

Richardson C. Griswold, Esq. (CA Bar No. 246837)
GRISWOLD LAW, APC
444 S. Cedros Avenue, Suite 250
Solana Beach, California 92075
Phone: (858) 481-1300
Fax: (888) 624-9177

Attorney For
Court-Appointed Receiver Michael Essary

ELECTRONICALLY FILED
Superior Court of California,
County of San Diego
11/13/2018 at 09:50:00 AM
Clerk of the Superior Court
By Julia McGinnis, Deputy Clerk

SUPERIOR COURT OF CALIFORNIA
FOR THE COUNTY OF SAN DIEGO

SALAM RAZUKI, an individual,
Plaintiff,

v.

NINUS MALAN, an individual; CHRIS
HAKIM, an individual; MONARCH
MANAGEMENT CONSULTING, INC. a
California corporation; SAN DIEGO UNITED
HOLDING GROUP, LLC, a California limited
liability company; FLIP MANAGEMENT,
LLC, a California limited liability company;
MIRA ESTE PROPERTIES, LLC, a California
limited liability company; ROSELLE
PROPERTIES, LLC, , a California limited
liability company; BALBOA AVE
COOPERATIVE, a California nonprofit mutual
benefit corporation; CALIFORNIA CANNABIS
GROUP, a California nonprofit mutual benefit
corporation; DEVILISH DELIGHTS, INC., a
California nonprofit mutual benefit corporation;
and DOES 1-100, inclusive,

Defendants.

CASE NO.: 37-2018-00034229-CU-BC-CTL

**RECEIVER MICHAEL ESSARY'S
SECOND RECEIVER'S REPORT**

Judge: Hon. Eddie C. Sturgeon
Dept: C-67
Date: November 16, 2018
Time: 1:30 p.m.

SECOND RECEIVER'S REPORT

1. I, Michael Essary, was appointed as the Receiver in the above-entitled matter by this Court on August 20, 2018. Pursuant to this Court's Appointment Order, I was ordered to take possession and control of the Marijuana Operations, which specifically includes the following

1 entities: San Diego United Holdings Group, LLC, Mira Este Properties, LLC, Balboa Ave
2 Cooperative, California Cannabis Group, Devilish Delights, Inc., and Flip Management, LLC.

3 2. This Court directed me to retain Brian Brinig of Brinig Taylor Zimmer, Inc. to conduct
4 a comprehensive forensic accounting audit of the Marijuana Operations, as well as of all named
5 parties in this matter as it relates to financial transactions between and among such parties related to
6 the issues in dispute. A true and correct copy of Mr. Brinig's report ("Brinig Report") is attached
7 hereto as **Exhibit A**. Mr. Brinig will attend the November 16, 2018 hearing in order to answer
8 questions from the Court and explain his report at the Court's request.

9 **BALBOA DISPENSARY & STORAGE UNIT**

10 3. San Diego United Holdings Group, LLC is the owner of 8863 Balboa Ave., Suite E,
11 San Diego, California 92123. This is the physical location of the retail cannabis dispensary that is
12 operating under the license held by Balboa Avenue Cooperative and managed by Far West
13 Management, LLC ("Far West"). San Diego United Holdings Group, LLC also owns 8861 Balboa
14 Ave. Suite B, San Diego, California 92123, which is used for storage by the dispensary operation.

15 4. Justus Henkus IV serves as the accountant for the Balboa Ave operations. Mr. Henkus
16 is also a part-owner of Far West.

17 5. I continue to enforce the agreed-upon expense payment procedure with Mr. Malan,
18 Mr. Henkus and Far West, whereby they submit invoices they would like to have paid and I
19 review/comment and approve/disapprove prior to payment.

20 6. One of the largest outstanding bills for the Balboa Ave operation is the State of
21 California sales taxes that were due on June 30, 2018. The outstanding amount owed is \$173,772.86
22 and the period covered by this tax bill is from July 1, 2017 through June 30, 2018.

23 7. The 2018 third quarter sales tax obligations were calculated by Far West and paid
24 prior to the October 31, 2018 deadline via check payment by the receivership estate. The total was
25 \$50,914.00 and the funds were provided to the receivership estate bank account from the Balboa
26 operations so that the receivership estate could issue a payment by check.

27 8. All state and local licenses and permits are currently in good standing and I remain
28

1 the primary contact on behalf of the Balboa operations when communicating with the state and local
2 agencies.

3 **BALBOA RENTALS**

4 9. One of the other properties owned by the San Diego United Holdings Group, LLC is
5 adjacent to, and in the same development as, the Balboa Ave dispensary. The address is 8859 Balboa
6 Avenue, Suites A–E, San Diego, California 92123. It was purchased by San Diego United Holdings
7 Group, LLC and I have been informed it is a potential future cannabis location. The original
8 owner/seller Mr. Peter Michelet remains as a tenant with no rent obligation and Mr. Michelet collects
9 rents from the other three tenants (total of \$5,500 per month). I have collected those rents for the last
10 two months and deposited them into the receivership estate bank account.

11 **MIRA ESTE PRODUCTION SITE**

12 10. Defendant Mira Este Properties, LLC is the owner of property located at 9212 Mira
13 Este Court, San Diego, California 92126. The Mira Este property is a cannabis production/extraction
14 site that was not operational at the time I was initially appointed in July 2018. Since then, it has begun
15 operating and is managed by Synergy Management Partners LLC (“Synergy”). Justus Henkus IV
16 provides accounting services for the Mira Este operations.

17 11. Per this Court’s Order, I coordinated Plaintiffs-In-Intervention SoCal Building
18 Ventures, LLC and San Diego Building Ventures, LLC’s retrieval of equipment from the Mira Este
19 property without incident. All parties and counsel cooperated.

20 12. A 3rd party cannabis producer, Edipure, is operating at the Mira Este property. Edipure
21 has a contract with California Cannabis Group (“CCG”), administered by Synergy, which results in
22 CCG receiving monthly 10% of Edipure’s sale revenue or \$30,000, whichever is higher. It is my
23 understanding that CCG, via Synergy, has collected \$90,000 thus far through this arrangement with
24 Edipure. Attached hereto as **Exhibit B** is a true and correct copy of the executed contract between
25 CCG and Edipure.

26 13. I continue to enforce the agreed-upon expense payment procedure with Mr. Malan,
27 Mr. Hakim, Mr. Henkus and Synergy, whereby they submit invoices they would like to have paid
28

1 and I review/comment and approve/disapprove prior to payment.

2 14. All state and local licenses and permits are currently in good standing and I remain
3 the primary contact on behalf of the Balboa operations when communicating with the state and local
4 agencies.

5 **GENERAL RECEIVERSHIP ACCOUNTING SUMMARY**

6 15. Attached hereto as **Exhibit C** is a true and correct copy of an updated Cash Ledger
7 reflecting activity and the balance of \$3,237.18 in my Wells Fargo receivership account. Attached
8 hereto as **Exhibit D** are true and correct copies of my currently-unpaid Receiver billings (unpaid for
9 September & October 2018: total \$26,069.50), currently-unpaid billings from my counsel,
10 Richardson Griswold (unpaid for October 2018: total \$5,516.55), and currently-unpaid billings from
11 accounting Brian Brinig (unpaid for October 2018: total \$24,462.50).

12 16. As ordered by this Court on September 26, 2018 in the Preliminary Injunction Order,
13 the fees and costs of the Receiver and Receiver's counsel are to be paid with funds of the Marijuana
14 Operations with priority over other expenses incurred (*See* Order, p. 3, §§ 8-9, signed September 26,
15 2018). As of the date of drafting this Report, my counsel, accountant Brinig and I have outstanding
16 invoices. I request this Court order the outstanding invoices be paid immediately from funds of the
17 Marijuana Operations.

18
19 Dated: November 13th 2018

Respectfully Submitted,

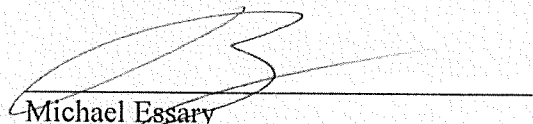
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21 
22 Michael Essary
23 Court Appointed Receiver
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Exhibit A

BRINIG TAYLOR ZIMMER
INCORPORATED
FORENSIC ACCOUNTING AND BUSINESS VALUATION

401 B STREET, SUITE 2150
SAN DIEGO, CALIFORNIA 92101
TEL. (619) 687-2600 FAX (619) 544-0304
www.btzforensics.com

November 12, 2018

BY E-MAIL ONLY

Honorable Eddie C. Sturgeon
Judge of the Superior Court
Department C-67
330 West Broadway
San Diego, CA 92101

Mr. Michael Essary
Court-Appointed Receiver
Calsur Property Management
8304 Clairemont Mesa Blvd., St. 207
San Diego, CA 92111

Re: Razuki v. Malan, et al.
Case No.: 37-2018-00034229-CU-BC-CTL

Judge Sturgeon, Mr. Essary, Parties and Counsel:

I have been court appointed by the Honorable Eddie C. Sturgeon to provide a forensic accounting analysis of financial issues related to two business operations: the "Balboa Operations" and the "Mira Este Operation." This report presents my findings as of November 12, 2018. The parties continue to provide information that they believe is relevant to my analysis and I reserve the right to update and augment this report based on additional information provided to me.

BACKGROUND FACTS

A dispute exists between Mr. Salam Razuki (Plaintiff) and Mr. Ninus Malan (one of the Defendants) regarding their respective ownership interests in various business entities comprising two separate, licensed cannabis operations. In short,¹ Razuki claims that he and Malan are 75% / 25% owners of the entities involved in the Balboa Operations. Razuki also claims that he and Malan are 75% / 25% owners in any interest that Malan has in the Mira Este

¹ The parties have complex claims in this matter and my summary of those claims is not intended to be complete. My summary is only intended to introduce the forensic accounting analysis that I have undertaken.

Operation. This report addresses the Balboa Operations separately from the Mira Este Operation.

SCOPE OF THE FORENSIC ACCOUNTING ASSIGNMENT

In this report, the following financial issues are addressed:

The Balboa Operations:

1. Razuki's contributions made into the Balboa Operations.
2. Distributions received by Razuki from the Balboa Operations.
3. Malan's contributions made into the Balboa Operations;
4. Distributions received by Malan from the Balboa Operations;
5. Contributions made by others into the Balboa Operations;
6. Distributions received by others from the Balboa Operations;
7. A summary of the financial operating activity of the Balboa Operations from inception to approximately the end of October 2018.

The Mira Este Operation:

1. Razuki's contributions made into the Mira Este Operation;
2. Distributions received by Razuki from the Mira Este Operation;
3. Malan's contributions made into the Mira Este Operation;
4. Distributions received by Malan from the Mira Este Operation;
5. Contributions made by Hakim into the Mira Este Operation;
6. Distributions received by Hakim from the Mira Este Operation;
7. Contributions made by others into the Mira Este Operation;
8. Distributions received by others from the Mira Este Operation;
9. A summary of the financial operating activity of the Mira Este Operation from inception to approximately the end of October 2018.

Other Contributions Claimed by the Parties:

1. Each party claims that he has made contributions to the business in the form of direct payments to the other party or payments of expenses related to the business entities. In Schedule 1, I have identified the respective "Other Possible Contributions" claimed by each party. Further investigation is necessary to verify the "Other Possible Contributions" in both the amounts and the propriety of allowing credit to the contributing party.

The summary of the analysis is set forth in Schedule 1 to this report and Schedules 2 through 5 provide more detailed analysis. My firm can provide very detailed schedules to the parties showing the composition of the amounts of contributions, distributions and expenses, but these detailed schedules are not included in this report.

THE “BALBOA OPERATIONS”

The “Balboa Operations” are several business entities that combine to operate a retail cannabis dispensary from premises located at 8863 Balboa Avenue, Suite E, San Diego, California. The Balboa Operations are composed of the following entities:

Entities OWNED (OR CLAIMED TO BE OWNED) by Malan and Razuki:

1. **Balboa Avenue Cooperative** (a licensed, California nonprofit mutual benefit corporation that operates the cannabis dispensary, referred to as the “Balboa Dispensary” or the “Dispensary”);
2. **San Diego United Holdings Group, LLC** (a California limited liability company that owns the premises of the Dispensary and six other individual units in the same commercial/industrial complex as the Dispensary);
3. **Flip Management, LLC** (a California limited liability company that has operated as a related management entity for the Dispensary);

Entities NOT OWNED by Malan and/or Razuki, but relevant to the discussion:

4. **San Diego Building Ventures** (a third-party management company that was formerly contracted to the Dispensary to provide management services; this entity is also referred to as SoCal Building Ventures, but it appears to be the same entity);
5. **Far West Management, LLC** (a management company that is presently contracted to the Dispensary to provide management services);

Ultimately, the Balboa Operations exist to run the Balboa Dispensary, a retail store that is licensed to sell cannabis products to the public. There are extensive regulations governing the operations of a cannabis business and reluctance (or possibly outright prohibition) on the part of federally-chartered banking institutions to grant banking privileges to cannabis-related businesses. Consequently, the Balboa Dispensary is an entirely cash business. As a result of the “cash only” operating situation, the Dispensary is related to other entities to which it transfers the majority of its revenue and through which it pays many of its expenses. The related entities are able to operate with checking accounts through normal banking institutions. The Balboa Dispensary also has a management contract with Far West Management, LLC, a company that provides management services and employee leasing services to the Balboa Dispensary.

Summary of Contributions and Distributions by Razuki and Malan to the Balboa Operations

Schedule 2 sets forth a summary of the contributions to and distributions from the Balboa Operations by Mr. Razuki and Mr. Malan from inception to the present. Schedule 2 also shows contributions from San Diego Business Ventures (former management company) and other transfers in and out of the Balboa Operations. The references on Schedule 2 identify the

Honorable Eddie C. Sturgeon
 Mr. Michael Essary
 November 12, 2018
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supporting schedules that present the details of the summary amounts on Schedule 2. The result of the analysis of the contributions and distributions related to the Balboa Operations is set forth in the following duplication of Schedule 2:

**SCHEDULE 2
 BALBOA OPERATIONS
 AMOUNTS CONTRIBUTED INTO AND DISTRIBUTED FROM**

		Contributions to and Distributions from				
	<i>Ref.</i>	Razuki	Malan	Hakim	S.D. Bldg. Vent.	Total
Contributions into:						
8859 Balboa A-E	<i>Sched 2.1</i>	\$ 527,312.99	\$ 53,524.85			\$ 580,837.84
8861 B & 8863 E	<i>Sched 2.2</i>	433,312.50	4,198.50			437,511.00
S.D. Building Ventures	<i>Sched 2.3</i>	-	-		\$ 1,555,892.34	1,555,892.34
S.D. United Holdings, LLC	<i>Sched 2.4</i>		107,031.45	12,500.00		119,531.45
Total Contributions Into Balboa Operations		\$ 960,625.49	\$ 164,754.80	\$ 12,500.00	\$ 1,555,892.34	\$ 2,693,772.63
(Distributions From)						
Daily Cash Sheets (Jan - Jun 2018)	<i>Sched 2.5</i>		(182,680.00)	(30,000.00)		(212,680.00)
Flip Management, LLC	<i>Sched 2.6</i>	(229.67)	(5,644.00)	(5,000.00)		(10,873.67)
S.D. United Holdings, LLC	<i>Sched 2.4</i>	(26,994.97)				(26,994.97)
Total Distributions From Balboa Operations		\$ (27,224.64)	\$ (188,324.00)	\$ (35,000.00)	\$ -	\$ (250,548.64)
Net Contributions (Distributions)		\$ 933,400.86	\$ (23,569.21)	\$ (22,500.00)	\$ 1,555,892.34	\$ 2,443,223.99

Summary of Financial Operating Activity of the Balboa Operations

The operations of the Balboa Dispensary are a consolidation of the revenues and expenses from several entities. Because of the practical restriction of banking facilities available to the Balboa Dispensary, it can only operate on a cash basis by itself. Consequently, any expenses that cannot be paid in cash (payroll, taxes, insurance, etc.) have to be paid by a related entity or an unrelated management company. It is therefore necessary to transfer cash revenues from the Balboa Dispensary to other entities for the payment of some of the Dispensary's expenses. Therefore, the complete picture of the operations of the Dispensary (revenues, expenses and net income) requires a consolidation of expenses paid by various entities. Schedule 3 to this report presents the Statement of Cash Received and Disbursed from Operations for the Balboa Operations from inception through the present date. It should be noted that Schedule 3 is compiled from the best accounting data available from the management sources that were in place during different periods of historical operation and the Schedule is prepared without audit.

Schedule 3 identifies a cumulative operating deficit of the Balboa Operations of (\$1,564,712). This deficit has been funded by contributions as identified in Schedule 2 to this report

THE “MIRA ESTE OPERATION”

The Mira Este Operation is completely separate from the Balboa Operations, except for some common ownership and some occasional funds transferring between the two groups of entities. The Mira Este Operation involves one additional investor, Mr. Chris Hakim. The Mira Este operation is composed of the following entities:

Entities OWNED by Malan and Hakim (AND IN WHICH RAZUKI CLAIMS AN INTEREST):

1. **California Cannabis Group** (a licensed, California nonprofit mutual benefit corporation that operates the facility referred to as the Mira Este location);
2. **Mira Este Properties, LLC** (an entity that owns the premises located at 9212 Mira Este Court, San Diego, California);

Entities NOT OWNED by Malan, Hakim and/or Razuki, but relevant to the discussion:

3. **Far West Management, LLC** (a management company that is presently contracted to the California Cannabis Group to provide management services);
4. **San Diego Building Ventures** (a third-party management company that was formerly contracted to California Cannabis Group to provide management services; also referred to as SoCal Building Ventures);
5. **Synergy Management Partners, LLC** (a management company that is presently contracted to the California Cannabis Group to provide management services.)

The Mira Este Operation is not a retail cannabis dispensary. It is a 16,000 square foot building located at 9212 Mira Este Court that is licensed to effectively be a landlord to various cannabis operations that are owned by unrelated third parties, considered to be tenants in this accounting analysis. Presently there is one manufacturing company – EdiPure – that is a tenant at the Mira Este facility. It is Mira Este’s intention to have more tenants at its facility who pay rent to the non-profit, cannabis-licensed entity, California Cannabis Group. Because of complex cannabis regulations, the present and future tenants of Mira Este operate under the license of California Cannabis Group and California Cannabis Group is subject to the same banking restrictions as other cannabis operations.

Summary of Contributions and Distributions by Razuki, Malan and Hakim to the Mira Este Operation

Schedule 4 sets forth a summary of the contributions to and distributions from the Mira Este Operation by Mr. Razuki, Mr. Malan and Mr. Hakim from inception to the present time.

Honorable Eddie C. Sturgeon
 Mr. Michael Essary
 November 12, 2018
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Schedule 4 also shows contributions from San Diego Business Ventures (former management company) and other transfers in and out of the Mira Este Operation. The references on Schedule 4 identify the supporting schedules that present the details of the summary amounts on Schedule 4. The result of the analysis of the contributions and distributions related to the Mira Este Operation is set forth in the following duplication of Schedule 4:

**SCHEDULE 4
 MIRA ESTE OPERATION
 AMOUNTS CONTRIBUTED INTO AND DISTRIBUTED FROM**

	<i>Ref.</i>	Contributions to and Distributions from					Total
		Razuki	Malan	Hakim	S.D. Bldg. Vent.		
Contributions into:							
Mira Este Property Purchase	<i>Sched 4.1</i>	\$ 542,455.94	\$ 65,490.00	\$ 420,000.00			\$ 1,027,945.94
From S.D. Building Ventures	<i>Sched 4.2</i>				\$ 534,628.50		\$ 534,628.50
Total Contributions Into		542,455.94	65,490.00	420,000.00	534,628.50		1,562,574.44
(Distributions From)							
Mira Este Refinance	<i>Sched 4.1</i>	(72,000.00)	(518,000.00)	(590,000.00)			(1,180,000.00)
Net Money disbursed	<i>Sched 4.3</i>	-	(152,877.00)	(70,926.10)			(223,803.10)
Total Distributions From		(72,000.00)	(670,877.00)	(660,926.10)	-		(1,403,803.10)
Net Contributions (Distributions)		\$ 470,455.94	\$ (605,387.00)	\$ (240,926.10)	\$ 534,628.50		\$ 158,771.34

Summary of Financial Operating Activity of the Mira Este Operation

The operations of the Mira Este facility are a consolidation of the revenues and expenses of Mira Este Properties, LLC and California Cannabis Group that were recorded by different management companies since the inception of activity. Again, because of the practical restriction of banking facilities to California Cannabis Group, it can only operate on a cash basis by itself. Consequently, any expenses that cannot be paid in cash (payroll, taxes, insurance, etc.) have to be paid by a related entity or an unrelated management company. To date, the only revenues of the combined entities have been three months' rent paid by EdiPure, the only tenant presently occupying the premises. The consolidation of California Cannabis Group's financial statements is presented on Schedule 5 to this report. The cumulative operating cash deficit of the Mira Este Operation is \$1,084,426.

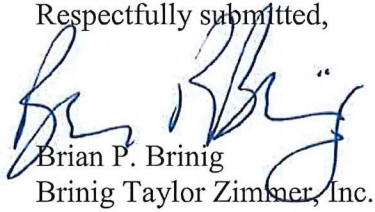
OTHER POSSIBLE CLAIMED CONTRIBUTIONS

Each party claims that he has made contributions to the business in the form of direct payments to the other party or payments of expenses related to the business entities. In Schedule 1, I have identified the respective "Other Possible Contributions" claimed by each party. Further investigation is necessary to verify the "Other Possible Contributions" in both the amounts and the propriety of allowing credit to the contributing party.

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I am issuing this report with the intention that the parties will have numerous comments and questions about the data summaries contained herein. Many documents have been provided to me at the last minute or other information provided with inadequate substantiation. I reserve the right to update and augment this report based on additional information provided to me.

Respectfully submitted,



Brian P. Brinig
Brinig Taylor Zimmer, Inc.

SCHEDULE 1
SUMMARY OF BALBOA COOPERATIVE OPERATIONS AND MIRA ESTE OPERATION

		<u>Razuki</u>	<u>Malan</u>	<u>Hakim</u>	<u>SDBV</u>	<u>Operations</u>	<u>Total</u>
Balboa Ave Cooperative Operations:							
Net Contributions	Schedule 2	\$ 960,625.49	\$ 164,754.80	\$ 12,500.00	\$ 1,555,892.34		\$ 2,693,772.63
Net Distributions	Schedule 2	(27,224.64)	(188,324.00)	(35,000.00)			(250,548.64)
Net Deficit from Operations	Schedule 3					\$ (1,564,712.25)	(1,564,712.25)
Mira Este Operation:							
Net Contributions	Schedule 4	542,455.94	65,490.00	420,000.00	534,628.50		1,562,574.44
Net Distributions	Schedule 4	(72,000.00)	(670,877.00)	(660,926.10)			(1,403,803.10)
Net Deficit from Operations	Schedule 5					\$ (1,084,425.77)	(1,084,425.77)
Total Before Other Possible Contributions		<u>\$ 1,403,856.80</u>	<u>\$ (628,956.21)</u>	<u>\$ (263,426.10)</u>	<u>\$ 2,090,520.84</u>	<u>\$ (2,649,138.02)</u>	<u>\$ (47,142.69)</u>
Other Possible Contributions							
Transfers to NM Investments		\$ 498,219.07					\$ 498,219.07
Sale of Dispensary Business		\$ 1,575,000.00					1,575,000.00
Operating Payments From Personal Accounts			\$ 159,164.87	\$ 205,187.74			364,352.61
Totals Including Other Possible Contributions		<u>\$ 3,477,075.87</u>	<u>\$ (469,791.34)</u>	<u>\$ (58,238.36)</u>	<u>\$ 2,090,520.84</u>	<u>\$ (2,649,138.02)</u>	<u>\$ 2,390,428.99</u>

SCHEDULE 2
BALBOA OPERATIONS
AMOUNTS CONTRIBUTED INTO AND DISTRIBUTED FROM

Contributions to and Distributions from						
	<i>Ref.</i>	Razuki	Malan	Hakim	S.D. Bldg. Vent.	Total
Contributions into:						
8859 Balboa A-E	<i>Sched 2.1</i>	\$ 527,312.99	\$ 53,524.85			\$ 580,837.84
8861 B & 8863 E	<i>Sched 2.2</i>	433,312.50	4,198.50			437,511.00
S.D. Building Ventures	<i>Sched 2.3</i>	-	-		\$ 1,555,892.34	1,555,892.34
S.D. United Holdings, LLC	<i>Sched 2.4</i>		107,031.45	12,500.00		119,531.45
<hr/>						
Total Contributions Into Balboa Operations		\$ 960,625.49	\$ 164,754.80	\$ 12,500.00	\$ 1,555,892.34	\$ 2,693,772.63
<hr/>						
(Distributions From)						
Daily Cash Sheets (Jan - Jun 2018)	<i>Sched 2.5</i>		(182,680.00)	(30,000.00)		(212,680.00)
Flip Management, LLC	<i>Sched 2.6</i>	(229.67)	(5,644.00)	(5,000.00)		(10,873.67)
S.D. United Holdings, LLC	<i>Sched 2.4</i>	(26,994.97)				(26,994.97)
<hr/>						
Total Distributions From Balboa Operations		\$ (27,224.64)	\$ (188,324.00)	\$ (35,000.00)	\$ -	\$ (250,548.64)
<hr/>						
Net Contributions (Distributions)		\$ 933,400.86	\$ (23,569.21)	\$ (22,500.00)	\$ 1,555,892.34	\$ 2,443,223.99

SCHEDULE 2.1
BALBOA OPERATIONS
AMOUNTS CONTRIBUTED TO 8859 BALBOA

Investment in 8859 Balboa Ave Units A-E

	<u>Total</u> <u>(Escrow Stmt.)</u>	<u>Razuki</u>	<u>Malan</u>
SDUH	\$ 25,000.00		\$ 25,000.00
SDUH	\$ 420,000.00 [A]	\$ 327,312.99	\$ 92,687.01
SDUH	\$ (64,162.16)		\$ (64,162.16)
Razuki	\$ 200,000.00	\$ 200,000.00	
Subtotal	\$ 580,837.84	\$ 527,312.99	\$ 53,524.85
First Trust Deed	\$ 1,088,000.00	-----[to Schedule 2] -----	
Other Costs	\$ (68,837.84)		
Total Consideration	\$ 1,600,000.00		

[A] SDUH received \$327,312.99 from El Cajon Investment Group, LLC (Razuki) to fund this transfer. Razuki represents that El Cajon Investment is his company.

SCHEDULE 2.2
BALBOA OPERATIONS
AMOUNTS CONTRIBUTED TO 8861 B and 8863 E

Razuki originally purchased the properties in 2016

Sale to SDUH 3/2/2017 (Razuki sells to SDUH):

1st Trust Deed	\$ 475,000.00 [A]
2nd Trust Deed to Razuki Investments	\$ 275,000.00 [B]
Cash from SDUH	\$ 4,198.50 [C]
Other Costs	<u>\$ (4,198.50)</u>
Total Consideration	<u><u>\$ 750,000.00</u></u>

[A] Refinanced to \$500,000 in May 2017 through Salas Financial, borrowers are Razuki, American Lending & SDUH

[B] Razuki reconveys the 2nd trust deed to SDUH and forgives this debt (5/12/2017)

Summary of Financial Activity:

	<u>Razuki</u>	<u>Malan</u>
Contribution to Escrow		\$ 4,198.50
1st Trust Deed Paydowns:		
Two monthly payments by Razuki	\$ 8,312.50 [D]	
From Arroyo Hondo sale (Razuki)	50,000.00 [D]	
From Loch Lomond sale (Razuki)	50,000.00 [D]	
Relief of 2nd Trust Deed	<u>275,000.00 [D]</u>	
Subtotal	\$ 383,312.50	
Razuki purchase of Cond. Use Permit	<u>50,000.00 [E]</u>	
Total contribution	<u><u>\$ 433,312.50</u></u>	<u><u>\$ 4,198.50</u></u>

-----[to Schedule 2] -----

[C] Contribution by SDUH attributed to Malan

[D] Amount of transaction is documented

[E] Based on Razuki's representation only; no documentation yet provided.

SCHEDULE 2.3
BALBOA OPERATIONS
AMOUNTS CONTRIBUTED BY S.D. BUILDING VENTURES

	2017	2018	Total Contribution
Cash Contributed	\$ 739,300.00	\$ 1,748,276.84	\$ 2,487,576.84
Transfer to Mira Este	(177,658.00)	(612,806.00)	(790,464.00)
Transfer to Mira Este	(55,500.00)	(85,720.50)	<u>(141,220.50)</u>
Net Amount Contributed to Balboa Operations			<u><u>\$ 1,555,892.34</u></u>
			<i>[to Schedule 2]</i>

SCHEDULE 2.4
BALBOA OPERATIONS
NET AMOUNTS CONTRIBUTED BY RAZUKI, MALAN & HAKIM

	2017	2018	Total	Recorded in Property Transactions	Net Contribution (Distribution)	Razuki	Malan	Hakim
Razuki Investment	\$ 327,317.99		\$ 327,317.99	\$ (327,317.99)	\$ -	\$ -		
Salam Razuki	\$ 25,000.00		\$ 25,000.00		\$ 25,000.00	\$ 25,000.00		
Chris Hakim		\$ 10,000.00	\$ 10,000.00		\$ 10,000.00			\$ 10,000.00
Ninus Malan/Chris Hakim		\$ 5,000.00	\$ 5,000.00		\$ 5,000.00		\$ 2,500.00	\$ 2,500.00
Ninus Malan	\$ 285,545.82	\$ (111,236.41)	\$ 174,309.41		\$ 174,309.41		\$ 174,309.41	
NM Investments	\$ (1,620.00)	\$ (16,163.00)	\$ (17,783.00)		\$ (17,783.00)		\$ (17,783.00)	
SR/NM Property Investment	\$ (103,989.93)		\$ (103,989.93)		\$ (103,989.93)	\$ (51,994.97)	\$ (51,994.97)	
Net Amounts Contributed (Distributed)						\$ (26,994.97)	\$ 107,031.45	\$ 12,500.00

-----[to Schedule 2] -----

SCHEDULE 2.5
BALBOA OPERATIONS
NET AMOUNTS DISTRIBUTED TO MALAN & HAKIM JAN. - JUNE, 2018

	Total	Malan	Hakim
Ninus Milan	\$ 152,680.00	\$ 152,680.00	
Ninus Milan/Chris Hakim	60,000.00	30,000.00	\$ 30,000.00
	<u>\$ 212,680.00</u>	<u>\$ 182,680.00</u>	<u>\$ 30,000.00</u>

-----[to Schedule 2] -----

SCHEDULE 2.6
BALBOA OPERATIONS
AMOUNTS DISTRIBUTED FROM FLIP MANAGEMENT, LLC

	<u>2017</u>	<u>2018</u>	<u>Grand Total</u>	<u>Razuki</u>	<u>Milan</u>	<u>Hakim</u>
Partner Investments (Distributions)						
Salam Razuki	\$ (229.67)		\$ (229.67)	\$ (229.67)		
Chris Hakim		\$ (5,000.00)	\$ (5,000.00)			\$ (5,000.00)
Ninus Milan	\$ 8,000.00	\$ (13,644.00)	\$ (5,644.00)		\$ (5,644.00)	
				<u>\$ (229.67)</u>	<u>\$ (5,644.00)</u>	<u>\$ (5,000.00)</u>

-----[to Schedule 2] -----

SCHEDULE 3
BALBOA OPERATIONS
STATEMENT OF CASH RECEIVED AND DISBURSED FROM OPERATIONS
From Inception to the Present
Note 1

"Balboa Operations" - Balboa Cooperative, SD United Holdings, LLC and Flip Management, LLC

	Total 2017 [A]	Total Jan - June 2018 [B]	Total July - Oct 2018[C]
Sales	\$ (8,566.00)	1,729,846.86	\$ 624,760.94
Switch Reimb of ATM Draws	\$ 204,620.25	-	\$ 96,233.00
Balboa 8855 Rent	\$ 12,842.38	23,000.00	\$ 11,000.00
Unknown	\$ (415.50)	16,797.14	\$ 3,600.00
	<u>\$ 208,481.13</u>	<u>\$ 1,769,644.00</u>	<u>\$ 735,593.94</u>
Accounting	\$ (22,260.00)	(22,000.00)	\$ (5,450.00)
Advertising/Promotion	\$ (81,250.40)	(76,164.87)	\$ (61,492.49)
Alarm	\$ -	(787.54)	\$ (49.99)
Balboa Tenant Improvements	\$ (90,950.00)	(208,617.75)	\$ (73,600.00)
Bank Fee	\$ (1,333.06)	(1,223.27)	\$ 2,607.69
Chris Berman	\$ -	(93,000.00)	
Cable	\$ (3,727.52)	(3,586.28)	\$ (359.92)
Cal City Management	\$ (150,000.00)	-	\$ -
Charitable Contribution	\$ -	(18,565.00)	\$ -
Computer	\$ -	(1,900.00)	\$ -
CUP - Balboa	\$ (7,244.00)	(7,461.00)	\$ -
HOA	\$ (9,440.92)	(42,530.58)	\$ -
Income Tax	\$ (800.00)	(4,359.18)	\$ -
Insurance	\$ (8,445.29)	(32,095.45)	\$ (8,543.86)
Inventory	\$ (37,329.95)	(839,333.01)	\$ (378,186.13)
Legal Fees	\$ (107,063.42)	(115,606.18)	\$ (296,388.94)
Loan Payments	\$ (100,307.75)	(88,181.60)	\$ (24,478.42)
Management/Consultant	\$ (75,788.10)	(116,500.00)	\$ (125,404.68)
Misc	\$ (5,272.66)	(1,488.51)	\$ (5,471.19)
Outside Services	\$ -	-	\$ (7,941.65)
Payroll	\$ (1,121.04)	(98,777.55)	\$ (381.85)
Payroll Fees	\$ (890.65)	(2,320.90)	\$ (118,112.24)
Payroll Tax	\$ (345.00)	(36,216.97)	\$ (7,752.96)
Phone	\$ -	(474.00)	\$ -
Point of Sale System	\$ -	(140.00)	\$ -
Printing	\$ (758.55)	-	\$ -
Property Tax	\$ -	(8,555.70)	\$ -
Reimbursements	\$ -	(1,699.29)	\$ -
Rent	\$ -	(21,200.00)	\$ (6,000.00)
Repairs & Maintenance	\$ -	-	\$ (26,181.20)
Sales Tax	\$ (32,829.03)	(218.00)	\$ -
Security	\$ (11,612.00)	(81,479.70)	\$ (76,495.18)
SoCal Employee Rent	\$ -	(22,672.45)	\$ (4,500.00)
SoCal Manager	\$ (30,000.00)	(30,000.00)	\$ (20,000.00)
Software	\$ -	(10,139.10)	\$ -
Storage	\$ -	(1,400.00)	\$ (700.00)
Supplies	\$ (11,080.55)	(8,196.66)	\$ (4,739.21)
Tax	\$ -	(31,751.05)	\$ (7,489.78)
Travel	\$ (1,346.85)	(10.00)	\$ -
Unknown	\$ (151,806.13)	(29,611.34)	\$ (9,147.79)
Utilities	\$ (3,598.46)	(3,715.48)	\$ (3,591.79)
Total Expenses	<u>(946,601.33)</u>	<u>(2,061,978.41)</u>	<u>(1,269,851.58)</u>
Net Operating Income/(Loss)	<u>(738,120.20)</u>	<u>(292,334.41)</u>	<u>(534,257.64)</u>
Net Operating Deficit		<u>\$ (1,564,712.25)</u>	

[1] This cash received and cash disbursed summary is prepared from the best records available from different managing entities during the relevant periods of time. The summaries are not audited; they are a compilation of the available receipts and disbursements data.

[A] Computed from Flip Management, San Diego Building Ventures and San Diego United Holdings

[B] Computed from Flip Managements, San Diego United Holdings, San Diego Building Ventures and the Dispensary Daily Cash Summaries.

[C] Computed from Flip Management, San Diego Building Ventures and the Financial Statements provided by Far West Management

SCHEDULE 4
MIRA ESTE OPERATION
AMOUNTS CONTRIBUTED INTO AND DISTRIBUTED FROM

		Contributions to and Distributions from				
	<i>Ref.</i>	Razuki	Malan	Hakim	S.D. Bldg. Vent.	Total
Contributions into:						
Mira Este Property Purchase	<i>Sched 4.1</i>	\$ 542,455.94	\$ 65,490.00	\$ 420,000.00		\$ 1,027,945.94
From S.D. Building Ventures	<i>Sched 4.2</i>				\$ 534,628.50	\$ 534,628.50
Total Contributions Into		542,455.94	65,490.00	420,000.00	534,628.50	1,562,574.44
(Distributions From)						
Mira Este Refinance	<i>Sched 4.1</i>	(72,000.00)	(518,000.00)	(590,000.00)		(1,180,000.00)
Net Money disbursed	<i>Sched 4.3</i>	-	(152,877.00)	(70,926.10)		(223,803.10)
Total Distributions From		(72,000.00)	(670,877.00)	(660,926.10)	-	(1,403,803.10)
Net Contributions (Distributions)		\$ 470,455.94	\$ (605,387.00)	\$ (240,926.10)	\$ 534,628.50	\$ 158,771.34

SCHEDULE 4.1
MIRA ESTE OPERATION
AMOUNTS CONTRIBUTED (AND WITHDRAWN) - PROPERTY PURCHASE AND REFINANCE

Investment in Mira Este
Payments/(Refunds) For Escrow

	<u>Original Purchase</u>	<u>Razuki</u>	<u>Malan</u>	<u>Hakim</u>
Razuki	\$ 254,780.94	\$ 254,780.94		
Malan	65,490.00		\$ 65,490.00	
Hakim	420,000.00			\$ 420,000.00
ME Properties	(1,482.00)			
Subtotal	738,788.94			
First Trust Deed	1,987,500.00			
Other Costs	(101,288.94)			
Total Consideration	<u>\$ 2,625,000.00</u>			
	<u>Refinancing</u>			
	<u>2nd TD (\$600,000)</u>			
Withdrawn	\$ (72,000.00)	\$ (72,000.00)		
Withdrawn	\$ (72,000.00)			\$ (72,000.00)
ME Properties	\$ (1,380.00)			
Roselle transfer	\$ (415,000.00)			
	\$ (560,380.00)			
Other costs	\$ (39,620.00)			
	<u>\$ (600,000.00)</u>			
Loan paydowns:				
Razuki	\$ 39,000.00	\$ 39,000.00		
Razuki	\$ 248,675.00	\$ 248,675.00		
	<u>\$ 287,675.00</u>			
	<u>2nd TD (\$1,100,000)</u>			
Withdrawn	\$ (518,000.00)		\$ (518,000.00)	
Withdrawn	\$ (518,000.00)			\$ (518,000.00)
Costs	\$ (136.04)			
	<u>\$ (1,036,136.04)</u>			
Total Withdrawn	\$ (1,036,136.04)			
Other costs	\$ (63,863.96)			
	<u>\$ (1,100,000.00)</u>			
Total Outstanding Loan	<u>\$ 3,687,500.00</u>	<u>\$ 470,455.94</u>	<u>\$ (452,510.00)</u>	<u>\$ (170,000.00)</u>
	<u>Contributed</u>	<u>Withdrawn</u>	<u>Net</u>	
Razuki	\$ 542,455.94	\$ (72,000.00)	\$ 470,455.94	
Malan	\$ 65,490.00	\$ (518,000.00)	\$ (452,510.00)	
Hakim	\$ 420,000.00	\$ (590,000.00)	\$ (170,000.00)	
	<u>\$ 1,027,945.94</u>	<u>\$ (1,180,000.00)</u>	<u>\$ (152,054.06)</u>	

-----[to Schedule 4]-----

SCHEDULE 4.2
MIRA ESTE OPERATION
AMOUNTS CONTRIBUTED BY S.D. BUILDING VENTURES

	2017	2018	Total Contribution
Transfer to Mira Este	\$ 177,658.00	\$ 612,806.00	\$ 790,464.00
Transfer to Mira Este		\$ 64,000.00	\$ 64,000.00
Paid on behalf of Mira Este		77,220.50	\$ 77,220.50
Equipment Returned to SDBV			<u>\$ (397,056.00)</u>
Net Amount Contributed to Mira Este Operations			<u><u>\$ 534,628.50</u></u>

[to Schedule 4]

SCHEDULE 4.3
MIRA ESTES OPERATION
NET AMOUNTS DISTRIBUTED FROM

	<u>Malan</u>	<u>Hakim</u>	<u>Total</u>
2016		\$ 11,000.00	\$ 11,000.00
2017	\$ (26,500.00)	\$ 62,050.00	\$ 35,550.00
2018	<u>\$ (126,377.00)</u>	<u>\$ (143,976.10)</u>	<u>\$ (270,353.10)</u>
	<u>\$ (152,877.00)</u>	<u>\$ (70,926.10)</u>	<u>\$ (223,803.10)</u>

-----[to Schedule 4] -----

SCHEDULE 5
MIRA ESTE OPERATION
STATEMENT OF CASH RECEIVED AND DISBURSED FROM OPERATIONS
From Inception to the Present
Note 1

Summary of Mira Este Operations

	Mira Este 2016 [A]	Mira Este 2017 [A]	Mira Este 2018 (Thru June) [A]	Mira Este 2018 July-Oct [B]
Operating Receipts & Disbursements				
Sublease Income				\$ 90,000.00
Mira Este Loan Payment	\$ (44,245.00)	\$ (240,415.10)	\$ (240,736.51)	\$ (92,327.50)
Legal Fees		\$ (35,796.00)	\$ (20,000.00)	\$ (64,161.00)
TRH (CUP - Mira)		\$ (10,000.00)	\$ (56,479.50)	\$ -
Mira Este Improvements		\$ (46,358.00)		\$ -
Unknown		\$ (860.00)	\$ (40,000.00)	\$ -
Property Tax		\$ (24,917.35)	\$ (15,369.46)	\$ -
Conditional Use Permit-ME		\$ (23,399.00)	\$ (10,815.50)	\$ -
Cash		\$ (23,500.00)		\$ -
Security				\$ (22,848.00)
Cleaning & Maintenance				\$ (14,958.95)
Sales Tax		\$ (12,471.07)	\$ (123.00)	\$ (1,047.17)
Insurance		\$ (3,895.34)	\$ (1,262.00)	\$ (7,675.57)
Utilities		\$ (4,795.71)	\$ (2,059.77)	\$ (2,879.50)
Outside Services				\$ (6,094.00)
Office Supplies & Software				\$ (3,397.63)
License & Permits				\$ (3,224.90)
Income Tax		\$ (1,652.19)	\$ (800.00)	\$ -
Salaries & Wages				\$ (2,282.48)
Accounting		\$ (450.00)	\$ (1,450.00)	\$ -
Bank Fee	\$ (162.43)	\$ (529.00)	\$ (320.00)	\$ -
Misc			\$ -	\$ (667.14)
Total Expenses	\$ (44,407.43)	\$ (429,038.76)	\$ (389,415.74)	\$ (221,563.84)
Net Operations	\$ (44,407.43)	\$ (429,038.76)	\$ (389,415.74)	\$ (221,563.84)
	\$ (1,084,425.77)			

[1] This cash received and cash disbursed summary is prepared from the best records available from different managing entities during the relevant periods of time. The summaries are not audited; they are a compilation of the available receipts and disbursements data.

[A] Computed from Mira Este Bank Activity

[B] Computed from Mira Este Bank Activity and California Cannabis Group Profit and Loss provided by Far West Management

Exhibit B

CONFIDENTIAL

August 15, 2018

Mr. Scott Bergin
Mr. David Goodman
EPMM Management, LLC

RE: Production and Marketing Agreement to operate a cannabis manufacturing facility in that certain real property known as and located at 9212 Mira Este Court, San Diego, CA (the "Property")

Dear Mssrs. Goodman and Bergin:

This binding letter agreement (the "**Agreement**") memorializes the material terms of a yet to be drafted the Production and Marketing agreement between California Cannabis Group, LLC ("CCG") and EPMM Management, LLC ("EPMM").

California Cannabis Group, LLC ("CCG") is the owner of a Business Tax Certificate that allows the operation of cannabis manufacturing and distribution facility on the Property until approximately November 2019. CCG is also the applicant for a Conditional Use Permit that will allow for a cannabis manufacturing and distribution facility on the Property for a minimum of 5 years. Mira Este Properties, LLC is the owner of the Property.

CCG is desirous of engaging EPMM to produce cannabis products under its EdiPure brand on the Premises using non-combustible materials and methods.

The parties are entering into this Agreement to set forth (*inter alia*) (i) what activity may occur on the Property until a definitive agreement has been entered into, (ii) how financial matters will be handled during the Interim Period (as defined below) and (iii) how the affairs of the cannabis businesses will otherwise be governed during the period commencing on the date hereof and ending on the date on which a definitive agreement has been executed and delivered to all parties thereto.

For good and valuable consideration, CCG and EPMM hereby agree as follows:

1. Prior to the execution of the Definitive Agreement, during the Interim Period, the parties agree as follows:

(i) EPMM shall pay to CCG \$30,000 per month or 10% of monthly Gross Revenue whichever is higher ("Production Fee"). As used in this Agreement, "Gross Revenue" means total revenue from the sale and/or license of cannabis products by EPMM without regard to expenses or offsets. The Production Fee shall be paid to CCG as follows:

- a. \$30,000 on the first day of each month.
- b. Prior to the 15th day of each month, EPMM shall provide to CCG a reconciliation of the prior month's sales and any additional Production Fee payments due for the prior month, if any.
- c. EPMM shall be entitled to all remaining Gross Revenue.

(ii) EPMM shall pay to CCG \$45,000 on the first day of each month as an estimated tax payment towards the Cannabis Excise Tax due to the State of California ("Excise Tax"). The Excise Tax shall be paid to the State of California by CCG. EPMM shall pay to CCG any additional Excise Tax due by the 15th day of the following month.

(iii) During the Interim Period EPMM shall be responsible for all costs in connection with its production of cannabis products including but not limited to the cost of cannabis and other ingredients, equipment purchase and maintenance, personnel costs, overhead, insurance, testing, and City and State regulatory fees and taxes arising from its operations. To the extent that any of the costs are required to be paid by CCG, EPMM shall reimburse CCG within 5 business days of written notice by CCG to EPMM.

(iv) CCG, with the assistance of EPMM, shall as soon as practicable, transfer through its licensed distributor any allowable cannabis products stored in quarantine at the Vista Prime distribution facility located at 7895 Convoy Ct., San Diego, CA to the quarantine area within the Property ("Transferred Cannabis Product"). The quarantine area on the Property shall be an area identified by CCG.

(v) EPMM shall secure testing of the Transferred Cannabis Product through a California licensed testing facility.

(vi) EPMM shall utilize best efforts in distributing and selling the Transferred Cannabis Product that successfully passes testing from a California licensed testing facility to California licensed retail outlets.

(vii) As soon as allowable by the City of San Diego, the Bureau of Cannabis Control and the California Department of Public Health, CCG shall provide to EPMM a designated area consisting of approximately 4,000 sf in which to produce the cannabis products.

(viii) From and after the date hereof, EPMM and CCG shall diligently and in good faith execute and deliver the Definitive Agreement. It is expected that the Definitive Agreement will be executed within twenty (20) days from the date hereof.

(ix) During the Interim Period, each of the parties shall timely furnish and/or make available to the other parties all materials and other material information (both written and oral) with respect to the identified transactions and shall otherwise keep each other regularly apprised as to all material aspects thereof.

(x) Upon execution and delivery of the Definitive Agreement, this Agreement shall be superseded thereby and shall be of no further force or effect.

(xi) No party may, directly or indirectly, (i) assign any of its rights or delegate any of its duties under this Agreement or (ii) sell, transfer, assign or encumber any of its interests in this Agreement.

(xii) Nothing expressed or referred to in this Agreement will be construed to give any person other than the parties to this Agreement any legal or equitable right, remedy or claim under or with respect to this Agreement or any provision of this Agreement. The rights and remedies herein provided are cumulative, may be exercised singly or concurrently, and are not exclusive of any rights or remedies provided by law. The individuals signing this Agreement have the authority to bind the respective party. This Agreement (i) shall be governed by and construed in accordance with the laws of the State of California; (ii) may be executed by facsimile or portable document format (PDF) with the same effectiveness as if an original signed copy was delivered; (iii) may be executed in counterparts; and (iv) sets forth the entire understanding of the parties with respect to the subject matter hereof.

(xiii) All notices, requests, demands and other communications hereunder shall be in writing and shall be deemed to have been given: (i) when delivered personally; (ii) the next Business Day, if sent by a nationally-recognized overnight delivery service (unless the records of the delivery service indicate otherwise); or (iii) three (3) Business Days after deposit in the United States mail, certified and with proper postage prepaid to the address set forth above.

2. EPMM hereby represents and warrants to CCG as of the date of this Agreement as follows:

(i) EPMM is not under investigation by any state or federal authority for violation of any laws or regulations.

(ii) EPMM has not entered into any contract, understanding, commitment or any other agreement, whether or not conditional, written or oral, for the assignment of, transfer of,

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lien of, or any other agreement regarding the assignment, transfer or encumbering of the Transferred Cannabis Product.

(iii) No one claiming to have dealt with EPMM is entitled to receive from any party hereto any finder's fee, brokerage, or other commission in connection with the Transferred Cannabis Product or this Agreement.

3. This Agreement shall be immediately terminable in CCG's sole and absolute discretion if any of the following events occur:

(i) EPMM fails to provide the Production Fee or Excise Tax to CCG on the day that it is due.

(ii) Any of the Representations and Warranties in Paragraph 2 above are invalid or untrue.

(iii) EPMM fails to provide any documentation requested by CCG within 2 business days of written request.

(iv) Any action by any EPMM representative causing CCG to be out of compliance with State or local rules or regulations.

4. This Agreement may also be terminated by mutual written consent of both parties.

5. Confidential Information. The parties acknowledge that they may receive information regarding the other party in the form of trade secrets, formulas, proprietary business practices, or other information that is deemed confidential by such other party, the release of which may be damaging to such other party or to persons with whom such party does business. Each party shall hold in strict confidence any information it receives regarding the other party that is identified as being confidential and may not disclose it to any person, except for disclosures: (i) compelled by law; (ii) to advisers or representatives of such recipient party, but only if they have agreed to be bound by the provisions of this Section; and (iii) of information that party also has received from an independent source that such recipient party reasonably believes it obtained without breach of any obligation of confidentiality.

6. Prior Agreements. The Parties acknowledge that the CCG has recently terminated the services of SoCal Building Ventures, LLC as manager of the Facility pursuant to a management services and option to purchase agreement ("SoCal Agreement"), and that such termination has led to litigation regarding the management and ownership rights in the Facility, Case No. 37-2018-00034229-CU-bc-CTL in the Superior Court of San Diego, Central Division (the "Litigation"). EPMM acknowledges and understands that the Litigation could affect the parties' ability to perform under this Agreement or ability to receive timely payment for services, should the court or other parties to the

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Litigation take certain actions. EPMM hereby agrees to waive any non-performance of this Agreement resulting from the Litigation; provided, however, the parties agree to take any and all reasonable measures to effectuate the terms of this Agreement

[SIGNATURE PAGE FOLLOWS]

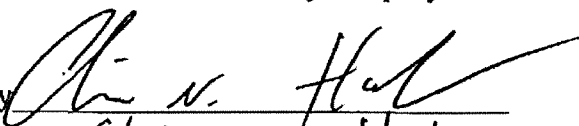
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If the foregoing accurately represents our agreement, please sign below in the space provided.

Very truly yours,

California Cannabis Group, LLC
a California limited liability company

By: 
Name: Chris N. Hakim
Title: Director/officer

Agreed to and accepted:

EPMM Management, LLC
a California limited liability company

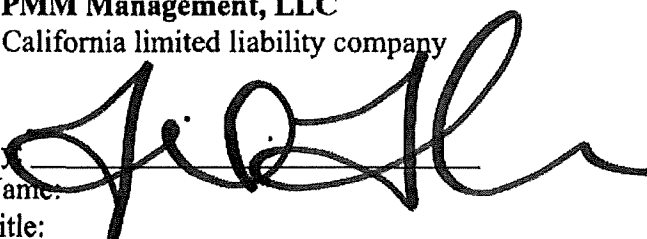
By: 
Name:
Title:



Exhibit C

Razuki vs Malan
Receivership - Cash Ledger

	<u>Date</u>	<u>Expense</u>	<u>Deposit</u>	<u>Balance</u>	<u>Description</u>	<u>Cleared</u>
1	7/18/2018		\$4,480.00	\$4,480.00	ATM cash from Balboa dispensary takeover	x
2	7/18/2018		\$31.69	\$4,511.69	Loose cash from Balboa dispensary takeover	x
3	7/19/2018		\$170,600.00	\$175,111.69	SoCal payment of fees/rents owed prior to receivership	x
4	7/19/2018	\$15.00		\$175,096.69	Bank wire charge for deposit	x
5	7/20/2018	\$584.19		\$174,512.50	Check #100 - Borjon - payroll to 7/15/18	x
6	7/20/2018	\$495.42		\$174,017.08	Check #101 - Bullock - payroll to 7/15/18	x
7	7/20/2018	\$392.26		\$173,624.82	Check #102 - Clarke - payroll to 7/15/18	x
8	7/20/2018	\$632.21		\$172,992.61	Check #103 - Da Silva - payroll to 7/15/18	x
9	7/20/2018	\$1,050.63		\$171,941.98	Check #104 - Davis - payroll to 7/15/18	x
10	7/20/2018	\$710.16		\$171,231.82	Check #105 - Holler - payroll to 7/15/18	x
11	7/20/2018	\$333.30		\$170,898.52	Check #106 - Moran - payroll to 7/15/18	x
12	7/20/2018	\$786.79		\$170,111.73	Check #107 - Ortega - payroll to 7/15/18	x
13	7/20/2018	\$8,000.00		\$162,111.73	Cash withdrawal for replacement \$20's for Balboa ATM	x
14	7/23/2018	\$1,652.59		\$160,459.14	Check #108 - West Coast S&S - Security/Computer vendor past due invoice	x
15	7/24/2018	\$3,400.00		\$157,059.14	Check #109 - Archstone Intl - Security for Mira Este invoice	
16	7/24/2018		\$1,259.38	\$158,318.52	Cash deposited from Balboa - found lodged in safe drop slot	x
17	7/25/2018	\$503.47		\$157,815.05	Check #110 - Mike Essary/Calsur - Labor and materials for Mira Este takeover workers	x
18	7/25/2018	\$11,968.95		\$145,846.10	Check #111 - West Coast S&S - New security/computer video equip Mira Este	x
19	7/26/2018		\$17,765.01	\$163,611.11	Bank of America proceeds from 2 SD United accounts	x
20	7/26/2018		\$910.00	\$164,521.11	Cash deposited from Balboa - Reimbursement for check to Pax Vendor	x
21	7/26/2018	\$909.95		\$163,611.16	Check #112 - Pax Labs - Pax devices for inventory	x
22	7/26/2018	\$100.00		\$163,511.16	Check #113 - Bond Services - Receiver bond annual premium	x
23	7/26/2018	\$677.73		\$162,833.43	Check #114 - A-1 Express Locksmith - Balboa deadbolt install/secure	x
24	7/26/2018	\$0.00		\$162,833.43	Check #115 - Void check for ATM deposit change over	x
25	7/27/2018	\$10,000.00		\$152,833.43	Check #116 - MMLG, LLC - Retainers for Cannabis consultant Balboa/Mira Este	x
26	7/30/2018	\$17,028.00		\$135,805.43	Michael Essary, Receiver - Receiver fees/expenses progress payment	x
27	7/30/2018	\$6,511.00		\$129,294.43	Check #117 - JHY Partners - Consulting on entities/finances/unpaid invoices	x
28	7/30/2018	\$7,375.00		\$121,919.43	Check #118 - JHY Partners - previous outstanding invoices for entity acct/consulting	x
29	7/30/2018	\$12,829.66		\$109,089.77	Check #119 - City of SD - Cannabis local tax	x
30	7/30/2018	\$7,165.95		\$101,923.82	Check #120 - Griswold Law - Receiver's attorney progress billing	x
31	7/30/2018	\$12,000.00		\$89,923.82	Check #121 - Dan Spillane - Mira Este consultants mgmt fees	x
32	7/30/2018	\$15,629.00		\$74,294.82	Check #122 - JHY Partners - various outstanding billings and services	x
33	7/30/2018	\$18,500.00		\$55,794.82	Check #123A - ABP Consulting - Contractual fees for consultants and expenses	x
34	8/1/2018		\$12,829.66	\$68,624.48	Cash deposited from Balboa - Reimbursement for check to San Diego Cannabis Tax	x
35	8/1/2018	\$500.00		\$68,124.48	Cash withdrawal for Balboa employees last day payroll - to James Manager	x
36	8/2/2018	\$1,553.45		\$66,571.03	Check #123B - Clarke - payroll	x
37	8/2/2018	\$2,276.61		\$64,294.42	Check #124 - Holler - payroll	x
38	8/2/2018	\$1,272.07		\$63,022.35	Check #125 - Borjon - payroll	x

Razuki vs Malan
Receivership - Cash Ledger

	<u>Date</u>	<u>Expense</u>	<u>Deposit</u>	<u>Balance</u>	<u>Description</u>	<u>Cleared</u>
39	8/2/2018	\$1,413.18		\$61,609.17	Check #126 - Ortega - payroll	x
40	8/2/2018	\$1,089.21		\$60,519.96	Check #127 - Bullock - payroll	x
41	8/2/2018	\$1,662.88		\$58,857.08	Check #128 - Davis - payroll	x
42	8/2/2018	\$1,605.54		\$57,251.54	Check #129 - De Silva - payroll	x
43	8/2/2018	\$1,147.03		\$56,104.51	Check #130 - Moran - payroll	x
44	8/6/2018	\$812.50		\$55,292.01	Michael Essary, Receiver - Receiver fees/expenses balance of progress payment	x
45	8/7/2018	\$0.00		\$55,292.01	Check # 131 - SDTFA - Partial State sales tax \$40,000 Voided	x
46	8/13/2018	\$9,651.00		\$45,641.01	Michael Essary, Receiver - Receiver fees/expenses progress payment	x
47	9/1/2018	\$7,658.00		\$37,983.01	Michael Essary, Receiver - Receiver fees/expenses final August 2018 payment	x
48	9/2/2018	\$12,400.78		\$25,582.23	Check #140 - Griswold Law - Receiver's attorney progress billing	x
49	9/4/2018	\$59.10		\$25,523.13	Check printing charge	x
50	9/18/2018	\$10,000.00		\$15,523.13	Check #141 - Retainer fee for Brinig forensic accountants	x
51	10/15/2018		\$11,000.00	\$26,523.13	Deposit September & October 2018 Rents for 5 additional Balboa Ave units	x
52	10/25/2018	\$10,072.50		\$16,450.63	Check #142 - Brinig billing for September 2018 less retainer of \$10,000	x
54	10/19/2018	\$13,213.45		\$3,237.18	Check #152 - Griswold Law Receiver's Attorney September 2018 billing	x
55	10/26/2018		\$19,000.00	\$22,237.18	Cash deposited from Balboa operations for State tax payment	x
56	10/29/2018		\$19,000.00	\$41,237.18	Cash deposited from Balboa operations for State tax payment	x
57	10/31/2018		\$12,914.00	\$54,151.18	Cash deposited from Balboa operations for State tax payment	x
58	10/31/2018	\$50,914.00		\$3,237.18	Check #153 State of CA 3rd quarter sales tax for Balboa	x

Exhibit D

Razuki vs Malan
Receiver Billing Summary
Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
9/1/2018	1.75	\$ 437.50	Create detailed list of items needed from parties for Griswold to request. Review of contracts with Synergy and FarWest. Emails with Compass bank about status of account and statements. Review more docs from Sal related to Mira Este.
9/2/2018	2	\$ 500.00	Review financial docs for Balboa sent by John. Discussion with John with questions about reports and bank statements. Update cash ledger for Wells Fargo account - reconcile. Pay Griswold invoice.
9/3/2018	3	\$ 750.00	Preparation of report/exhibits. Emails with Griswold about document production demand and report format. Send preliminary report/exhibits to Griswold. Emails about Compass account.
9/4/2018	4.5	\$ 1,125.00	Review Griswold emails/comments. Emails with Compass about statement. Continue preparation of report and exhibits. Review and label exhibits. Produce PDF's for Griswold review/comment and send out with list of exhibits. Communication with Peter about September rents and meeting on Friday. Review and comment on Griswold version of report. Review of revisions and execute document for filing. Call and emails with Aaron about notice to City of SD of receivership. Execute letter/notice and email to City.
9/5/2018	1	\$ 250.00	Review of Griswold email and Malan dec. Prepare response to false statements for Griswold to format and file. Execute dec from Griswold. Discussion with John about City tax numbers and defendants statement of a discrepancy. Discussion with Sal about new decs and confirming items they provided to me.
9/6/2018	1.5	\$ 375.00	Review some of the new filings from parties pre-hearing. Emails with Griswold about City tax detail. Emails and discussion with Yaeger on tax documentation.
9/7/2018	6.25	\$ 1,562.50	Review other filings from parties. Discussion with Aaron about Mira Este license not disclosed and need for additional notice. Review and execute notice to State. Emails with Griswold about hearing. Confirmation hearing Dept 67. Discussion with John about upcoming forensic audit and items needed.
9/7/2018		\$ 33.00	Parking for court
9/8/2018	0.5	\$ 125.00	Email from Gina about local audit. Messages and call with Gina about bills, approvals, and reports. Emails from Gina about Balboa operations.
9/10/2018	2.75	\$ 687.50	Emails from Gina about audit, procedures and accountings. Email to Grigor about City audit - copy Aaron and John and Griswold. Email from Compass with bank statement. Emails with Ninus about HOA payment and banking issues. Review emails and respond to CA State department regarding receivership - include Aaron. Discussion with John about City audit. Call to tenant Peter about new order and Sept rents. Emails with Griswold, Gina about information format and issues with Gina. Call and message to Brinig for discussion on retaining his service. Conversation with Brian Brinig about his services. Emails with Brian and Griswold about setting an appointment. Send receiver order to Brian's team.

Razuki vs Malan
Receiver Billing Summary
Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
9/11/2018	3	\$ 750.00	Call to Sal about Mira Este site visit. Discussion with Aaron about notices from State and our response. Email approval of insurance for Balboa to Ninus. Email to all about Mira Este site visit. Review of CUP for 8859 Balboa from Gina. Emails with Griswold and Gina about Aaron and confidentiality. Approve bill for Judd's work with Ninus. Review and email Griswold about Tamara's email about the Balboa HOA sewer line obligation. Email to Compass and Ninus confirming the account should be active and Ninus and Judd should have access. Emails with Compass bank and Ninus. Review proposed order from Griswold - provide changes/comments. More Griswold/Gina emails to review and comment to Griswold. Continued review of proposed order with changes. Discussion with Griswold about exact language.
9/12/2018	1.25	\$ 312.50	Emails about proposed order. Emails from Ninus and Judd about funds for Mira Este. Email from State and Gina about complete application needed - send to Aaron. Emails with Griswold about order and accountings missing. Further emails from parties. Email from Austin office about State filing. Respond to Griswold about order and lack of reports. More emails about State from Gina and about order from parties.
9/12/2018	3	\$ 750.00	Meeting with Griswold and Brinig and Partner about engagement as forensic accountants per court order.
9/13/2018	2.5	\$ 625.00	Emails from parties about order and scope of audit. Email from Ninus for invoice payment approval. Send emails about Friday inspections, accountants, and Tuesday accounting meetings. Review responses. Email from Gina about powers of attorney for cannabis entities. Emails with Red about financials and docs needed from parties and formal notice. More emails about inspections and audit meeting. Emails from Aaron about filings with State about receivership. Call with Aaron. Call with Sal. Call with John about Friday and Tuesday and time frames of audit. More emails about documentation, POA's, new order, inspections/audit meeting.
9/14/2018	4.25	\$ 1,062.50	Meeting with Brian and Marilyn from Brinig at Mira Este with Tamara, SoCal, Synergy to transfer SoCal property to them. Meeting with Brinig and Tamara at Balboa for site inspection and questions for staff. Discussion with Peter about status of receivership and potential for his units to be vacated. Review and execute letters to State for Balboa and Mira Este. Phone call with Peter on Balboa. Emails from Tamara and Heidi about other emails issues - researching. Call with Aaron and texts about registering with State as "owner" of licenses. Call with Josh from Aaron's office about application. Emails and execute application on State cannabis site. More emails about State license input with Josh. Emails to determine source of "report" emails from Chris Patel.
9/17/2018	3.75	\$ 937.50	Emails with John and Ninus about audit. Emails with Tamara and SoCal about ADP access emails. Review of cash reports for 9/12-9/15 from Heidi for Balboa. Enter and file LiveScan with CDPH for owner notification. Emails with Josh about process and ID number. More accounting/reports emails from Tamara. Emails from Gina about POA's. Emails with Griswold about stipulation and Tuesday CPA meeting. Email with John and Ninus about City audit and previous POS vendor. Conversation with BiotrackTHC - Steven - about acquiring missing data. Emails with Aaron and Josh about owner statement filing. More emails about City audit, vendor and report. Discussion with John about data needed. Emails with Aaron and Josh - and reply to Mr Pham with requested data. Reply to new email for Mr Pham's out of office response. Emails to Marilyn with financial reports provided by Tamara. Emails with Brian and review/execution of retainer agreement.

Razuki vs Malan
Receiver Billing Summary
Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
9/18/2018	7.25	\$ 1,812.50	Prepare information for auditor/parties meetings. Review emails from Gina and John. Attend meetings with Brian and Marilyn and John; then Ninus, Tamara, Judd and Griswold. Review financial needs and structures. Identify items/documents needed for audit. Discuss financials from Judd for Balboa and California Cannabis. Discussion with Josh and Aaron about ownership filing. Review doc from Josh for execution. Modify Owner Submittal for BCC. Discussion with John about reports and POS access. Email to Salam and counsel about a meeting with Brinig.
9/19/2018	2	\$ 500.00	Emails with Griswold and James about order. Send bank statements to Marilyn. Email from Ninus with bank access info. Continue prep of owner submittal with Aaron. Emails with Ninus about Torrey Pines Mira Este account - authorization email to Erandy at Torrey Pines Bank. Meeting with Peter from Balboa about new order, rents, status of receivership. Complete final notices/letters to BCC for Balboa and Cal Cannabis. Emails from Marilyn to parties.
9/20/2018	0.25	\$ 62.50	Emails from Gina, Judd and Ninus. Approve bills for payment.
9/26/2018	1.25	\$ 312.50	Emails Heidi and Judd. Gina about City audit, reply to all including Aaron and John. Emails and attachments with Carolyn and John. Emails with Torrey Pines bank about new order. Emails with Griswold about hearing. Review of Balboa reports from Heidi and comments by Marilyn. Review Griswold questions about status and answer for ex parte hearing.
9/28/2018	0.75	\$ 187.50	Emails from Griswold about hearing and court rulings. Email from Tamara about protective order - review and respond to Griswold. Review and approval of Balboa invoices from Judd and Ninus. Emails with Maura about Razuki and CPA meeting.
9/29/2018	1	\$ 250.00	Emails with Griswold on proposed ex parte order and review. Emails with Griswold on Austin invoices and redaction. Email with Treez and Judd about payment. Review of Balboa invoice and email to Ninus. Emails from Michaela about required communication by me to licensing analyst on Balboa. Emails from John and Judd about sales information.
Total		\$ 13,408.00	

Razuki vs Malan
Receiver Billing Summary
Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
10/1/2018	0.5	\$ 125.00	Emails with Gina and Michaela about anaylsts and new laws. Emails to review options with Griswold.
10/2/2018	1.5	\$ 375.00	Prepare Sept invoice for payment by operations - send to Judd. Emails with Griswold, Gina, Michaela, John, about regulatory requests/new cannabis law and contact needed from me. Email with Michaela letter to analyst on Balboa. Review of docs sent by John - forward to Marilyn. Emails from Maura and Brinig about Razuki interview re-schedule. Emails with Michaela about more regulatory contacts/emails needed. Emails with Griswold about a modified POA from Gina - and with Gina. Emails with Marilyn on missing items for her audit, specifically Mira Este. Emails with Judd about W9 for payment of Sept fees.
10/3/2018	1	\$ 250.00	Emails and responses to Licensing authorities on status of temp licenses and also questions about SBSB1459. Emails with Griswold about Ninus funding email. Emails with Heidi about Balboa report and changes in email format. Emails with Marilyn and Griswold about Razuki interview. Emails with Judd about invoice approval - review.
10/4/2018	1.25	\$ 312.50	Emails to Griswold and Ninus and all parties about cash flow issues. Emails with Marilyn about Salam interview and need for Mira Este and Balboa additional information. Review and responses to Griswold and Tamara emails on cash flow issue.
10/5/2018	2.25	\$ 562.50	Review and respond to Gina email on Mira Este CUP, Griswold emails, Heidi email reports, Agency anaylsts and requests for more information, and Marilyn updates and reports. Also reports from Judd on banking and accounting for Mira Este. Emails to Marilyn with questions about documents from Razuki and questions about Hakim. Questions to Marilyn about bank statements provided by Judd. Email to Gina with analyst requirements letter. Email to Griswold about signed order for distribution to banks and Balboa tenants. Review of Marilyn comments and implement request for Hakim interview. Review signed order from Griswold and forward to office for service on Balboa tenant Peter to demand September and October rents. Respond to Michaela email. Call from Maura about cash flow email with questions on audit status. Additional emails with Marilyn about Ninus meeting and cash flow email. Emails with Marilyn and Griswold about Hakim and Mira Este interview with Judd. Discussion with Griswold about further actions and conversation with plaintiff about questions.
10/6/2018	0.25	\$ 62.50	Review Balboa cash report from Heidi. Emails from Michaela regarding agency needs for licenses. Emails with Griswold and Marilyn about scheduling Hakim meeting/interview.
10/8/2018	1.25	\$ 312.50	Messages with Maura and Griswold about cash issues. Conference call with them for discussion on my concerns and position related to a receiver loan and court action. More texts and emails with Griswold with follow up to parties.
10/9/2018	0.25	\$ 62.50	Review news article about lawsuit and Balboa business sent by John. Forward to Griswold.

Razuki vs Malan
Receiver Billing Summary
 Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
10/10/2018	3	\$ 750.00	Review and respond to emails from Marilyn and Griswold about reports and Mira Este meeting. Email response to Ninas request for Balboa bill for internet. Emails from Gina about agency requirements - check status online with owner account. Review of Marilyn emails about Razuki documents sent and reply with questions. Review and respond to Heidi email about cash flows and non-approved expenses. Respond to Judd regarding more requests for cash and demand to pay no more expenses unless approved by me. Emails to Judd and Heidi about expenses and approval process. Multiple emails to parties about expenses and licensing requirements and the Austin Group responses/position. Emails with Griswold about Gina responses and rebuttal of receiver authority. Email from Ninus about delinquent mortgages and respond. Responses from Gina and Ninus - respond.
10/11/2018	0.5	\$ 125.00	Review and reply to Gina and Michaela emails about login and LiveScans. Log in and photo copy filed document pages for me, Ninus and Hakim. Send to Gina and Michaela with questions about local login.
10/12/2018	1.75	\$ 437.50	Review Ninus and Heidi emails about invoices and respond with my issues. Review revised billing for Gina. Emails from Gina and Red regarding procedures. Multiple emails from Judd and Adam? Reports on Mira Este, review and comment to Griswold and Marilyn. Emails from Griswold in response to Gina. Emails from Maura and our responses. Emails with Griswold and Aaron about licenses. Conversation with Maura about need for funds and setting up a conf call.
		\$ 30.00	Parking fee for Brinig meeting on 9/18/18
10/15/2018	4.75	\$ 1,187.50	Emails to potential investors for receiver loan. Call to Nick Lieberman about details for the loan and explain the process for hyper priority. Send Nick addresses of properties to use as collateral. Deposit September and October rents from Peter for 5 Balboa rental units. Emails with Nick about investor conference call to explain loan details. Conference call with Griswold, Sal, Maura and Aaron discussing upcoming ex parte hearing. Conversation with Aaron about agency compliance inspections. Review email/docs from Michaela and follow instructions for email to Heather at BCC with docs. Review Gina and Michaela emails about agencies and login information. Review email and schedule of deposit for Mira Este from Marilyn to Ninus. Conference call with Nick and Miramar Financial. Call with Nick about process. Discussion with Griswold about call and actions. Review Heidi email and Judd's for approval of expenses - approve.
10/16/2018	1.75	\$ 437.50	Ex parte hearing for case consolidation. Discussion with Gina and Ninus at court about funding. Review of hard money lender LOI and review of Nick's comments. Provide feedback. Email Griswold Sept billings and provide overview of hearing. Griswold email about LOI and response. Email to Gina and Ninus about LOI. Judd email and approval of security expense. Approval of invoice for Heidi at Balboa.
10/16/2018		\$ 15.00	Parking fee for court hearing

Razuki vs Malan
Receiver Billing Summary
 Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
10/17/2018	1.25	\$ 312.50	Emails with Griswold and Marilyn about Hakim interview scheduled. Email to parties for confirmation. Texts to Ninus about LOI. Emails with Nick about LOI comments. Email with Judd and Marilyn about interview. Emails with Nick and Lender about final LOI version. Email to Griswold to circulate LOI to parties. Emails from Griswold to new counsel for Far West and Synergy about interview and representation. Emails with parties about interview and issues/agenda. Email from Michaela about license renewal.
10/18/2018	2.25	\$ 562.50	Review Judd payables email, question to Griswold about approval. Review Gina summarized billing. Review Heidi email and attachments, approve expenses except FW mgmt fee. Adam and Gina responses to my email to Heidi. Respond to Judd and others about invoice approval. Review more emails about Balboa and payables priority. Review Gorla email with Griswold about canceling interview with Hakim today. Discussion with Griswold about interview and responses to Far West and parties about payments. Email about meeting from FW attorney. Discussion with Elia and Maura about settlement and receiver involvement/termination. Discussion about LOI for funding from 3rd party. Print out last signed order for interview. Send out email to parties with funding LOI attached. Emails from Griswold and Gina about LOI - respond. Review 9/7/18 order and highlight areas which defendants/vendors are violating.
10/18/2018	3.25	\$ 812.50	Meeting with Brinig group and then interview with Hakim, Judd, Jerry and counsel. Judd attorney email to Griswold. Email from Balboa audit agent with exceptions needed.
10/18/2018		\$ 24.00	Parking fee for Brinig meeting
10/19/2018	0.75	\$ 187.50	Review Jerry email with expenses listed for approval and respond. Review additional invoices from Jerry and respond with questions. Call Jerry per his email and leave message. Review Heidi report and expenses and approve.
10/22/2018	1.25	\$ 312.50	Review emails from Balboa employees about missed sick pay - forward to John for approval before paying. Respond to employees. Phone call with Maura and James about upcoming hearing and interview last week with Hakim and vendors. Forward Word version of previous court order. Conversation with Maura about status of hearing and settlement. Discussion with John about invoices for 2 unpaid employees. Emails with Brinig and Griswold about hearing and our meeting. Report by Heidi - review and approve. Review and respond to Jasmine email and demand for document/information production - copy team.
10/23/2018	1.5	\$ 375.00	Texts with Ninus about HOA payment approval. Review Heidi report. Emails and invoice from Jerry. Email and proposal from Gina. Review budget and then Marilyn's spreadsheet to compare. Emails from Nick and proposed lender about conflict. Contact with Marilyn about budget. Discussion with Maura and James about upcoming hearing and reports. Review Gorla email and correspondence.

Razuki vs Malan
Receiver Billing Summary
 Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
10/24/2018	4.25	\$ 1,062.50	Respond to Gina emails. Set up conf call with Brian and Marilyn to discuss budget. Email from Maura about ex parte. Email from Griswold about his status and hearing on Thursday. Phone conference with Brian and Marilyn about budget, missing reports, and structure of email response from Brinig. Email about Treez invoices. Send Brinig email from Gorla about Mira Este motion. Call with Maura about Gina filing and content. Forward emails about budget to Maura for comment. Review Brinig email and approve for distribution about Balboa budget request. John discussion about hearing and motions. Discussion with Maura about Mira Este filing and issues with Synergy. Review of Plaintiff docs and review of emails and responses related to their false allegations. Discussion with Maura about untrue statements and forward supporting emails. Review of Plaintiffs filings and send comments to Maura. Review and respond to Brinig email with copies of parties filings. Review and reply to Heidi email about approval for an invoice I didn't receive.
10/25/2018	5.5	\$ 1,375.00	Emails from Judd and Gina. Court hearing, discussion with parties after court. Meeting with Brian, Marilyn and Griswold. Approve invoices for Ninus and request backup. Email response to Judd's email. Call CA Tax Auditor about Balboa delinquency - number from Gina. Send Receiver docs to Tax Auditor. Emails from Judd and Gina and Maura. Emails from Marilyn - update Receiver cash ledger for her use. Emails and conversation with Cyndee Tax Auditor about account, payments, authorizations. Emails from Judd - approve payroll for Balboa but not FWO fee. Respond to Judd's email about State tax and payment refusal of cash. Respond to Cyndee email containing forms to fill out.
10/25/2018		\$ 30.00	Parking for court and Brinig meeting
10/26/2018	3	\$ 750.00	Review Judd email about tax payment process. Heidi report email and coordinate cash transfer. Emails with Judd about Local tax payment. Emails with Jerry about bill approvals and future reporting procedures. Call with Brinig team about Mira Este and daily cash sheet uses. Texts with Heidi approving vendor billing and coordinating meeting at dispensary. Meet with Heidi at Balboa, discuss approval procedures and possible use of a debit card, pick up cash for State tax payment. Deposit cash in WF receiver account. Emails from Griswold - were in spam - review and reply. Review proposed order from Griswold and comment. Emails with Griswold and Marilyn about Brinig report format and timing.
10/27/2018	1	\$ 250.00	Emails from Ninus and responses about bills and approval. Emails to Griswold and Marilyn. Email from Gina about order and respond. Review emails for prior approval of cable invoice. Emails from Gina to Griswold, my responses and objections.

Razuki vs Malan
Receiver Billing Summary
 Hourly Rate: \$250

<u>Date</u>	<u>Hours</u>	<u>Charge</u>	<u>Description</u>
10/29/2018	2.75	\$ 687.50	<p>Email from Heidi and response. Email to Jerry about payroll approval/documentation. Emails from Griswold and Matt about order. Review Griswold email with submitted order and dec. Pay Griswold Sept billings. Review of State requirement for electronic communications and depositing cash - call Cyndee and leave message. Gorla email about order. Calls with Cyndee about account info. Prepare authorizations and send to Cyndee via email. Emails with Matt about approval process for payroll on Mira Este. Texts with Heidi about cash deposit. Email from Matt. Elia email about order. Emails with Matt and Jerry and Marilyn about Mira Este payroll documentation. Meet Heidi at Balboa and pick up cash for deposit into receiver account - for payment of 3rd quarter State taxes. Deposit into bank and send receipt to Heidi. Review State tax backup from Heidi. Email to Jasmine about meeting to clear outstanding audit issues on Balboa. Emails with Gina about Jasmine call Tuesday 9:30am. Judd email for exise tax payment approval for Mira Este - waiting for return to approve. Emails to Griswold and Brinig team about unacceptable accounting procedures we're experiencing from Far West. Email from Michaela about license and send email to agency asking for update. Emails about phone call with Jasmine, including Gina.</p> <p>Email from Judd about tax filing for CCG - contact Cyndee for confirmation of information. Contact Jasmine to confirm call in info for 9:30 conference call. Review report from Heidi. Respond to Quyen about license status. Conference call with Jasmine and Gina about items needed for audit. Email to John about tax returns needed. Discussion with John about info availalbe and old employee payment data. Review and approve Mira Este tax payment from Judd. Approve bill from Ninus for City of SD - answer Marilyn's questions. Send Marilyn copy of State tax support for 3rd quarter payment. Review Marilyn's responses. Email from Cyndee with corrected account number - send</p>
10/30/2018	1.75	\$ 437.50	<p>Texts with Heidi and Cindy about cash/banking/State tax check arrangements. Email with Gina about Jasmine info. Emails about package sent to Mira Este? Arrange to get final cash from Heidi for State tax payment, deposit in receiver account and give check to Heidi to remit to State. Email from Gina and Griswold with Larry about CCG definitive agreement. Emails with Griswold and Marilyn about Epidure contract at Mira Este. Email from Judd about sucess filing for CCG.</p>
10/31/2018	1.75	\$ 437.50	<p>Response to Heidi about need for Ninus owner submittal.</p>
Total		\$ 12,661.50	

Griswold **LAW** _____

444 S. Cedros Ave., Suite 250

Solana Beach, CA 92075

Phone: (858) 481-1300 | Fax: (888) 624-9177

Account Statement

Prepared for Michael Essary - Receiver

Re: Razuki v. Malan: Receivership

Previous Invoice Amount	\$13,213.45
Last Payment Received	
Previous Balance	\$0.00
Current Charges	\$5,516.55
Total Due	\$5,516.55

Griswold **LAW** _____

444 S. Cedros Ave., Suite 250

Solana Beach, CA 92075

Phone: (858) 481-1300 | Fax: (888) 624-9177

Michael Essary - Receiver

Invoice Date: November 01, 2018

Invoice Number: 11501

Invoice Amount: \$5,516.55

Matter: Razuki v. Malan: Receivership

Attorney's Fees

10/2/2018	Review/reply to multiple emails with Client re status of Brinig analysis, status of rcvshp budget	R.C.G.	.30	\$90.00
10/4/2018	Review/reply to emails re status of forensic audit	R.C.G.	.30	\$90.00
10/5/2018	Consult with Client re status of forensic audit, review missing docs for Brinig	R.C.G.	.40	\$120.00
10/8/2018	Consult with Client re funding options for ongoing operations, financial reporting	R.C.G.	.60	\$180.00
10/8/2018	TC from counsel for Plaintiff re status of funding for ongoing operations	R.C.G.	.40	\$120.00
10/8/2018	Draft doc demands to parties re forensic audit	R.C.G.	.40	\$120.00
10/9/2018	Review notice of hearing re consolidation; Consult with client re purpose of hearings	R.C.G.	.30	\$90.00
10/11/2018	Review/reply to multiple emails from counsel and consultants re status of rcvshp	R.C.G.	.60	\$180.00
10/11/2018	File and Serve the Notice of Entry of Order	K.C.	.50	\$62.50
10/11/2018	Draft Notice of Entry of Order re Confirming Receiver	J.E.	.60	\$108.00
10/12/2018	TC from counsel for Hakim re status of rcvshp	R.C.G.	.30	\$90.00
10/15/2018	Consult with Client re funding, status of operations, management, doc production to Brinig	R.C.G.	.80	\$240.00
10/15/2018	Review Malan ex parte papers	R.C.G.	1.10	\$330.00
10/16/2018	Review receivership lender LOI; consult with client re terms	R.C.G.	.60	\$180.00
10/16/2018	Review outstanding receivership expenses; draft correspondence to counsel re payment	R.C.G.	.30	\$90.00
10/17/2018	Correspondence with new counsel for Synergy & Far West re status of case	R.C.G.	.30	\$90.00
10/17/2018	Draft correspondence to counsel re agenda for Mira Este Brinig meeting	R.C.G.	.30	\$90.00
10/18/2018	Review Far West demands; draft response email to all counsel	R.C.G.	.30	\$90.00

10/18/2018	TC from counsel for Hakim re Brinig meeting; consult with client re Brinig meeting	R.C.G.	.30	\$90.00
10/18/2018	TC from counsel for Malan re Far West mgt	R.C.G.	.20	\$60.00
10/18/2018	Brinig Meeting with Mira Este, Hakim, Synergy, Judd (telephonic)	R.C.G.	1.30	\$390.00
10/24/2018	Review parties' filings, oppositions re 10/25 ex parte hearings	R.C.G.	1.90	\$570.00
10/25/2018	Prepare for ex parte hearing	R.C.G.	1.10	\$330.00
10/25/2018	Travel to/from and Attend Ex Parte hearing	R.C.G.	1.70	\$510.00
10/25/2018	Meeting with Brinig re forensic audit report status	R.C.G.	.70	\$210.00
10/25/2018	File and Serve the Notice of Entry of Order	K.C.	.40	\$50.00
10/25/2018	Draft proposed order re 10/25 hearing	R.C.G.	.40	\$120.00
10/25/2018	Draft Notice of Entry of Order re 9/28/18 Order. Finalize and prepare for filing and service.	J.E.	.80	\$144.00
10/29/2018	Draft declaration re proposed order	R.C.G.	.40	\$120.00
10/29/2018	Review/reply to counsel emails re language of proposed order	R.C.G.	.30	\$90.00
10/29/2018	File and Serve the Declaration and Proposed Order	K.C.	.60	\$75.00
10/31/2018	Review Malan Notice of Appeal	R.C.G.	.20	\$60.00
10/31/2018	Review/reply to emails from counsel re potential contract negotiation with sub-producer	R.C.G.	.30	\$90.00
SUBTOTAL:			19.00	\$5,269.50

Costs

10/1/2018	OneLegal - courtesy copy delivery fee for the Proposed Order			\$30.00
10/4/2018	OneLegal - efilng and eservice fee for the Declaration and Proposed Order			\$19.95
10/16/2018	OneLegal - efilng and eservice fee for the Notice of Entry of Order			\$19.95
10/22/2018	OneLegal - efilng and eservice fee for the Proposed Order			\$19.95
10/25/2018	OneLegal - efilng and eservice fee for the Notice of Entry of Order			\$19.95
10/25/2018	COST: SD Superior Court Parking			\$30.00
10/29/2018	OneLegal - eservice fee for the Declaration and Proposed Order			\$10.00
10/30/2018	OneLegal - physical filing and courtesy copy fee for the Declaration and Proposed Order			\$97.25
SUBTOTAL:				\$247.05

TOTAL: \$5,516.55
PREVIOUS BALANCE DUE: \$0.00
CURRENT BALANCE DUE AND OWING: \$5,516.55

BRINIG TAYLOR ZIMMER
INCORPORATED
FORENSIC ACCOUNTING AND BUSINESS VALUATION
401 B STREET, SUITE 2150
SAN DIEGO, CALIFORNIA 92101
TEL. (619) 687-2600 FAX (619) 544-0304
www.btzforensics.com

Mr. Michael Essary
8304 Clairemont Mesa Blvd., St. 207
San Diego CA 92111

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November 01, 2018
ACCOUNT NO: 180910-00M
INVOICE NO. 172133

RAZUKI V. MALAN, ET AL.

		HOURS	
10/01/2018			
MPW	Economic Analysis	2.75	687.50
DJD	Data Entry re: Check names and memos - Bank of America	2.40	300.00
10/02/2018			
MPW	Economic Analysis	2.75	687.50
10/03/2018			
BPB	Economic Analysis	0.50	212.50
BPB	Client Case Meeting w/Mr. Razuki	2.80	1,190.00
MPW	Economic Analysis	4.75	1,187.50
10/04/2018			
MPW	Economic Analysis	3.00	750.00
10/05/2018			
DJD	Data Entry re: TP Bank entry (12/16-11/17 & 7/18)	2.80	350.00
10/08/2018			
MPW	Economic Analysis	0.25	62.50
10/09/2018			
MPW	Economic Analysis	0.50	125.00
10/10/2018			
BPB	Review of various emails	0.20	85.00
10/11/2018			
BPB	Attention To File	0.10	42.50
MPW	Economic Analysis	3.50	875.00
10/15/2018			
MPW	Economic Analysis	3.25	812.50

Mr. Michael Essary

RAZUKI V. MALAN, ET AL.

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November 01, 2018
ACCOUNT NO: 180910-00M
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			HOURS	
10/16/2018				
MPW	Economic Analysis	2.75	687.50	
10/17/2018				
BPB	Economic Analysis - Review status	0.50	212.50	
MPW	Economic Analysis	2.75	687.50	
MPW	Economic Analysis w/BPB	0.50	125.00	
10/18/2018				
BPB	Client Case Meeting	2.00	850.00	
MPW	Economic Analysis	5.00	1,250.00	
10/22/2018				
BPB	Economic Analysis w/MPW	1.00	425.00	
BPB	E-Mail to Henbes	0.20	85.00	
BPB	Economic Analysis	0.70	297.50	
MPW	Economic Analysis	2.50	625.00	
MPW	Economic Analysis w/BPB	1.00	250.00	
10/23/2018				
BPB	Economic Analysis	0.80	340.00	
MPW	Economic Analysis	1.75	437.50	
10/24/2018				
BPB	Economic Analysis w/MPW	0.70	297.50	
BPB	Economic Analysis	1.80	765.00	
BPB	E-Mail	0.30	127.50	
BPB	Trial Preparation	3.20	1,360.00	
BPB	Review of all pleadings/filings	1.00	425.00	
MPW	Economic Analysis w/BPB	0.70	175.00	
MPW	Economic Analysis	5.60	1,400.00	
10/25/2018				
BPB	Expert Witness Testimony	1.00	425.00	
BPB	Trial Preparation	1.00	425.00	
BPB	Client Case Meeting - w/Receiver & Counsel	0.30	127.50	
MPW	Economic Analysis	6.50	1,625.00	

Mr. Michael Essary

RAZUKI V. MALAN, ET AL.

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November 01, 2018
ACCOUNT NO: 180910-00M
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		HOURS	
10/26/2018			
	BPB Economic Analysis w/MPW	0.30	127.50
	BPB Tel Conf w/M. Essary	0.20	85.00
	MPW Economic Analysis	0.50	125.00
10/29/2018			
	MPW Economic Analysis	0.50	125.00
10/30/2018			
	BPB Review of correspondence	0.10	42.50
	BPB Economic Analysis w/MPW	0.80	340.00
	MPW Economic Analysis	3.50	875.00
	MPW Economic Analysis w/BPB	0.80	200.00
10/31/2018			
	MPW Economic Analysis	7.00	1,750.00
	FOR CURRENT SERVICES RENDERED	86.80	24,462.50

RECAPITULATION		
<u>HOURS</u>	<u>HOURLY RATE</u>	<u>TOTAL</u>
5.20	\$125.00	\$650.00
62.10	250.00	15,525.00
19.50	425.00	8,287.50

	TOTAL CURRENT WORK	24,462.50
	PREVIOUS BALANCE	\$10,072.50
10/25/2018	PAYMENT CHECK #0142 PAID BY: MICHAEL ESSARY	-10,072.50
	BALANCE DUE	<u>\$24,462.50</u>

WE ACCEPT ALL MAJOR CREDIT CARDS * TAX I.D.: 33-0001473
BRINIG TAYLOR ZIMMER, INC.

1 **PROOF OF SERVICE**

2 ***Salam Razuki v. Ninus Malan, et al.***

3 ***San Diego County Superior Court Case No. 37-2018-00034229-CU-BC-CTL***

4 I am employed in the County of San Diego, State of California. I am over the age of 18 and
5 am not a party to the within action. I am employed by Griswold Law, APC and my business address
is 444 S. Cedros Avenue, Suite 250, Solana Beach, California 92075.

6 On ***November 13, 2018***, I served the documents described as **RECEIVER MICHAEL**
7 **ESSARY'S SECOND RECEIVER'S REPORT** on each interested party, as follows:

8 **SEE ATTACHED SERVICE LIST**

9
10 **(VIA MAIL)** I placed a true and correct copy(ies) of the foregoing document in a sealed
11 envelope(s) addressed to each interested party as set forth above. I caused each such envelope, with
12 postage thereon fully prepaid, to be deposited with the United States Postal Service. I am readily
13 familiar with the firm's practice for collection and processing of correspondence for mailing with the
United States Postal Service. Under that practice, the correspondence would be deposited with the
United States Postal Service on that same day with postage thereon fully prepaid in the ordinary
course of business.

14 **(VIA OVERNIGHT DELIVERY)** I enclosed the documents in an envelope or package provided
15 by an overnight delivery carrier and addressed to each interested party. I placed the envelope or
16 package for collection and overnight delivery in the overnight delivery carrier depository at Solana
Beach, California to ensure next day delivery.

17 **X (VIA ELECTRONIC MAIL)** I caused true and correct copy(ies) of the foregoing document(s)
18 to be transmitted via **One Legal e-service** to each interested party at the electronic service addresses
listed on the attached service list.

19 **(BY FACSIMILE)** I transmitted a true and correct copy(ies) of the foregoing documents via
20 facsimile.

21 I declare under penalty of perjury under the laws of the State of California that the foregoing
22 is true and correct. Executed on ***November 13, 2018***, in Solana Beach, California.

23 

24 Katie Westendorf

SERVICE LIST

Counsel for Plaintiff Salam Razuki

Steven A. Elia, Esq.

Maura Griffin, Esq.

LAW OFFICES OF STEVEN A. ELIA, APC

2221 Camino Del Rio South, Suite 207

San Diego, CA 92108

Email: steve@elialaw.com; MG@mauragriffinlaw.com

Counsel for Defendant Ninus Malan

Steven Blake, Esq.

Daniel Watts, Esq.

GALUPPO & BLAKE, APLC

2792 Gateway Road, Suite 102

Carlsbad, CA 92009

Email: sblake@galuppolaw.com; dwatts@galuppolaw.com

Gina M. Austin, Esq.

Tamara M. Leetham, Esq.

AUSTIN LEGAL GROUP, APC

3990 Old Town Avenue, Suite A-112

San Diego, CA 92110

Email: gaustin@austinlegalgroup.com; tamara@austinlegalgroup.com

Counsel for Defendant Chris Hakim

Charles F. Gorla, Esq.

GORIA, WEBER & JARVIS

1011 Camino del Rio South, #210

San Diego, CA 92108

Email: chasgoria@gmail.com

Counsel for SoCal Building Ventures, LLC

Robert Fuller, Esq.

Salvatore Zimmitti, Esq.

NELSON HARDIMAN LLP

1100 Glendon Avenue, Suite 1400

Los Angeles, CA 90024

Email: rfuller@nelsonhardiman.com; szimmitti@nelsonhardiman.com