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Arkansas' Harvest Cannabis Dispensary Earns Landmark Court Victory *Preliminary Injunction Awarded on Trademark Infringement*

CONWAY, Arkansas (May 27, 2020) – Harvest Cannabis Dispensary (“Harvest”), a licensed medical marijuana dispensary located in Conway, Arkansas, announced today that it obtained a preliminary injunction in its trademark dispute with Natural State Wellness Dispensary, LLC and Natural State Enterprises, LLC (the “NSW Entities”).

The preliminary injunction prohibits the NSW Entities from continued use of the name “Harvest” in connection with their dispensary located in Little Rock, Arkansas and cultivation facility located in Newport, Arkansas. Both facilities are managed by Arizona-based Harvest Health & Recreation, Inc. (CSE: HARV, OTCQX: HRVSF). They were branded “Harvest House of Cannabis” and “Harvest of Newport” at the time of the preliminary injunction decision.

Elizabeth Barnett, CEO for Harvest, hailed the court’s ruling as a vindication of her business’s ownership of the Harvest name in Arkansas. “We have been open and honest about our intentions and branding since September 2017 when we first came up with the name around the breakfast table and sought a license from the State. We were shocked when the Little Rock store put their sign up on their building after we had been open for months calling themselves ‘Harvest House of Cannabis’. Their application touted a long list of prominent Arkansas business leaders and politicians as their owners, but the reality seems to be that the owners ceded total control of all operations to an out-of-state operator named ‘Harvest Health & Recreation.’ I guess these out of state folks just assumed they could just come in and bully us into submission. This ruling proves that sometimes the little guy wins. This was a huge victory for us.”

After conducting a two-day evidentiary hearing through the Zoom video conferencing interface, the Circuit Court of Faulkner County determined that Harvest had adopted the name in 2017 and diligently opened its facility in Conway well before the NSW Entities opened their facilities,

and that Arkansas law provided Harvest in Conway with senior state-law trademark rights in the name “Harvest.”

During the hearing, the NSW Entities relied almost exclusively on federal trademark law and their affiliates’ presence in a few other remote states in support of their claims of nationwide seniority. Steve White, Ben Kimbro, and Sean Berberian testified on behalf of the NSW Entities.

In rejecting these arguments, Circuit Judge Susan Weaver cited the continuing federal illegality of marijuana as a total bar to federal trademark rights.

Harvest’s lawyer, Andrew King with Kutak Rock LLP in Little Rock, remarked, “While it was a great victory, the outcome was not unexpected. Harvest Health & Recreation, Inc. tells its own investors that it cannot protect cannabis trademarks at the federal level, but it tries to bully ‘mom and pop’ entities like Harvest into tolerating blatant trademark infringement. To their credit, my clients stood up for themselves and their own good name in Arkansas.”

According to King, while the law is clear, the Faulkner County outcome is the first of its kind, where a local cannabis dispensary prevailed under state trademark law against a multi-state operator for which federal trademark protection is unavailable. But the outcome could provide a road map for local cannabis companies in states where cannabis has been legalized.

About Harvest Cannabis Dispensary

Harvest is one of Arkansas' first licensed dispensaries and has quickly grown to be one of the top retailers in the state. Located at 1200 Thomas G. Wilson Drive, Conway, Arkansas, Harvest is a family-owned and operated business. Eschewing the "big-box," consultant-heavy mentality, Harvest has instead opted to personify true Arkansas entrepreneurship: leveraging the direct reputation, skills and experience of its owners who also form the management team. Harvest's founder, president and CEO Elizabeth "Libby" Barnett, has spent 25 years as a successful entrepreneur and small businesswoman, sharing her expert knowledge of horticulture in the central Arkansas area.

Public-record case information available at:

https://caseinfo.arcourts.gov/cconnect/PROD/public/ck_public_qry_doct.cp_dktrpt_frames?backto=P&case_id=23CV-20-56&begin_date=&end_date=