

---

**From:** DJ Whoa Nelly <ron357baker@gmail.com>  
**Sent:** Monday, July 12, 2021 7:39 PM  
**To:** CAC Meetings  
**Subject:** Appreciation

I want to simply say thank you for your service to the community, I understand this a time of uncertainty and change, but the new green rush will revive the planet as well as the universe. Thank you

-Ron Baker  
Local Edible Producer.

---

**From:** Andro George <counselor.george10@gmail.com>  
**Sent:** Monday, July 12, 2021 8:44 PM  
**To:** CAC Meetings  
**Subject:** Complaint - iAnthus Capital Holdings Transfer Application from GreenMart of Nevada NLV, LLC  
**Attachments:** Nevada Complaint.pdf

Dear Members of the Cannabis Advisory Commission,

My group and I are shareholders in iAnthus Capital Holdings. A few of the shareholders reside in the state of Nevada.

Please find enclosed our complaint with regards to iAnthus Capital Holdings Inc and its subsidiary **GreenMart NLV LLC**.

We would also like to arrange a meeting with the Cannabis Advisory Commission to address our complaints into detail.

Yours truly,

Andro George  
Bachelor of Law (LL.B)

**ANDRO GEORGE**

33 Forest Hill Dr.  
Richmond Hill, ON  
Canada  
L4B3C1

**July 11, 2021**

**ATTN: Attorney General and the Cannabis Advisory Commission**

**Re: iAnthus Capital Holdings Transfer Application from GreenMart of Nevada NLV, LLC  
(Nevada)**

---

Dear to whom this may concern:

My group and I are shareholders of iAnthus Capital Holdings Inc. (“**iAnthus**”). We are writing to you to express our concerns with regards to recent application filed by the subsidiaries of iAnthus (**GreenMart of Nevada NLV, LLC**). iAnthus operates in the cannabis space and will therefore be a registrant in **Nevada** under **GreenMart of Nevada NLV, LLC**, and therefore iAnthus is a regulated/licensed entity in **Nevada**.

iAnthus is on the verge of wiping out shareholders ownership by leaving shareholders with 2.75% through the Plan of Arrangement. They have successfully accomplished this through deliberate and inappropriate actions of the Board and Management, and through inappropriate actions of the principal of Gotham Green Partners (“**GGP**”).

**BACKGROUND:**

1. Lenders moved on the company during COVID last year:
  - a. Reneged on their promise to provide financing until the company was cash flow breakeven;
  - b. Instead, they pushed the company into a default and moved to take over the company against a backdrop of no other viable money being available;
  - c. “Negotiated” a deal with the board (who had been in place four months) to get 97.25% of the company; and
  - d. They had until June 30th of 2021 to get the deal done. **GGP** and the unsecured lenders consented to extend the deadline from June 30, 2021 to August 31, 2021
    - <https://www.ianthus.com/news-events/press-releases/detail/202/ianthus-provides-update-on-recapitalization-transaction>
    - It has come to our understanding that the lenders requested more than 2 months extension with the company, but the company only gave them 2 months.
2. The lenders:
  - a. need approval from all states in which the company operates; and
  - b. They have not received approval from all the states, and it is possible that they may never get state approval because of the many cross ownerships in some states; and

3. Because the bonds are accelerated, and the current deal disappears at midnight on August 31, 2021, a new investor can make the bondholders go away with \$230 million of cash:
  - a. The new investors can decide what the equity split is between themselves and the current public shareholders; however

We are expecting other shareholders to voice their concerns with regards to this matter. We hereby request that iAnthus's application for state approval relating to a change of control of iAnthus and its subsidiaries, and the transfer of 97.25% of its equity to **GGP**, Mr. Adler and its Unsecured Creditors be rejected for the following reasons:

(A) **CONTROL OVERLAP IN NEVADA (Cross Ownership):**

4. GGP, Jason Adler and the unsecured debenture holders are invested in multiple cannabis companies across the US, and it is with certainty that they own private and/or public positions in the state of **Nevada** in addition to their proposed ownership in iAnthus.
5. We never thought this application would be approved. We question the overlap in **Nevada**:
  - a. We are writing as concerned shareholders and citizens of **Nevada** on the pending restructuring of iAnthus Capital Holdings (a multi-state cannabis operator), doing business as **GreenMart of Nevada NLV, LLC**. The restructuring will result in two of the current lenders of iAnthus owning more than 5% each of iAnthus as well as similar stakes in other cannabis license holders in the State;
    - i. Our understanding of your rules is that this sort of multiple ownership is not allowed under any circumstances;
    - ii. How is it possible to approve this application with **GGP** going to have a controlling ownership interest in iAnthus and MedMen?
    - iii. Post the restructuring, Gotham Green Partners will be a 48.625% owner of iAnthus (and therefore **GreenMart NLV LLC**) as well as a significant shareholder in **Nevada** license holder MedMen;
  - b. Post the restructuring, **Senvest Management** (a lender/ownership in iAnthus) will own well in excess of 10% of as well as a significant ownership position in **Nevada** license holder Ayr Wellness; and
  - c. How can the Department of Health, the Cannabis Control Commission & the Cannabis Compliance Board state of **Nevada** even consider a variance on this type of multiple license ownership and collusion?

**(B) MISREPRESENTATIONS TO THE SHAREHOLDERS, THE MARKET AND THE COURT**

6. Shareholders did not have all the relevant material financial information before them when they voted for the Plan of Arrangement. 2021 Q1 financials were disclosed but Q2 were purposely delayed.

**On August 14, 2020** iAnthus announced in their press release that it intends to file Q2 on or before October 15, 2020.

7. The **British Columbia Court of Appeal** concluded that the judge had made an error in finding that iAnthus had made no undisclosed material changes from its Q1 financial statements and the counsel for iAnthus had misrepresented the September press release to the court.
8. **On September 11, 2020**, iAnthus released a press release stating that there is “no material business developments” since August 14, 2020.

On that very same day (September 11, 2020) they wrote a letter to the **Nevada** Cannabis Compliance Board stating the following with regards to the company’s financial position “*it continues to grow, and its financial position continues to improve*”. iAnthus represented that the company will be positioned to generate over \$30,000,000 in annual discretionary cash flow and the company’s revenue will be up 81% YoY from 2019 and touted a positive EBITDA. This confidential letter was leaked via Stockhouse.com from an unknown source. This leaked document is all over the web.

**Essentially, our point is that GGP and iAnthus made representations to the markets and made inconsistent representations to the regulators.**

**The positive sentiment and financial results were not disclosed to the shareholders or the markets prior to October 15, 2020. Instead iAnthus led shareholders to believe that the company is in shambles and hopeless and the trajectory of iAnthus’ financial position remained downward towards bankruptcy.**

9. The **British Columbia Court of Appeal** ruled that the lower court approving the Plan of Arrangement had been misled. Management had issued false negative financial information to shareholders just before their vote.

Which begs the question why did management want GGP to win the vote?

**(C) BRIBERY ALLEGATIONS BY JASON ADLER TO HADLEY FORD**

Reference (iAnthus Press Released dated: April 20, 2020) - <https://www.ianthus.com/news-events/press-releases/detail/162/ianthus-announces-conclusion-of-special-committees>

10. On April 6, it was discovered that Mr. Jason Adler made two (2) undisclosed personal loans to Mr. Hadley Ford (then Chief Executive Officer of iAnthus). Specifically, one loan was for \$100,000 and the other loan was for \$60,000.
  - a. The dates of these loans were coincidental to material developments of iAnthus as follows:
    - i. On December 20, 2019, iAnthus and GGP closed an additional US\$36.15 million of senior secured convertible notes (the “Third Tranche”) from GGP and additional co-investors; and
    - ii. A day after the close of the Third Tranche, on December 21, 2019, Ford (as borrower) and the Managing Member (as lender), entered into the loans that were only documented by an email.
11. Purportedly, these loans bore no interest and were to be repayable on March 31, 2020. We understand that the loans have not been repaid in whole or in part.
12. A Special Committee was struck by the iAnthus Board to investigate these loans and concluded that such loans created a potential or apparent conflict and should have been disclosed to the Board in a timely way.
13. The result of these inappropriate and undisclosed loans was that Mr. Ford was forced to resign as CEO and a director of iAnthus while Mr. Adler suffered no penalty. In fact, to the contrary, Mr. Adler and GGP have maneuvered to gain substantial benefit by now being in position to take control and a significant ownership position of iAnthus.

**(D) DELIBERATE & INTENTIONAL DEFAULT OF LOANS DUE TO GGP**

14. On **January 25, 2021**, a recorded conversation between iAnthus shareholders and Hadley Ford was leaked on social media. Speaking of Hadley Ford’s communication with Adler on March 24th, 2020, Ford said that he was told by Jason Adler that:

***“We are going to take your company private... We are going to wipe out the public shareholders holders and the junior guys, and then we are going to recharge the management team.”***
15. I was on that call with Hadley Ford and I can confirm that those recordings are true and they were recorded in **July 2020 and the long recording was recorded in October 2020**. They were leaked all over the web from my google drive account by another disgruntled shareholder (who I no longer associate with).

16. The Office of Medical Marijuana Use should investigate into this matter. The significance of the recordings is evidencing that Hadley Ford was being induced to screw the shareholders by GGP after they paid the bribe.

The following links are articles about the leaked recordings:

- <https://www.greenmarketreport.com/did-ianthus-bankers-conspire-to-wipe-out-shareholders/>
- <https://www.newcannabisventures.com/breaking-leaked-recorded-conversation-details-downfall-of-cannabis-operator-ianthus/>

17. Without any stated reasoning or good faith intentions, iAnthus's Board's deliberately and intentionally defaulted on interest payments due to the Debenture Holders on March 31, 2020.
18. The result of this intentional and deliberate default negatively affected the iAnthus stock price. The Share price was reduced from **US\$0.60 to US\$0.05** between **March 31, 2020**, when they defaulted; and **July 13, 2020**, when they signed the Restructuring Support Agreement).
19. This deliberate default ultimately led to GGP and other unsecured creditors agreeing a deal whereby they will take over 97.25% of the equity of iAnthus. Note that GGP and the other unsecured creditors' lending to iAnthus is in total is approx. \$200 million, while today's valuation of iAnthus in comparison to its peers is over \$1 Billion.

## **Conclusion**

20. Hadley Ford was forced to resign after his "alleged" bribe became public. The management that replaced him have mislead shareholders to ensure that they vote to hand over the company to GGP. The Court of Appeal ruled that the lower court approving the Plan of Arrangement has been misled. Management had issued false negative financial information to shareholders just before their vote.
21. They also paid large sums of money to an employee who had resigned, and that severance agreement included a requirement for former resigned officers and directors to vote their shares in favour of Plan of Arrangement. Why was it so important for management to push this Plan of Arrangement?
22. The Board of Directors and Management interests are conflicted. They are pushing for the Plan of Arrangement to be completed so they can get protection from any liabilities, legal actions, and the outstanding class actions. It is clear that the best interests are not of the corporation or the shareholders, but rather immunity from any legal actions and liabilities for the Board and Management; and GGP is set to gain the most out of this Plan of Arrangement.
23. Lastly, there is a clear overlap in ownership by GGP and Jason Adler with regards to licenses in Nevada.

We respectfully request from the **Cannabis Compliance Board & the Cannabis Advisory Commission** to adhere to the principles of fundamental justice and assist the shareholders and citizens of **Nevada** that are affected by this, by not approving the transfer of control that iAnthus has been requested from you.

The **Nevada Department of Health, the Cannabis Compliance Board & the Cannabis Advisory Commission and the Attorney General** should not be rushed or pressured in making a decision on this application, but rather to take their time investigating the complaints from all shareholders and corroborating the information provided.

We thank you for your support in this matter.

Yours truly,

A handwritten signature in black ink, appearing to read 'Andro George', with a stylized flourish at the end.

**Andro George**  
**Student-at-Law**  
**Bachelor of Law (LL.B)**