded to the December 22 Letter and approved the request to transfer the License from Sun Bulb to Columbia Care Florida.

117. On February 14, 2018, Sun Bulb's attorneys, at the direction of Columbia Care, Abbott, and Vita, wrote to the DOH to request that the statutorily-required bond be retained to satisfy Columbia Care Florida's requirements and to "request[ ] that the Department provide written confirmation that [Columbia Care Florida] is a licensed Medical Marijuana Treatment Center."

118. On March 2, 2018, the DOH approved the bond request and "confirm[ed] that [Columbia Care Florida] is a licensed medical marijuana treatment center, in lieu of Sun Bulb."

119. At no point between the issuance of the transfer request on December 22, 2017, and the formal granting of the transfer in March 2018 did Sun Bulb disclose this transfer to MCBBD. Indeed, before undertaking its scheme with Columbia Care to fraudulently transfer the License, Sun Bulb cut off all communications with MCBBD.

120. With this transfer complete, Sun Bulb and Columbia Care had successfully moved ownership of the License away from Sun Bulb in an effort to shield it from the inevitable litigation with MCBBD.

121. Shortly thereafter, MCBBD initiated a private arbitration of its claims against Sun Bulb. This arbitration remains pending, but now -- having successfully transferred ownership of the License -- MCBBD will be hindered in recovering its controlling interest in the License and recovering damages from Sun Bulb.

122. But for Defendants' indemnification of Sun Bulb for legal claims asserted by MCBBD concerning the ownership of the License, and Columbia Care, Abbott, and Vita's orchestration of the fraudulent scheme, Sun Bulb would not and could not have defrauded MCBBD, breached its contractual and fiduciary duties to MCBBD, and fraudulently transferred the License to Columbia Care Florida.

**X. Defendants Profit From The License At MCBBD's Expense**

123. Today, Defendants, together with Sun Bulb, operate a MMTC using the License of which MCBBD rightfully owns 65%. Defendants currently operate ten dispensaries, will open four more in the near future, and are permitted to operate up to 50 dispensaries statewide. Defendants also intend to open six to eight temporary pickup locations for their sale of medical marijuana.

124. Through their operation of these dispensaries, Defendants have significantly profited at MCBBD's expense. Indeed, on March 19, 2020, Columbia Care announced that its revenue had increased year-over-year by 131% and that Columbia Care Florida had set its record weekly revenue during the week ended March 14, 2020.

125. By profiting and exploiting the License awarded based on the Application prepared by, paid for, and filed by MCBBD, and containing MCBBD's Confidential Information, Defendants have misappropriated MCBBD's trade secrets and proprietary information, tortiously interfered with the Joint Venture Agreement, and unjustly enriched themselves at MCBBD's expense.

126. Moreover, by conspiring and assisting Sun Bulb to strip MCBBD of its rightful ownership share of the License, Defendants deprived MCBBD of the opportunity to monetize the

License itself. Indeed, recent sales of medical marijuana treatment center licenses establish that MCBBD has suffered damages in the tens of millions of dollars.<sup>4</sup>

127. Moreover, Defendants deprived MCBBD of the opportunity to enter into a highly profitable industry. The OMMU's records indicate that the state now has more than 341,000 qualified patients using Florida MMTCs -- a figure that has grown by over 65% in the last year.<sup>5</sup> MCBBD has suffered damages in the tens of millions of dollars through its inability to sell medical marijuana in Florida as a MMTC. Indeed, at the time that Columbia Care executed its fraudulent scheme with Sun Bulb, MCBBD had obtained an offer to purchase the license by a third-party for \$34.5 million, which was lost due to Defendants' actions.

## CAUSES OF ACTION

### COUNT I

(Tortious Interference With Contract  
Against Columbia Care, Abbott, and Vita)

128. MCBBD repeats and realleges the allegations set forth in the preceding paragraphs 1 through 127 as if fully set forth herein.

129. On July 6, 2015, Sun Bulb and MCBBD entered into the JV Agreement. The JV Agreement is a valid and binding contract that governs the terms of the Joint Venture.

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<sup>4</sup> In June 2018, MedMen Enterprises Inc. purchased the MMTC license held by Florida-based Treadwell Simpson Partnership for \$53 million; in April 2019, Green Growth Brands purchased the MMTC license held by Spring Oaks Greenhouses for \$54 million; and in January 2019, Acreage Holdings acquired the MMTC license held by Nature's Way Nursey in a transaction valued at \$67 million. Upon information and belief, Columbia Care was no longer affiliated with Nature's Way at the time that it fraudulently received its MMTC license.

<sup>5</sup> The OMMU's May 24, 2019 weekly update indicated that, Florida then had approximately 222,000 qualified patients.

130. At the time of the conduct alleged herein, Defendants knew of the JV Agreement and its terms by virtue of their communications with Sun Bulb. Indeed, Sun Bulb provided a copy of the JV Agreement to Defendants on or before July 11, 2017. Furthermore, Defendants' knowledge of its terms is evidenced by, among other things, Defendants' agreement in the Term Sheet to indemnify Sun Bulb for any damages or legal fees incurred in connection with a dispute with MCBBD concerning the ownership of the License.

131. Defendants intentionally and improperly induced Sun Bulb to breach, among other provisions, Section 3(c) of the JV Agreement by virtue of the exercise of the rights granted by the License through a vehicle other than the Joint Venture, Section 8 of the JV Agreement by transferring the License away from the Joint Venture and by circumventing the Joint Venture and Solcanna in connection with the exercise of the License, and Section 11 of the JV Agreement by disclosing MCBBD's Confidential Information to Columbia Care.

132. Sun Bulb breached the JV Agreement, including, without limitation, Sections 3(c), 8, and 11 thereto.

133. But for Defendants' indemnification in the Term Sheet of Sun Bulb for legal claims asserted by MCBBD concerning the ownership of the License and Defendants' orchestrating of the fraudulent variance submissions made to the DOH, Sun Bulb would not and could not have breached its contractual duties to MCBBD.

134. Defendants acted wrongfully and without justification or excuse.

135. Abbott and Vita intentionally orchestrated, provided substantial assistance to, and engaged in the wrongful misconduct described herein.

136. Upon information and belief, Defendants took all of these actions from Columbia Care's office in New York, New York.

137. As a direct and proximate result of Defendants' tortious interference with contract, MCBBD has been damaged in an amount to be proven at trial of not less than \$50 million, together with interest thereon, attorneys' fees, and costs. As a result of Defendants' willful, wanton, and malicious conduct, MCBBD is entitled to recover punitive damages from Defendants in an amount to be determined at trial.

## COUNT II

### (Unjust Enrichment Against Defendants)

138. MCBBD repeats and realleges the allegations set forth in the preceding paragraphs 1 through 137 as if fully set forth herein.

139. MCBBD has unknowingly conferred a benefit on Defendants through the use of the Application and the Confidential Information to secure the License.

140. By profiting and exploiting the License awarded based on the Application prepared by, paid for, and filed by MCBBD, and containing MCBBD's Confidential Information, Defendants have been unjustly enriched. Among other things, Defendants have gained access to the highly lucrative Florida medical marijuana market, which now has more than 341,000 qualified patients using Florida MMTCs and only 22 MMTCs with valid licenses (only 14 of which are currently dispensing medical marijuana). Such benefit is valued in the market in the tens of millions of dollars.

141. Defendants voluntarily accepted this benefit through its retention of not only the Application and MCBBD's Confidential Information, but also the License resulting directly

therefrom, which it has transferred to one of its subsidiaries and actively used to run its dispensaries. Indeed, Columbia Care presently operates ten dispensaries in the State of Florida. Columbia Care expects to open four additional dispensaries and 6-8 temporary pickup locations shortly. Columbia Care would not have been able to engage in these activities but for its benefit by the use of MCBBD's Application and Confidential Information.

142. Defendants engaged in wrongful and inequitable conduct that has caused, and will continue to cause, injury to MCBBD. Among other things, Defendants wrongfully induced Sun Bulb to breach the JV Agreement, improperly used the Application and MCBBD's confidential information and trade secrets to secure the License, fraudulently concealed their actions from MCBBD, and wrongfully transferred the License's ownership interests to a subsidiary of Columbia Care, so that Defendants could benefit from its use at MCBBD's expense.

143. Upon information and belief, Defendants took all of these actions from Columbia Care's office in New York, New York.

144. As a result of Defendants' wrongful and inequitable conduct, Defendants have been unjustly enriched by the monies and other benefits they have received, including the value of the License and the related ongoing business. It would be inequitable and unjust to permit Defendants to retain the proceeds of, and profit from, their wrongful conduct.

145. Equity and good conscience require that MCBBD be compensated for Defendants' unjust enrichment.

146. Abbott and Vita intentionally orchestrated, provided substantial assistance to, and engaged in the wrongful misconduct described herein.

147. As a direct and proximate result of Defendants' unjust enrichment, MCBBD has been damaged in an amount to be proven at trial of not less than \$50 million, together with interest thereon, attorneys' fees, and costs. As a result of Defendants' willful, wanton, and malicious conduct, MCBBD is entitled to recover punitive damages from Defendants in an amount to be determined at trial.

### **COUNT III**

(Aiding and Abetting Fraud Against Columbia Care, Abbott, and Vita)

148. MCBBD repeats and realleges the allegations set forth in the preceding paragraphs 1 through 147 as if fully set forth herein.

149. In the summer of 2017, Sun Bulb engaged in a fraudulent scheme intended to strip MCBBD of its 65% ownership interest in the License. Having previously been unable to lawfully obtain a license from the DOH -- as reflected by Defendants' failed 2015 applications with Dewar Nursery and Nature's Way Nursery of Miami -- Defendants aided and abetted Sun Bulb in this scheme to dislodge MCBBD from the joint venture with Sun Bulb and to secure an ownership interest in the License for themselves.

150. At that time, Sun Bulb actively engaged with MCBBD in discussions concerning the operation of the MMTC, including, without limitation, the necessary steps for cultivation and processing of medical marijuana for which members of MCBBD were responsible under the terms of the JV Agreement, or, alternatively, the sale of the License to a third party. Statements made by Sun Bulb in furtherance of those discussions were false at the time they were made, as Sun Bulb never had any intention to operate the business with MCBBD as the Application contemplated or sell the License to a third party in accordance with the JV Agreement's

unambiguous terms. Sun Bulb's statements were designed to delay MCBBD from seeking timely administrative action from the DOH or preliminary injunctive relief to prevent the DOH from issuing the License to Sun Bulb.

151. Through these discussions, Sun Bulb actively defrauded MCBBD by, on the one hand, representing to MCBBD -- for the purpose of delaying MCBBD from taking steps to protect its interest in the License -- that the Joint Venture would be salvaged and that MCBBD and Sun Bulb together would operate the License, and, on the other hand, concealing from MCBBD its pursuit of a joint venture with Defendants pursuant to which Defendants and Sun Bulb would operate and exploit the License. Among other things, Sun Bulb perpetrated this fraud through both affirmative misrepresentations to MCBBD and material omissions concerning its joint venture with Defendants.

152. Sun Bulb knew its representations to MCBBD were false at the time it made them, never having an intention to salvage the Joint Venture or honor MCBBD's ownership interest in the License.

153. As a result of Sun Bulb's misrepresentations and omissions, MCBBD delayed taking steps to protect its interest in the License.

154. Sun Bulb made these affirmative misrepresentations and material omissions with the intent that MCBBD would rely on its representations and omissions to MCBBD's detriment.

155. MCBBD reasonably and justifiably relied on Sun Bulb's statements and omissions during their discussions.

156. MCBBD suffered damages as a result of its justifiable reliance on Sun Bulb's material omission as it did not learn of Sun Bulb and Defendants' scheme until it was too late to stop the DOH from issuing a License to Sun Bulb to operate a MMTC with Columbia Care.

157. Defendants knew of Sun Bulb's fraudulent misrepresentations and omissions to MCBBD, intentionally participated in the furtherance of the fraudulent plan, and provided substantial assistance to Sun Bulb in its achievement of the fraud. But for Defendants' indemnification of Sun Bulb for legal claims asserted by MCBBD concerning the ownership of the License, and Defendants' orchestrating of the fraudulent variance submissions made to the DOH, Sun Bulb would not and could not have defrauded MCBBD.

158. Abbott and Vita intentionally orchestrated, provided substantial assistance to, and engaged in the wrongful misconduct described herein.

159. Upon information and belief, Defendants took all of these actions from Columbia Care's office in New York, New York.

160. As a direct and proximate result of Columbia Care's fraudulent actions, MCBBD has been damaged in an amount to be proven at trial of not less than \$50 million, together with interest thereon, attorneys' fees, and costs. As a result of Defendants' willful, wanton, and malicious conduct, MCBBD is entitled to recover punitive damages from Defendants in an amount to be determined at trial.

#### **COUNT IV**

(Aiding and Abetting Breach of Fiduciary Duty  
Against Columbia Care, Abbott, and Vita)

161. MCBBD repeats and realleges the allegations set forth in the preceding paragraphs 1 through 160 as if set forth fully herein.

162. Sun Bulb owed a fiduciary duty to MCBBD, as recognized by the JV Agreement. In particular, Section 6 of the JV Agreement provides that “the parties hereby acknowledge that they will have full fiduciary duties to maximize the value of the Joint Venture and [Solcanna].”

163. Through the conduct alleged herein, Sun Bulb breached its fiduciary duties to MCBBD by, among other things, (i) entering into a transaction with it by which Defendants would step into MCBBD’s shoes, (ii) transferring ownership of the License to Columbia Care’s subsidiary, and (iii) operating under the License without providing MCBBD with its share of the profits. Each of these actions, as well as others, reduced the value of both the Joint Venture and Solcanna.

164. Defendants were aware through their communications with Sun Bulb that Sun Bulb owed a fiduciary duty to MCBBD pursuant to the JV Agreement. Indeed, on or before July 11, 2017, Sun Bulb provided a copy of the JV Agreement—which explicitly reflects these fiduciary duties—to Columbia Care. Upon information and belief, Abbott and Vita reviewed the terms of the JV Agreement on or about that time.

165. Despite Defendants’ knowledge of Sun Bulb’s fiduciary duties to MCBBD, Defendants knowingly induced Sun Bulb to breach those duties, and provided Sun Bulb with substantial assistance in doing so. Among other things, Defendants provided substantial assistance to Sun Bulb’s breaches of its fiduciary duties to MCBBD by indemnifying Sun Bulb for any liability that may arise as a result of their clear breach of the JV Agreement -- including its fiduciary obligations under Section 6 -- and by directing Sun Bulb’s attorneys in their correspondence with the DOH beginning in 2017 to ensure that they were able to receive the License prior to MCBBD becoming aware of Sun Bulb and Defendants’ scheme. But for

Defendants' indemnification of Sun Bulb for legal claims asserted by MCBBD concerning the ownership of the License, and Defendants' orchestrating of the fraudulent variance submissions made to the DOH, Sun Bulb would not and could not have breached its fiduciary duties to MCBBD,

166. Defendants took these actions, and others, to benefit Columbia Care at MCBBD's expense.

167. Defendants were aware that each of these actions, as well as others, were in direct violation of Sun Bulb's fiduciary and contractual duties to MCBBD.

168. Abbott and Vita intentionally orchestrated, provided substantial assistance to, and engaged in the wrongful misconduct described herein.

169. Upon information and belief, Defendants took all of these actions from Columbia Care's office in New York, New York.

170. As a direct and proximate result of Defendants' wrongful conduct, MCBBD has been damaged in an amount to be proven at trial of not less than \$50 million, together with interest thereon, attorneys' fees, and costs. As a result of Defendants' willful, wanton, and malicious conduct, MCBBD is entitled to recover punitive damages from Defendants in an amount to be determined at trial.

### COUNT V

(Civil Conspiracy Against Columbia Care, Abbott, and Vita)

171. MCBBD repeats and realleges the allegations set forth in the preceding paragraphs 1 through 170 as if set forth fully herein.

172. Defendants entered into a conspiracy with Sun Bulb to misappropriate MCBBD's rights to the Application and its Confidential Information, and to take over MCBBD's 65% ownership interest in the License.

173. As described in this Complaint, through this conspiracy, among other things, Defendants aided and abetted Sun Bulb in defrauding and breaching its fiduciary and contractual duties to MCBBD, Defendants misappropriated MCBBD's Confidential Information and tortiously interfered with the JV Agreement, and Sun Bulb with Defendants improperly converted MCBBD's ownership interest in, and immediate possessory right to, the License.

174. Defendants used improper means to undertake the aforementioned actions, including but not limited to, the illegal transfer of the License to Columbia Care's subsidiary -- Columbia Care Florida.

175. Defendants took numerous overt acts in support of this conspiracy. Among those acts, Defendants (i) entered into an agreement with Sun Bulb through which it would indemnify Sun Bulb for any liability arising from its dispute with MCBBD concerning the ownership of the License, (ii) directed Sun Bulb's attorneys to send correspondence to the DOH containing misrepresentations intended to obtain the License for itself, and (iii) orchestrated the transfer of the License to Columbia Care Florida.

176. Abbott and Vita intentionally orchestrated, provided substantial assistance to, and engaged in the wrongful misconduct described herein.

177. Upon information and belief, Defendants took all of these actions from Columbia Care's office in New York, New York.

178. As a direct and proximate result of Defendants' civil conspiracy, MCBBD has been damaged in an amount to be proven at trial of not less than \$50 million, together with interest thereon, attorneys' fees, and costs. As a result of Defendants' willful, wanton, and malicious conduct, MCBBD is entitled to recover punitive damages from Defendants in an amount to be determined at trial.

### COUNT VI

(Misappropriation of Confidential Information and Trade Secrets  
Against Columbia Care, Abbott, and Vita)

179. MCBBD repeats and realleges the allegations set forth in the preceding paragraphs 1 through 178 as if fully set forth herein.

180. The Confidential Information disclosed by MCBBD to Sun Bulb in connection with the Joint Venture and the Application constitutes confidential information and trade secrets. This information includes, without limitation: (i) MCBBD's procedures and processes related to the cultivation, processing, and dispensing of low-THC cannabis; (ii) formulas related to the cultivation, processing, and dispensing of low-THC cannabis; (iii) scientific, technical, and commercial expertise related to the cultivation, processing, and dispensing of low-THC cannabis; and (iv) materials describing devices, equipment, products, and combinations of devices, and equipment, including their use, related to the cultivation, processing, and dispensing of low-THC cannabis and waste disposal.

181. This Confidential Information is of great value to MCBBD and comprises a critical element of its business. The secrecy and non-public nature of this information provides MCBBD significant economic value as it provides MCBBD with a commercial advantage for the successful cultivation and sale of low-THC cannabis.

182. MCBBD has taken, and continues to take, reasonable and concrete steps to protect its Confidential Information and trade secrets by, among other things, entering into a non-disclosure agreement with Sun Bulb that precluded the disclosure of MCBBD's Confidential Information, and requiring the State of Florida to only publicly reveal a redacted version of the Application.

183. As alleged herein, Defendants have misappropriated and improperly used MCBBD's confidential information and trade secrets to obtain a license to operate a MMTC in Florida by, among other things, exploiting the contents of the Application -- namely, MCBBD's trade secrets and confidential information -- to develop their own MMTC business plan.

184. Abbott and Vita intentionally engaged in the wrongful misconduct described herein.

185. As a result of Defendants' misappropriation of MCBBD's confidential information and trade secrets, Defendants have deprived MCBBD of its ability to reap the full profits of its valuable confidential information and trade secrets.

186. Defendants acted willfully, wantonly, and maliciously in obtaining MCBBD's confidential information and trade secrets through improper means and in violation of MCBBD's confidential relationship with Sun Bulb. Among other things, Defendants obtained MCBBD's trade secrets by tortiously interfering with MCBBD's contractual relationship with Sun Bulb and directly aided and abetted Sun Bulb's fraudulent concealment of its actions with the intention of misleading and deceiving MCBBD. Defendants also tortiously interfered with MCBBD's business relationship with the DOH.

187. Additionally, Defendants obtained possession of MCBBD's confidential information and trade secrets in direct breach of the confidentiality provisions of the JV Agreement. Defendants knew, or had reason to know, that this information was improperly obtained for its use without the consent of MCBBD.

188. As a direct and proximate result of Defendants' misappropriation of confidential information and trade secrets, MCBBD has been damaged in an amount to be proven at trial of not less than \$50 million, together with interest thereon, attorneys' fees, and costs. As a result of Defendants' willful, wanton, and malicious conduct, MCBBD is entitled to recover punitive damages from Defendants in an amount to be determined at trial.

#### **COUNT VII**

(Conversion Against Columbia Care, Abbott, and Vita)

189. MCBBD repeats and realleges the allegations set forth in the preceding paragraphs 1 through 188 as if fully set forth herein.

190. Throughout the spring of 2015, MCBBD expended hundreds of thousands of dollars preparing the Application, which was comprised of 2,600 pages describing in painstaking detail its members' proprietary cultivation, processing and dispensing methods, its policies and protocols for the operation of a medical marijuana treatment center, and demonstrating compliance with the DOH's statutory and regulatory requirements. MCBBD undertook this effort with little assistance -- financially or otherwise -- from Sun Bulb.

191. Following the amendment of Florida law in 2017, MCBBD was entitled to a license based on the DOH's previous scoring of the Application.

192. MCBBD owns an immediate possessory interest in, and right to, both the Application and the License.

193. Indeed, the JV Agreement specifically acknowledged MCBBD's rights to the License. In particular, Section 8 provided that "the parties agree that any License granted to Sun Bulb shall be treated at all times as an asset exclusive to the Joint Venture created by this Agreement" and that "the parties agree, in perpetuity, not to circumvent [Solcanna] or the Joint Venture in the application and exploitation of the license (or any other governmental authorization to grow, process, market, distribute, or sell cannabis-based products in the State of Florida) at any time or in any way." As the owner of a 65% interest in the Joint Venture and Solcanna, MCBBD undeniably maintained an immediate possessory interest in, and right to, the License.

194. MCBBD has never relinquished its interest in either the Application or the License. Indeed, following the denial of the Application in 2015, MCBBD continued to seek to exploit it through the appeal of the denial. Later, when Florida law was amended in 2017 to allow for the issuance of additional Licenses, MCBBD immediately sought to utilize the Application, and its associated score, to obtain a License.

195. Defendants wrongfully and unlawfully exercised unauthorized dominion over the Application by directing Sun Bulb and its attorneys to fraudulently inform the DOH that Columbia Care had replaced MCBBD as Sun Bulb's partner, and using the Application to obtain the License.

196. Defendants wrongfully and unlawfully exercised unauthorized dominion over the License by transferring its ownership interest to Columbia Care's subsidiary -- Columbia Care

Florida. Through that entity, Defendants continue to exercise domination and control over the License. Defendants continue to actively exploit the License for their own interest through the maintenance of their Florida dispensaries.

197. MCBD has demanded the return of its ownership interest in both the Application and the License from Defendants.

198. Defendants have wrongfully refused to return both the Application and the License to its proper owner -- MCBD.

199. Abbott and Vita intentionally engaged in the wrongful misconduct described herein.

200. Upon information and belief, Defendants took all of these actions from Columbia Care's office in New York, New York.

201. As a direct and proximate result of Defendants' conversion of the Application and the License, MCBD has been damaged in an amount to be proven at trial of not less than \$50 million, together with interest thereon, attorneys' fees, and costs. As a result of Defendants' willful, wanton, and malicious conduct, MCBD is entitled to recover punitive damages from Defendants in an amount to be determined at trial.

### **COUNT VIII**

(Fraudulent Conveyance Against Columbia Care Florida)

202. MCBD repeats and realleges the allegations set forth in the preceding paragraphs 1 through 201 as if fully set forth herein.

203. Sun Bulb's transfer of the License to Columbia Care Florida constituted actual fraud under Florida's Uniform Fraudulent Transfer Act § 726 and/or New York Debtor and Creditor Law § 276.

204. MCBBD is a creditor of Sun Bulb, the debtor, by virtue of the damages caused to MCBBD by the breach of the JV Agreement discussed *supra*. In particular, Sun Bulb owes MCBBD tens of millions of dollars in damages representing the 65% ownership interest in the License that was improperly taken from MCBBD, as alleged herein.

205. Sun Bulb transferred the License to Columbia Care Florida with the actual intent to hinder, delay, and/or defraud MCBBD. In particular, Sun Bulb sought to transfer the asset so that MCBBD would not be able to recover damages from Sun Bulb.

206. Sun Bulb's intent to defraud is evident from numerous badges of fraud. Among other things: (i) Sun Bulb transferred the License to Columbia Care Florida, an "insider" under Florida's Uniform Fraudulent Transfer Act by virtue of the two entities' close relationship; (ii) Sun Bulb retained actual possession or control of the property after the transfer -- as evidenced by its 30% ownership interest in Columbia Care Florida and its active involvement in Columbia Care Florida's marijuana business; (iii) the transfer was concealed from MCBBD at the time that it was made; (iv) the transfer was made after MCBBD had threatened legal action over Sun Bulb's breach of contract -- which Sun Bulb knew was so likely to arise as to be certain -- but prior to the initiation of a private arbitration between MCBBD and Sun Bulb; (v) at the time of the transfer, the License was Sun Bulb's single most valuable asset with a value in the tens of millions of dollars; and (vi) Sun Bulb did not receive consideration from Columbia Care Florida that was reasonably equivalent to the value of the License.

207. But for Sun Bulb's transfer of the License to Columbia Care Florida, the License would have been available to satisfy the debt that Sun Bulb owes to MCBBD by virtue of its breach of the JV Agreement.

208. Sun Bulb's transfer of the License to Columbia Care Florida also constituted constructive fraud under Florida's Uniform Fraudulent Transfer Act.

209. Sun Bulb transferred the License -- which is reasonably valued in the tens of millions of dollars -- to Columbia Care Florida without receiving consideration that was of a reasonable value to the License.

210. When Sun Bulb transferred the License to Columbia Care Florida, Sun Bulb reasonably should have believed that it would incur debts beyond its ability to pay as they became due. In particular, Sun Bulb reasonably should have recognized that it would owe tens of millions of dollars to MCBBD by virtue of its breach of the JV Agreement. Sun Bulb further should have reasonably believed that it would be unable to repay any judgment in MCBBD's favor.

211. Columbia Care Florida was involved in the transfer of the License by virtue of Columbia Care's complete domination and control of its activities in connection with that transaction. Upon information and belief, the transfer decision was made by Sun Bulb in conjunction with Columbia Care -- not Columbia Care Florida. Columbia Care dominated and controlled Columbia Care Florida with respect to the transfer of the License for the express purpose of committing a fraud or wrong against MCBBD. More specifically, Sun Bulb and Columbia Care sought to consummate the transfer of the License to Columbia Care Florida to

hinder MCBBD in its attempt to recover its controlling ownership interest in the License. By taking these actions, Columbia Care abused the privilege of doing business in the corporate form.

212. By virtue of Sun Bulb's fraudulent transfer of the License to Columbia Care Florida in violation of Florida's Uniform Fraudulent Transfer Act and/or New York Debtor and Creditor Law, MCBBD has been damaged in an amount to be proven at trial of no less than \$50 million. Based on this harm, MCBBD, as Sun Bulb's creditor, demands an avoidance of the transfer of the License from Sun Bulb to Columbia Care Florida.

**PRAYER FOR RELIEF**

**WHEREFORE**, MCBBD is entitled to a judgment against Defendants awarding MCBBD:

1. Compensatory damages in an amount to be determined at trial, but not less than \$50 million;
2. An order avoiding the transfer of the License from Sun Bulb to Columbia Care Florida;
3. Punitive damages in an amount to be determined at trial.
4. Costs and attorneys' fees incurred in connection with this action; and
5. Such further and other relief as this Court deems just and proper.

Plaintiff respectfully demands a trial by jury of all issues so triable.

Dated: New York, New York  
May 29, 2020

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