



**COLORADO**

**Department of Revenue**

Marijuana Enforcement Division

1697 Cole Blvd., Suite 200  
Lakewood, CO 80401

November 8, 2023

Alexander Michael Close

License Type: Owner- Individual

License # M157720

Dear Alexander Michael Close,

The purpose of this correspondence is to inform you that on November 8, 2023 you were found suitable as an Owner-Individual to be a Controlling Beneficial Owner in any business licensed by the Marijuana Enforcement Division (MED). You are now eligible to apply for an ownership interest or a position of control in a Colorado marijuana establishment.

To join the ownership of an existing Colorado Regulated Marijuana Business, the owner(s) of the existing establishment/business are required to submit this letter of suitability, a Regulated Marijuana Business License Change of Controlling Beneficial Owner application, supporting documents and applicable fees to the MED for approval. If you wish to open and operate a new Colorado Regulated Marijuana Business, you must submit a complete Regulated Marijuana Business License application, accompanied with all applicable fees and all supporting documents, along with this letter of suitability. To assume a position as an Executive officer or Member of a Board of Directors that control a Regulated Marijuana Business, the business must submit a Changes Exempt from a Change of Owner Application Disclosure accompanied with all applicable fees and supporting documents.

Pursuant to Rule 2-235 - Suitability (H), this Finding of Suitability is valid for one year. If more than 365 days passes from the issuance of this Finding of Suitability and you have not applied to become a Controlling Beneficial Owner (including as an Executive Officer or Board of Director member) of a Regulated Marijuana Business pursuant to (1) an initial business license application or (2) a change of owner application, this initial Finding of Suitability will automatically expire without notification.

Sincerely,

Dominique Mendiola  
Senior Director

# Finding of Suitability Application - Alexander Close

## Suitability Application Checklist

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### 1. Application Type

Owner: Any Natural Person who holds 10% interest or more of the Owner's interest of a RMB; Executive Officer, Manager or any other Person or affiliate that is otherwise in a position to execute Control of the RMB.

### 2. Application Fully Completed

Attach a copy of your Real ID compliant state issued or Government ID (i.e. passport) or driver's license (or see website for additional forms of ID accepted).

If a question does not apply, leave it blank.

**Notice:** You are required by state law to provide your social security number. If you do not have a social security number, you must complete a sworn statement stating you do not have a social security number.

### Application Contents

- Disclosure Requirements
- Main Application
- Authorization Forms

### All Forms Signed and Attached

The following accompanying forms must be completed, signed and returned with the application:

- Affidavit- Restrictions on Public Benefits
- Affirmation and Consent
- Tax Check Authorization and Request to Release Information
- Investigation Authorization / Authorization to Release Information
- Applicant's Request to Release Information
- Affirmation of Eligibility for Social Equity License

### Required Disclosures

See Required Disclosures (section 8)

Upon request by the Division, an applicant must provide additional information or documents required to process and investigate the application, within seven (7) days of the request.

**Please note:** This deadline may be extended for a period of time commensurate with the scope of the request.

### Document Upload Restrictions

- Documents must have the following file type extensions: .doc .docx .pdf .gif .jpg .png
- Documents without a file type extension cannot be accepted.
- Files larger than 75MB **cannot** be accepted.
- If you are providing photos from your smartphone, we advise a lower resolution / medium size photo.
- File names **cannot** be longer than 100 characters (including extension).
- File names **cannot** contain special (non-alphanumeric) characters such as @ ! # % ~

## Disqualifier Questions

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If you can answer Yes to any of the questions below, you are not currently eligible to obtain an an Owner's license.

**NOTICE:** The Finding of Suitability Application Form is an official document. If you provide false information on your marijuana license application and/or do not disclose all information the application asks, your license is subject to denial, and you may be subject to criminal prosecution. The Marijuana Enforcement Division will conduct a complete background investigation and will check all sources of information.

Have you been convicted of a felony in the 3 years immediately preceding this application?  
(Unless charge was prior to age 18 and was adjudicated as a juvenile)

Yes/No : No

Are you currently subject to a sentence for a felony conviction, including probation or parole?  
(Unless charge was prior to age 18 and was adjudicated as a juvenile)

Yes/No : No

Are you currently subject to a deferred judgment?  
(Unless charge was prior to age 18 and was adjudicated as a juvenile)

Yes/No : No

Have you failed to remedy an outstanding delinquency for any judgments, taxes, interest or penalties due to the Department of Revenue, relating to a Regulated Marijuana Business?

Yes/No : No

Are you a licensed Physician making marijuana patient recommendations? (Medical Only)

Yes/No : No

Have you had your authority to act as a primary caregiver revoked by the State Health Agency?  
(Medical Only)

Yes/No : No

Are you under 21 years of age at the time of this application?

Yes/No : No

Are you a sheriff, deputy sheriff, police officer, or prosecuting officer, or an officer or employee with the marijuana state licensing authority or a local licensing authority?

Yes/No : No

Are you a Person that is a "Bad Actor" under rule 506(d) promulgated pursuant to the Federal "Securities Act of 1933", as amended and subject to 17CFR230.506(d)?

Yes/No : No

Are you a person that is prohibited from engaging in transactions pursuant to this Article 10, due to its designation on the "Specially Designated Nationals and Block Person" list maintained by the Federal Office of Foreign Assets Control?

Yes/No : No

I have thoroughly read and understand the questions above, and understand that I cannot hold a Colorado Marijuana license if I answered "Yes" to any of the questions above. :

## Fingerprinting Information

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Below is a guide for being fingerprinted via the third-party vendors. Please arrange to be printed within 7 days **after** the date of this application.

**PLEASE NOTE: When You Click the link, it DOES NOT open a new tab. You will either need to use the browser's back arrows to return to your application or you may copy and paste the link into a new window.**

Are you in-state or out-of-state?

FingerprintsQuestion : Out-of-State

Out-of-State Options for Fingerprints : Identogo

The following are instructions for getting your fingerprints processed using **IDENTOGO**. Visit <https://uen-roll.identogo.com> and enter the following service code to get started: **25YGBJ**

Choose *Schedule or Manage Appointment*

Enter the required information on each of the following screens:

**Essential info**

Citizenship, **Personal questions**, **Personal info**, **Address**, **Documents** (what form of ID do you wish to use to confirm Identity), **Location** (here is where you will enter your zip code to find a location near you), **Choose the site you wish to go to** by clicking on the expand arrow, then click the next button within that section, **Date and Time** (choose the date and time you want to set for your appt.), then click submit.

- You will be expected to pay the fee at your fingerprint appointment.
- Once your fingerprints are scanned, they will be sent directly to CBI and MED will receive the results automatically. *If you are out-of-state, you will be required to pay an additional fee (\$39.95) to submit the prints to Colorado.*
- Keep your receipt and send a copy of it with your application packet.
- DO NOT call the site you wish to visit, as they may provide inaccurate information. Stick to the website.

**Please bring the type of identification you chose during enrollment, to your appointment.**

## Person Information

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### Natural Person Finding of Suitability Application Form

Last Name : Close

First Name : Alexander

Full Middle Name : Michael

Maiden/Married Names Used :

Nicknames, Aliases, Etc. Used : Alex

Gender :

Race :

Date of Birth :

Social Security Number :

Government Issued ID Number & Jurisdiction :

Place of Birth: City :

Place of Birth - State :

Country :

U.S. Citizen : Yes

### **Physical Appearance**

Height :

Weight

Hair Color :

Eye Color :

### **Physical Address**

Country : United States

Street Address :

City

County

State

Zip Code

Length at this address : 4 years

Phone Number :

Cell Phone Number :

Email Address :

### **Personal Mailing Address**

Mailing Address (if outside of the US, put entire address here) :

City :

State :

Zip :

County :

Country : United States

## Why are you applying?

Please choose an option below.

Choose one : Executive Officer

Position Held : CEO

Name of Marijuana Business Associated with : Verts Neighborhood Dispensaries

Marijuana Business Contact Name : Ashley Close

Marijuana Business Phone Number :

Marijuana Business Physical Address :

City :

State

Zip

## Additional Questions

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Provide a list of any privileged or professional licenses, with license numbers, you have held within the last three (3) years prior to the submission of the Finding of Suitability Application. List those that were issued by the Colorado Department of Revenue or the Department of Regulatory Agencies, including all marijuana licenses.

List here : My name has not appeared on any Colorado licenses

Have you or any business entity owned by you, ever owned or applied for a Marijuana license in this or any other jurisdiction, foreign or domestic? If so, have you ever been subject to any of the following actions: (1) denial; (2) surrender; (3) order to show cause; (4) suspension; (5) revocation; (6) stipulation or settlement.

Yes/No : No

Do you now own, have ever owned, or otherwise derive(d) a benefit from assets held outside the United States (other than Canada)?

Yes/No : No

Has a complaint, judgment, consent decree, settlement or other disposition related to a violation of federal, state or similar foreign security law or regulation ever been filed or entered against you or a business entity?

Yes/No : No

Have you or are you involved in a civil lawsuit in regards to a marijuana business?

Yes/No : Yes

If Yes, provide details : Currently in a lawsuit in Missouri for a dispute over purchasing ownership

List any sanctions, penalties, assessments, or cease and desist orders imposed by any securities regulatory agency, other than the United States Securities and Exchange Commission.

List here : none

Upload supporting documents here.

Supportingdocumentation:

PL - ts Complaint Filed.pdf

Plaintiff Counterclaim Defendants' Response to Defendants' Motion to Compel wExs A-B.pdf

Are you delinquent in the payment of any Colorado child support? If so, you must provide an agreement to pay.

Yes/No : No

## Financial History

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**If known, please submit all executed agreements or documents that grant you any right to any percent of ownership or percent of income from the Colorado Marijuana business with which you are associated.**

Amount to otherwise be invested or loaned in business:

Amount invested : 0

Percentage of ownership this amount represents:

Percentage : unknown

Investment will be derived from the following sources:

Investment source(s) : Work in opening the business

Has your interest in this Marijuana establishment been assigned, pledged or hypothecated to any person, firm, or corporation, or has any agreement been entered into whereby your interest is to be assigned, pledged or sold, either in part or whole?

Yes/No : No

## Income

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**Annual Income (add source and amount below).**

List all sources of income and the amount.

Annual Income and Source:

Income Source : Salary (Source):

Amount of income from this source. (If using salary, please list employer(s) name as well.) : Verts Dispensaries Missouri

Income Source : Dividends (Source):

Amount of income from this source. (If using salary, please list employer(s) name as well.) : Verts Dispensaries Missouri

## Required Disclosures

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**What type of application will this suitability be associated with? (Select one of the 3 options).**

New Business (All required Findings of Suitability must first be obtained prior to any new business application submission). :

Change of Ownership with license number(s)... :

Change of Ownership Exemption with license number(s)... :

Provide 180 days of account statements used to acquire ownership or proof of ownership, for 180 days, of other assets being used to secure ownership interest. :

Upload required documents here.

AccountStatements:

20230519-statements-3123-.pdf

20230622-statements-3123-.pdf

20230724-statements-3123-.pdf

20230821-statements-3123-.pdf

20230922-statements-3123-.pdf

20230421-statements-3123-.pdf

Provide a photo of a State issued or Government ID (state issued Driver's License, state issued ID or Government issued passport) :

Upload a Government issued photo id here. (You may upload more than one document; .HEIC file type NOT supported).

Photold:

IMG\_4698.HEIC



### **Glossary of Terms:**

**RMB** - Regulated Marijuana Business **CBO** - Controlling Beneficial Owner

**PBO** - Passive Beneficial Owner **IFIH** - Indirect Financial Interest Holder

**QII** - Qualified Institutional Investor **QPF** - Qualified Private Fund

**PTC** - Publicly Traded Company

**Pursuant to section 44-10-305(4), C.R.S., prior to submitting an application for a license, registration or permit, the applicant needs to be aware that having a medical marijuana or retail marijuana license and working in the medical marijuana or retail marijuana industry may have adverse federal immigration consequences.**

## **Affirmation & Consent**

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I state under Penalty for offering a false instrument for recording, pursuant to 18-5-114 C.R.S., that the entire Renewal Employee License Application, statements, attachments, and supporting schedules are true and correct to the best of my knowledge and belief, and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested, may be deemed sufficient cause for the refusal to issue a Marijuana license by the State Licensing Authority. Further, I am aware that later discovery of an omission or misrepresentation made in the above statements, may be grounds for denial of a Marijuana application or the revocation of the license. I am voluntarily submitting this application to the Colorado Marijuana Licensing Authority, under oath, with full knowledge that I may be charged with perjury or other crimes for intentional omissions and misrepresentations pursuant to Colorado law or for offering a false instrument for recording pursuant to 18-5-114 C.R.S. I further consent to any background investigation necessary to determine my present and continuing suitability and that this consent continues as long as I hold a Colorado Marijuana license.

Note: If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

I Accept :

Electronic Signature Agreement. By selecting the "I Accept" button, I acknowledge that I am signing this document electronically. I understand that my electronic signature has the same legal effect and enforceability as a written signature pursuant to Articles 71 and 71.3 of Title 24, C.R.S. I declare under penalty of perjury in the second degree that the statements made on this document are true and complete to the best of my knowledge.

I Accept :

Applicant's Signature : Alexander Close

Date : 10/05/2023

## **Tax Check Authorization and Request To Release Information**

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I am signing this waiver on behalf of the "Applicant/Licensee" to permit the Colorado Department of Revenue and any other state or local taxing authority to release information and documents that would otherwise be confidential. If I am signing this waiver for someone other than myself, I certify that I have the authority to execute this waiver on behalf of the Applicant/Licensee. The information and documentation obtained pursuant to this waiver will be used in connection with the Applicant/Licensee's application or licensure with the Colorado Marijuana Enforcement Division, which requires proof of compliance with certain tax obligations pursuant to

several statutory provisions, including sections 44-10-202(1) and 44-10-307(1)(e), C.R.S. This waiver is made pursuant to section 39-21-113(4), C.R.S.; and any other similar law or ordinance concerning the confidentiality of tax returns and return information.

This waiver shall be valid while the application is pending and, if the application is approved, (1) for one year from the date of licensure or; (2) if applying for an employee license under the medical marijuana code, for two years from the date of licensure. If the license is administratively continued pursuant to section 44-10-314, C.R.S., this waiver shall be valid until the state licensing authority takes final action to approve or deny the renewal of the license. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license. Applicant/Licensee requests that the Colorado Department of Revenue and any other state or local taxing authority release the following information and supporting documentation to the Colorado Marijuana Enforcement Division, which is acting as Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to obtain the information specified below.

1. Whether the Applicant/Licensee has failed to file any state tax return with the Colorado Department of Revenue or any other state or local taxing authority by the required due date (determined with regard to any extension(s) of time for filing) for any tax year for which filing of a return might have been required.
2. Whether the Applicant/Licensee has failed to pay any tax, penalty, or interest liability within 30 days of the date on which the Colorado Department of Revenue or any other state or local taxing authority gave notice of the amount due and requested payment.
3. Whether the Applicant/Licensee has entered into a payment plan with the Colorado Department of Revenue or any other state or local taxing authority and whether Applicant/Licensee is current on any payments required by said payment plan.

Applicant/Licensee authorizes the Colorado Department of Revenue and any other state or local taxing authority to release any additional information or documentation necessary to answer the questions above. Applicant/Licensee authorizes the Colorado Marijuana Enforcement Division and its legal representatives to use the information and documentation obtained from the Colorado Department of Revenue and any other state or local taxing authority in any administrative action regarding the application or license. To assist the Colorado Department of Revenue and any other state or local taxing authority locate the tax records, Applicant/Licensee is voluntarily providing the following information:

Name, address, phone number, and SSN (previously requested on this application).

I Accept :

Electronic Signature Agreement. By selecting the "I Accept" button, I acknowledge that I am signing this document electronically. I understand that my electronic signature has the same legal effect and enforceability as a written signature pursuant to Articles 71 and 71.3 of Title 24, C.R.S. I declare under penalty of perjury in the second degree that the statements made on this document are true and complete to the best of my knowledge.

I Accept :

Legal Last Name : Close

Legal First Name : Alexander

Legal Middle Name : Michael

Signature : Alexander Close

Date : 10/05/2023

**Investigation Authorization/Authorization to Release Information**

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I hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I understand that by signing this authorization, a financial record check of my tax filing and tax obligation status may be performed. I authorize the Colorado Department of Revenue to surrender to the Investigatory Agencies a complete and accurate record of any and all tax information or records relating to me. I authorize the Investigatory Agencies to obtain, receive, review, copy, discuss and use any such tax information or documents relating to me. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

I Accept :

Electronic Signature Agreement. By selecting the "I Accept" button, I acknowledge that I am signing this document electronically. I understand that my electronic signature has the same legal effect and enforceability as a written signature pursuant to Articles 71 and 71.3 of Title 24, C.R.S. I declare under penalty of perjury in the second degree that the statements made on this document are true and complete to the best of my knowledge.

I Accept :

Applicant's Signature : Alexander Close

Date : 10/05/2023

## **Applicant's Request to Release Information**

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1. I hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege.
2. I hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division

to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.

3. I hereby authorize and request the Colorado Department of Revenue to permit a duly appointed agent of the Marijuana Enforcement Division to obtain, receive, review, copy, discuss and use any such tax information or documents relating to or concerning the above named applicant, whether or not such information or documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege.

4. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets.

5. I do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my true and lawful attorney in fact for me in my name, place, stead, and on my behalf and for my use and benefit:

6. (a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I might;

7. (b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request:

8. (c) To place the name of the agent presenting this request in the appropriate location on this request.

9. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted.

10. This power of attorney ends twenty-four (24) months from the date of execution.

11. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that he/she is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant. Said applicant accepts any risk of adverse public notice, embarrassment, criticism, or other action of financial loss, which may result from action with respect to this application.

12. I do, for myself, my heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request.

13. I agree to indemnify and hold harmless the person to whom this request is presented and his agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees arising out of or by reason of complying with this request.

14. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original.

Electronic Signature Agreement. By selecting the "I Accept" button, I acknowledge that I am signing this document electronically. I understand that my electronic signature has the same legal effect and enforceability as a written signature pursuant to Articles 71 and 71.3 of Title 24, C.R.S. I declare under penalty of perjury in the second degree that the statements made on this document are true and complete to the best of my knowledge.

I Accept :

Applicant's Signature : Alexander Close

Date : 10/05/2023

## Affirmation of Complete Application

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I affirm that I have submitted a complete application and by selecting the "I Affirm and Accept" button, I acknowledge that I am signing this document electronically. I understand that my electronic signature has the same legal effect and enforceability as a written signature pursuant to Articles 71 and 71.3 of Title 24, C.R.S. I declare under penalty of perjury in the second degree that the statements made on this document are true and complete to the best of my knowledge.

I Affirm and Accept :

Signature : Alexander Close

Date : 10/05/2023

## Customer Survey

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We would like to know your experience with this online application process and if you have suggestions on how we can improve it. Please take a few minutes to complete this **voluntary** questionnaire to help us better serve you. (You may skip this survey and still submit your application by clicking the finish button). Thank you.

Please review the options below and tell us why you chose to apply online (please select all that apply):

Convenience :

Faster Service :

Time Savings :

I thought it was the only option :

Other :

Please tell us where you learned about the online application process.

Please tell us where you learned about the online application process. : Co-workers/friend

On a scale of 1-5, with 1 being not convenient and 5 being very convenient, how convenient was the online application for you to complete?

How convenient was the online application for you to complete? : 5- Very Convenient

On a scale of 1-5, with 1 being hard and 5 being very easy, did you find the online application process easy to understand?

Did you find the online application process easy to understand? : 2- Hard to understand

Explain reason for rating (if desired).

Explain : Some things on licensing I am not sure I filled out correctly. Do I need to provide bank statements as well? I'm not sure.

On a scale of 1-5, with 1 being unsatisfied and 5 being very satisfied, rate your overall online application experience.

Please rate your overall online application experience. : 4- Satisfied

Do you have any comments to help us improve the online application process?

Comments : Clearer questions on other licenses held and I do not know my ownership percentage yet. If I answered anything partially please let me know.

Would you like a team member to contact you about your comments?

Want to be contacted : Yes

Please select your contact method below and enter the appropriate information.

Contact Method : Email

Contact Email :

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF OHIO  
EASTERN DIVISION**

STEPHEN CLOSE	)	CASE NO.:
	)	
and	)	JUDGE:
	)	
ALEXANDER CLOSE	)	MAGISTRATE JUDGE:
	)	
Plaintiffs,	)	
	)	
v.	)	
	)	
ELDO ORGANIC, LLC,	)	
	)	
and	)	
	)	
BOTANIC BUSINESS SERVICES, LLC	)	
	)	
and	)	
	)	
BESAME WELLNESS IP, LLC	)	
	)	
and	)	
	)	
JACK R. MITCHELL	)	
	)	
and	)	
	)	
THOMAS J. ELAFROS	)	
	)	
and	)	
	)	

BENNY R. BROWER )  
 )  
and )  
 )  
DANE B. BROWER )  
 )  
Defendants. )

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**COMPLAINT FOR MONEY DAMAGES, DECLARATORY JUDGMENT, AND  
FOR PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF**

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Now come Plaintiffs, STEPHEN CLOSE and ALEXANDER CLOSE, by and through their undersigned counsel and for their Complaint against Defendants state as follows:

**THE PARTIES**

1. Plaintiff STEPHEN CLOSE is an individual residing in Columbus, Ohio, in this judicial district.
2. Plaintiff ALEXANDER CLOSE is an individual residing in Columbus, Ohio, in this judicial district.
3. Defendant ELDO ORGANIC LLC (“EIDo”) is a limited liability company organized and existing under the laws of the State of Missouri with its principal place of business in El Dorado Springs, Missouri. Upon information and belief, all members of EIDo reside in or are located in Missouri or Kansas.
4. Defendant BOTANIC BUSINESS SERVICES LLC (“BBS”) is a limited liability company organized and existing under the laws of the State of Missouri with its principal place of business in Kansas City, Missouri. Upon information and belief, all members of BBS reside in or are located in Missouri or Kansas.



5. Defendant BESAME WELNESS IP LLC (“BesaMe”) is a limited liability company organized and existing under the laws of the State of Missouri with its principal place of business in Kansas City, Missouri. Upon information and belief, all members of BesaMe reside in or are located in Missouri or Kansas.

6. Defendant JACK R. MITCHELL (“Mitchell”) is an individual residing in Kansas City, Missouri. Upon information and belief, Mitchell is the purported Chief Executive Officer (“CEO”) of EIDo, BBS, and BesaMe. Upon information and belief, Mitchell may claim or own a membership interest in one or more of EIDo, BBS, and BesaMe.

7. Defendant THOMAS J. ELAFROS (“Elafros”) is an individual residing in Overland Park, Kansas. Upon information and belief, Elafros is the purported Chief Financial Officer (“CFO”) of EIDo, BBS, and/or BesaMe. Upon information and belief, Elafros may claim or own a membership interest in one or more of EIDo, BBS, and BesaMe.

8. Defendant BENNY R. BROWER is an individual residing in El Dorado Springs, Missouri. Upon information and belief, Benny Brower may claim or own a membership interest in one or more of EIDo, BBS, and BesaMe.

9. Defendant DANE B. BROWER is an individual residing in Kansas City, Missouri. Upon information and belief, Dane Brower may claim or own a membership interest in one or more of EIDo, BBS, and BesaMe.

#### **JURISDICTION AND VENUE**

10. Plaintiffs incorporate all previous Paragraphs as if fully restated herein.

11. This Court has diversity jurisdiction over Plaintiffs’ claims against all Defendants under 28 U.S.C. § 1332(a)(1) because complete diversity exists between Plaintiffs and Defendants, and the amount in controversy exceeds \$75,000.00, exclusive of interest and costs.

12. This court has personal jurisdiction over all Defendants because the facts and circumstances giving rise to Plaintiffs' claims occurred in this judicial district and because all Defendants conducted business in this judicial district, thus giving rise to Plaintiffs' claims herein.

13. Defendants transacted business in Ohio by prosecuting negotiations, carrying on business, and/or otherwise having specific business dealings in the state of Ohio, including but not limited to ongoing business relations with Plaintiffs and engaging in an ongoing series of commercial transactions with Plaintiffs.

14. Venue is proper pursuant to 28 U.S.C. § 1391(b)(2) because a substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this judicial district. Specifically, Defendants transacted business in this judicial district and caused harm to Plaintiffs in this judicial district.

#### **FACTUAL BACKGROUND**

15. Plaintiffs incorporate all previous Paragraphs as if fully restated herein.

16. In or around 2019, Plaintiffs participated in the application process to obtain four (4) medical marijuana dispensary locations in the State of Missouri, which were subsequently awarded to Plaintiffs' group.

17. The membership interest/equity held by Plaintiffs, collectively, in each of the four dispensary locations in Missouri totals 24.99%.

18. Others holding membership interests in each of the four dispensaries are non-parties Ryan White (50.01%) and a group comprised of Thomas Kern, Benjamin Kern, Kristopher Chandler, and Thomas Kendrik (collectively, 25%).

19. Separate operating agreements were created and executed in 2019 for each of the four dispensary locations, with all of the members referenced above being a party to each respective operating agreement.

20. The four dispensaries are set up as separate limited liability companies in the State of Missouri: Astro Farms Alpha, LLC; Red Stag Retail, LLC; Astro Farms Gamma, LLC; and Green Gryphon, LLC (collectively, the “Dispensaries”).

21. For each operating agreement/Dispensary, the Board of Managers is comprised of Plaintiff Stephen Close, Plaintiff Alexander Close, and non-party Thomas Kern.

22. Pursuant to the respective operating agreements, each Dispensary is managed by the Board of Managers.

23. Decisions are made for each Dispensary by a majority of the Board of Managers. Therefore, decisions can be and are made by the two Plaintiffs, representing two-thirds of the Board of Managers.

24. The operating agreement for each Dispensary restricts the transfer of a member’s membership interest (called a member’s “Unit”) and further requires consent from the Board of Managers in order to effect a transfer of a member’s Unit.

25. In addition, the operating agreement for each Dispensary requires that any member’s Unit first be offered to the other members as a condition to transferring said Unit.

26. At some point after the construction of the four Dispensaries (in or around 2020 and/or 2021), certain services were required for the Dispensaries to become operational (i.e., marketing, courier services, ATM services, e-commerce services, payroll services, and accounting).

27. One or more of a combination of BBS, ElDo, and BesaMe were hired by Plaintiffs to perform these various operational services.

28. Upon information and belief, Mitchell, Elafros, Benny Brower, and Dane Brower are and continue to be business partners, associates, members, and/or joint investors in various entities in the marijuana space, including but not limited to BBS, ElDo, and BesaMe.

29. Upon information and belief, BBS claims to have specialized expertise in the management of operations in the marijuana space.

30. The four Dispensaries opened for business at various times throughout 2021, from roughly June to October, 2021.

31. A combination of BBS, ElDo, and BesaMe have been providing operational services to the four Dispensaries since they opened.

32. The relationship between the four Dispensaries and BBS, ElDo, and/or BesaMe is and has always been that of a vendor/vendee relationship. At no point was the relationship ever intended to be more than that of a vendor.

33. There exist no written agreements whatsoever governing this vendor relationship. Rather, the vendor agreement was a verbal agreement, with most of the initial communications occurring between Plaintiffs and Mitchell.

34. In exchange for assisting with operational support, Plaintiffs agreed to pay BBS a monthly "management fee," which originally was calculated as a percentage above cost.

35. Upon information and belief, BBS is the vendor who performed certain tasks like bill pay, payroll, and information technology functions, among others.

36. Upon information and belief, ElDo and BesaMe also took part in some of the operational functions described above.

37. By way of one example, certain operating expenses of the dispensaries, such as payroll, were ran through, or commingled with, the funds or accounts of ElDo on at least one occasion.

38. Upon information and belief, BBS, ElDo, and BesaMe have the same ownership/membership structure as well as the same management structure.

39. For all intents and purposes, BBS, ElDo, and BesaMe are one and the same.

40. Upon information and belief, the operation and/or control of BBS, ElDo, and BesaMe by Mitchell, Elafros, Benny Brower, and Dane Brower constitute nothing other than a shell game with a primary purpose of defrauding Plaintiffs.

41. By way of one example, Defendants continue to commingle funds in the various bank accounts held by the four Dispensaries, and yet Defendants have offered no access to the books and records of the Dispensaries, despite many requests by Plaintiffs thereof.

42. Defendants Mitchell, Elafros, Benny Brower, and Dane Brower operated and continue to operate BBS, ElDo, and BesaMe in such a manner that BBS, ElDo, and BesaMe have no separate mind, will, or existence of their own.

43. After a significant rise in expenditures in recent months, Plaintiffs started performing due diligence concerning the operational expenses of the four Dispensaries, including asking questions surrounding the services allegedly being provided by BBS, ElDo, and/or BesaMe.

44. After months of requesting documentation and clarification on expenditures, Plaintiffs elected to recently terminate the vendor relationship with BBS, ElDo, and BesaMe.

45. When Plaintiffs attempted to terminate the relationship, BBS, ElDo, and BesaMe maintained access to the Dispensaries' bank accounts, while insisting that they wished to continue to perform operational functions.

46. Indeed, Defendants have refused to cede control of the four subject Dispensaries, notwithstanding the fact that Defendants have no ownership or membership whatsoever in any of the Dispensaries.

47. When conducting further investigation into the operating expenses of the Dispensaries, Plaintiffs learned that one or a combination of BBS, ElDo, and BesaMe had misappropriated funds and/or unlawfully transferred funds out of the Dispensaries' bank accounts.

48. By way of one example, an estimated \$180,000 was unlawfully transferred to a bank account of ElDo.

49. Upon information and belief, other funds were transferred unlawfully to one or more accounts of BBS, ElDo, and BesaMe.

50. Upon information and belief, funds were unlawfully transferred to one or more of the personal bank accounts of Mitchell, Elafros, Benny Brower, and Dane Brower.

51. Based upon the individual Defendants' misappropriation of funds, Defendants Mitchell, Elafros, Benny Brower, and Dane Brower are personally liable to Plaintiffs.

52. Elafros has made and continues to make communications with the courier vendor, ATM vendor, and other bank-related services vendors for the purpose of confusing other vendors to the detriment of the four Dispensaries, causing damages to Plaintiffs.

53. Benny Brower and Dane Brower have verbally threatened various members of management at the four Dispensaries.

54. Plaintiffs have also learned that BBS, ElDo, and BesaMe have been significantly overbilling the four Dispensaries for the administrative functions described above, far above and beyond what Plaintiffs had originally agreed under the verbal agreement.

55. Upon information and belief, one or a combination of BBS, ElDo, and BesaMe have paid salaries or other compensation to Mitchell, Elafros, Benny Brower, and Dane Brower.

56. Plaintiffs seek to disgorge those salaries and payments for the reason that Plaintiffs and/or the Board of Managers of the Dispensaries did not approve said payments, nor did any of the four Dispensaries receive any benefit from those salaries paid to the individual Defendants.

57. On or around June 29, 2021, when relations were still amicable between the Parties, Mitchell prepared a document representing a loan made to the four Dispensaries to cover some operating expenses. (See Exhibit A).

58. Through counsel, Mitchell now asserts that the document attached hereto as Exhibit A purports to transfer a membership/ownership interest in the four Dispensaries to ElDo.

59. Specifically, Mitchell has asserted, through counsel, that the attached Exhibit A purports to transfer 21.5% of Plaintiffs' membership interest in the Dispensaries to Eldo.

60. The document attached as Exhibit A does no such thing, as it does not contain any material terms such as a purchase/sale price.

61. In addition, any purported transfer of a membership interest must follow the provisions of the respective operative agreements; this document does not.

62. Plaintiffs therefore seek a declaratory judgment providing that the attached Exhibit A does not convey to, or afford, Defendants any rights or interest in any of the subject Dispensaries.

63. Plaintiffs have standing to bring this action and have suffered a concrete, particularized injury because their membership interests in the subject Dispensaries have now been compromised arising from Defendants' misappropriation of funds and overbilling.

64. In addition, Plaintiffs have suffered a concrete, particularized injury because the Dispensaries are pass-through entities.

65. Plaintiffs are currently working with an accountant and/or a forensic accountant for the purpose of identifying other unlawful conduct on the part of Defendants.

66. Plaintiffs reserve their right to include claims of fraud and claims arising under the Racketeer Influenced and Corrupt Organizations Act (“RICO”).

**COUNT ONE: BREACH OF CONTRACT**  
**(ALL DEFENDANTS)**

67. Plaintiffs incorporate all previous Paragraphs as if fully restated herein.

68. As described more fully above, Plaintiffs had a verbal agreement with a combination of one or all of the Defendants to perform certain operational functions for the Dispensaries for a management fee.

69. Because the agreement was not in writing, it is unclear as to which Defendants were doing exactly which operational or administrative functions.

70. Defendants maintained complete control over the Dispensaries’ operational functions and refused to provide Plaintiffs with any transparency concerning these functions and particularly concerning the movement of monies into and out of the Dispensaries’ bank accounts.

71. As described more fully above, Defendants breached their agreement with Plaintiffs, including but not limited to one or more of the following ways:

- a. Overbilling Plaintiffs, above and beyond what Plaintiffs originally agreed to pay for Defendants’ operational functions;
- b. Unlawfully transferring funds and/or misappropriating funds from the Dispensaries’ bank accounts;
- c. Paying to Mitchell, Elafros, Benny Brower, and Dane Brower certain salaries or compensation, to which Plaintiffs did not agree and which these Defendants did not earn; and



d. Compromising the operations – and revenue generation – of the four Dispensaries by refusing to cooperate in a transition of operations back to Plaintiffs.

72. Plaintiffs have performed all of their obligations under the agreement with Defendants.

73. As a direct and proximate result of Defendants' breach, Plaintiffs have suffered damages.

**COUNT TWO: UNJUST ENRICHMENT**  
**(ALL DEFENDANTS)**

74. Plaintiffs incorporate all previous Paragraphs as if fully restated herein.

75. Through Defendants' unlawful mismanagement of operations, Defendants received monies to which they were not entitled.

76. Defendants have therefore been unjustly enriched in a total sum in excess of \$75,000.00.

77. So as to remedy the unjust enrichment conferred upon Defendants, Plaintiffs are entitled to a money judgment against Defendants in an amount in excess of \$75,000.00.

**COUNT THREE: REQUEST FOR DECLARATORY JUDGMENT**  
**(ALL DEFENDANTS)**

78. Plaintiffs incorporate all previous Paragraphs as if fully restated herein.

79. Pursuant to 28 U.S.C. § 2201, Plaintiffs request that the Court declare the rights and other legal relations of and between Plaintiffs and Defendants, vis-à-vis the document attached hereto as Exhibit A and concerning any claimed membership interest of any Defendant to this action.

80. Pursuant to Ohio Revised Code Section 2721.01, *et seq.*, Plaintiffs request that the Court declare the rights, status, and other legal relations of and between Plaintiffs and Defendants, vis-à-vis the document attached hereto as Exhibit A and concerning any claimed membership interest of any Defendant to this action.

**COUNT FOUR: CONVERSION/MISAPPROPRIATION OF FUNDS**

81. Plaintiffs incorporate all previous Paragraphs as if fully restated herein.

82. The actions of all Defendants, as outlined above, constitute conversion of property rightfully owned by Plaintiffs.

83. Specifically, as outlined above, Defendants' unlawful transfer of monies from the Dispensaries' bank accounts constitute a conversion of Plaintiffs' property,

84. Upon information and belief, Defendants have now absconded with said funds.

85. Defendants have wrongfully exercised dominion and control over these funds belonging to Plaintiffs.

86. Defendants have refused to return the funds to Plaintiffs, despite repeated requests therefore.

87. As a direct and proximate result of this wrongful conversion, Plaintiffs have suffered damages.

88. Plaintiffs are entitled to punitive damages and attorney fees.

**COUNT FIVE: BREACH OF FIDUCIARY DUTY**  
**(ALL DEFENDANTS)**

89. Plaintiffs incorporate all previous Paragraphs as if fully restated herein.

90. Plaintiffs had a fiduciary relationship with Defendants by way of entrusting the operations of the Dispensaries, including but not limited to the control of the bank accounts, to Defendants.

91. Entrusting the Dispensaries' bank accounts to Defendants, and entrusting complete control of the Dispensaries to Defendants, Plaintiffs reposed special confidence and trust in the integrity and fidelity of Defendants, resulting in a position of superiority or influence, acquired by virtue of this special trust.

92. By virtue of this fiduciary relationship, Defendants had a duty to act in the best interest of Plaintiffs concerning the operations of the Dispensaries and the flow of funds into and out of the Dispensaries' bank accounts.

93. For the reasons set forth more fully above, including but not limited to the unlawful transfer and misappropriation of funds, Defendants have breached their fiduciary duty owed to Plaintiffs.

94. As a direct and proximate result of the Defendants' breach of their fiduciary duties, Plaintiffs have suffered damages.

95. Plaintiffs are entitled to punitive damages and attorney fees.

**COUNT SIX: PRELIMINARY AND PERMANENT INJUNCTIVE RELIEF**  
**(ALL DEFENDANTS)**

96. Plaintiffs incorporate all previous Paragraphs as if fully restated herein.

97. As of the filing of this lawsuit, Defendants continue to assert and maintain control over the operations of the four Dispensaries, including control over and access to the Dispensaries' bank accounts.

98. Despite the termination of Defendants' vendor relationship, and despite repeated demands therefore, Defendants have refused to cede control of operations to Plaintiffs, notwithstanding that Defendants have no rights whatsoever to or in the Dispensaries.

99. Plaintiffs therefore request injunctive relief, prohibiting Defendants from conducting any activity whatsoever on behalf of or for the Dispensaries, and further ceding all control to Plaintiffs, who represent two of the three Board of Managers.

100. The public interest will suffer no harm if Plaintiffs are awarded injunctive relief, given that Plaintiffs represent the majority of the Board of Managers of the Dispensaries.

101. To the contrary, the public interest will suffer great harm if Plaintiffs are not awarded injunctive relief to prevent Defendants' ongoing misappropriation of funds.

102. The harm to Plaintiffs in the absence of injunctive relief substantially outweighs the potential harm to Defendants if injunctive relief is ordered. As described more fully above, Defendants do not maintain a valid membership interest in the Dispensaries, and Defendants' vendor relationship with the Dispensaries has been terminated.

103. Given the facts and circumstances described more fully above, Plaintiffs are likely to prevail on the merits of this action.

104. Given Plaintiffs' continued loss of business profits and goodwill, on account of Defendants' actions, Plaintiffs will suffer irreparable injury if a preliminary injunction is not granted.

**WHEREFORE**, Plaintiffs respectfully request that this Court award relief against Defendants, jointly and severally, as follows:

- (a) Compensatory and consequential damages in an amount in excess of \$75,000, the exact amount to be determined at trial;
- (b) A Judgment declaring the rights and other legal relations of and between Plaintiffs and Defendants;
- (c) Preliminary and permanent injunctive relief;

- (d) An accounting and full inspection of the books and records of the Dispensaries; and
- (e) Reasonable attorney fees under the applicable law, plus any other relief to which Plaintiffs may be entitled at law or in equity.

Respectfully submitted,

*/s/ Matthew T. Anderson*

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IN THE CIRCUIT COURT OF CLAY COUNTY, MISSOURI

ELDO ORGANIC, LLC,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. 22CY-CV03887
	)	
ASTRO FARMS ALPHA, LLC, <i>et al.</i> ,	)	
	)	
Defendants.	)	
<hr/>		
ASTRO FARMS ALPHA LLC, <i>et al.</i> ,	)	
	)	
Counterclaim Plaintiffs,	)	
	)	
v.	)	
	)	
ELDO ORGANIC, LLC, <i>et al.</i> ,	)	
	)	
Counterclaim Defendants.	)	

**PLAINTIFF/COUNTERCLAIM DEFENDANTS’  
RESPONSE TO DEFENDANTS’ MOTION TO COMPEL**

COME NOW Plaintiff/Counterclaim Defendant EIDo Organic, LLC (“EIDo”) and Counterclaim Defendants Botanic Business Services LLC (“BBS”), BesaMe Wellness IP, LLC (“BesaMe IP”), Jack R. Mitchell (“Mitchell”), Thomas J. Elafros (“Elafros”), Benny R. Brower (“Benny”) and Dane B. Brower (“Dane”) (collectively the “EIDo Parties”), by and through undersigned counsel, and file their response to Defendants’ Motion to Compel (“Motion”), respectfully showing the Court as follows:

**I. INTRODUCTION**

Defendants’ Motion largely reflects failures to (a) meaningfully review the discovery that the EIDo Parties have already provided, and (b) recognize that the EIDo Parties’ discovery responses are reflective of the information they had at the time of the responses and will be

supplemented as more information becomes available through the course of discovery. Indeed, *most* of the financial information that is the subject of Defendants’ Motion has already been produced, and that which has not and is not subject to an express objection, will be produced as it is collected.

Defendants repeatedly complain about the EIDo Parties’ references to documents in their interrogatory responses. But those complaints both ignore that such references are expressly permitted by the Missouri Rules of Civil Procedure (“Rules”), and ring hollow given that Defendants responded to EIDo’s interrogatories in *exactly* the same fashion.<sup>1</sup>

Nevertheless, except where the EIDo Parties intend to stand on an objection, they are in the process of—in a spirit of compromise—working to supplement (and in some cases re-produce) in short order the financial information called for by the Motion.

In light of the above, there are only three (3) actual disputes between the parties as to what information the EIDo Parties should be required to produce: (1) information Defendants seek regarding investors (not *members*) of EIDo is irrelevant, unduly burdensome and invasive; (2) Defendants’ request for *every* invoice, bill, receipt, etc., underlying *every* expense of the Dispensaries is unnecessarily burdensome, oppressive, and completely disproportionate to the needs of this case; and (3) Defendants’ requests for information pertaining to the membership or

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<sup>1</sup> Similarly, Defendants complain that *some* of their Golden Rule correspondence has gone unaddressed, yet they fail to acknowledge that *they* have ignored EIDo’s Golden Rule correspondence. Indeed, Defendants have failed to provide any substantive response to portions of EIDo’s Golden Rule letters issued on September 14 and September 27 that cover a vast array of relevant documents that Defendants have failed to produce. And as recent depositions have made clear, Defendants have also failed to comply with the provisions of the Consent Order entered by the Court on July 6, 2022. These failures will be the subjects of upcoming motions to be filed by EIDo.

ownership interests of the EIDo Parties other than EIDo (and its members) seek irrelevant confidential information.

For these reasons, as more fully explained below, the EIDo Parties respectfully submit that Defendants' Motion should be denied in full.

## II. ARGUMENT & AUTHORITIES<sup>2</sup>

### A. Legal Standards Governing the Motion

Rule 56.01(b)(1) governs the scope of discovery in this case, and provides in relevant part as follows (emphasis added):

Parties may obtain discovery regarding any matter, not privileged, ***that is relevant to the subject matter involved in the pending action***, whether it relates to the claim or defense of the party seeking discovery or to the claim or defense of any other party, . . . ***provided the discovery is proportional to the needs of the case*** considering the totality of the circumstances, including but not limited to, the importance of the issues at stake in the action, the amount in controversy, the parties' relative access to relevant information, the parties' resources, the importance of the discovery in resolving the issues, and whether the burden or expenses of the proposed discovery outweighs its likely benefit. . . . ***The party seeking discovery shall bear the burden of establishing relevance.***

“The boundaries of discovery requests are to be determined by balancing the conflicting interests of the interrogator and the respondent.” *State ex rel. Coffman Group, L.L.C. v. Sweeney*, 219 S.W.3d 763, 766 (Mo. App. 2005) (citing *State ex rel. Anheuser v. Nolan*, 692 S.W.2d 325, 328 (Mo. App. 1985)). “The need of the interrogator to obtain the discovery must be weighed against the respondent's burden in disclosing it,” and “even though the information is properly discoverable, the trial court should consider whether the information may be obtained in a less burdensome way than that designed by the requesting party.” *Id.* at 766-67.

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<sup>2</sup> For the sake of brevity, relevant factual background is provided below where appropriate to the argument being addressed.



**B. The EIDo Parties Have Produced Responsive Information Apart from the Forthcoming Audit.**

Defendants first accuse the EIDo Parties of providing “numerous objections and references to the parties’ forthcoming audit *in lieu of* providing complete documents or information.” Motion at 4 (emphasis added). But the EIDo Parties did no such thing. The very first of the EIDo Parties’ discovery responses that Defendants cite is illustrative:

**Interrogatory No. 13:** Identify any and all payments or funds contributed by you to any of the Dispensaries, in whatever form, including but not limited to the funding efforts described in Paragraphs 50, 51, and 55 of the State Court Petition, by stating the dollar amount, the date funded, and reason for the funding.

**Response:** [Objections of vagueness, ambiguity, overbreadth, burden, proportionality, confidentiality.] Subject to and without waiving these objections and the General Objections set forth above, all responsive, non-objectionable and non-privileged documents will be timely produced in accordance with the Missouri Rules of Civil Procedure and a mutually agreed-on and ordered audit.<sup>3</sup>

**Eldo:** See Respondents’ responses to Defendants’ Requests for Production as well as the results of the forthcoming audit. See also the CapEx table provided to the Closes.

**BBS:** BBS did not contribute funds to the Dispensaries

**BesaMe IP:** None.

**Benny Brower:** See Respondents’ responses to Defendants’ Requests for Production. I made no payments or contributions, on an individual basis, to the Dispensaries. I did, however, provide a lot of services and time and effort into the dispensaries, helping locations, consulting on locations, visiting with city officials,

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<sup>3</sup> For context, it should be recognized that on the date of this Interrogatory Response, July 7, 2022, this Court had just entered the Consent Order the day before (on July 6) calling for an independent audit to be completed within 30 days of the Consent Order or as soon thereafter as reasonably practicable. As shown herein, the EIDo Parties were already producing many financial documents in discovery. It would have been unduly burdensome, duplicative, and unnecessary for the EIDo Parties to continue to produce in separate discovery the same financial documents they would be producing for the audit, especially when the audit process was beginning (or was supposed to be beginning). Since then, the parties have worked together on the audit process, and though it has taken longer than anticipated to find and agree on an independent CPA firm, a joint engagement letter is now being entered with the firm, and financial information is being shared through that process.

attending city council and zoning meetings, searching for properties, working on leases, and more, all with an understanding of a promise of an equity interest in the dispensaries.

**Dane Brower** – See Respondents’ responses to Defendants’ Requests for Production. I made no payments or contributions, on an individual basis, to the Dispensaries. I did, however, provide a lot of services and time and effort into the dispensaries, including, performing work to assist in the development, opening and operations of the Dispensaries. I hosted weekly meetings to keep things on track regarding the construction, preparation, and opening of the Dispensaries. I helped locate sites for Green Gryphon and Astro Farms Alpha. I was a main focal point of contact between the Dispensaries [and] the DHSS and managed the commencement and inspection process with the Dispensaries [as they] were preparing to open. I advised and helped the Dispensaries implement systems and processes to launch the businesses and keep them operational in Missouri. Other services I provided for the Dispensaries are discussed in the affidavits I’ve submitted in this litigation.

**Jack Mitchell:** No payments or funds contributed to the Dispensaries.

**Tom Elafros:** No payments or funds contributed to the Dispensaries.

As illustrated in this and the EIDo Parties’ other responses, each of the entities and individuals responded in detail to the interrogatories. EIDo responded by first identifying a particular produced document (*i.e.*, “the CapEx table provided to the Closes”) in which can be found the total amount EIDo invested in cash into the Dispensaries—*i.e.*, \$2,751,270.88. *See Exhibit A* (E-mail with attached CapEx table) at PL000614. EIDo then referred to its document production—in which was contained a detailed general ledger identifying each particular transaction that was made on behalf of the Dispensaries, months of sales and inventory data, capital expenditure spreadsheets (both consolidated and by location), and detailed profit and loss statements.<sup>4</sup> Finally,

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<sup>4</sup> Non-exhaustive examples of such documents can be found at the following bates ranges of the EIDo Parties’ document productions: PL002072-2248 (2021 General Ledger), PL002314-16 (January 2022 General Ledger), PL002261-2312 (General Ledger Reports), PL002495 (spreadsheet showing sales by location), PL007919 (CapEx spreadsheets), PL002052-64 (profit and loss statements), PL002068-71 (same), PL003617-20 (same), PL004052-58 (same), PL004603-07 (same), PL004629-43 (same), PL004655-60 (same), PL006754-57 (same). The

because the general ledger is over-inclusive (*i.e.*, there were transactions shown from EIDo's individual bank account for non-Dispensary business), EIDo also referred to documents that are currently being created for, and will be produced in connection with, the audit that will remove the over-inclusiveness and more accurately show each investment EIDo made for the benefit of the Dispensaries. Accordingly, each of the EIDo Parties' responses were complete and accurate as of the time the interrogatory responses were due, and the EIDo Parties will supplement those responses as additional information and documents become available.<sup>5</sup>

Defendants' complaints regarding the EIDo Parties' references to their document production are misplaced for two reasons. First, where "the answer to an interrogatory may be derived or ascertained from . . . the business records of the party upon whom the interrogatory has been served," Rule 57.01(c)(4) expressly allows that "it is a sufficient answer to such interrogatory to specify the records from which the answer may be derived or ascertained and to afford the party serving the interrogatory reasonable opportunity to examine . . . such records." Second, Defendants have effectively waived any such objection by doing exactly the same thing in many of their interrogatory responses. *See Exhibit B* (AF Alpha Interrogatory Responses) at Nos. 1-3.<sup>6</sup> Thus, to the extent the EIDo Parties could be required to specifically identify particular documents within their productions, they would respectfully submit that such obligation should be mutual.

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EIDo Parties merely reference such documents here rather than attach them as exhibits to this response due to their voluminous nature.

<sup>5</sup> The accounting process involved in breaking out a long, detailed general ledger that encompassed activities relating to five different bank accounts and entities (*i.e.*, the four Dispensaries and EIDo) into one that "trues up" assets, liabilities, and equity by entity is a long and painstaking process that takes significant time; meanwhile, for both sides of this litigation, day-to-day business continues.

<sup>6</sup> Each of the Dispensaries' corresponding interrogatory responses was materially identical. Defendant Alex Close's responses to the first five (5) interrogatories directed to him refer generally to Defendants' document production, as does Defendant Steve Close's first five (5) interrogatory responses.

**C. While EIDo Will Produce All Relevant Bank Statements, Personal Information of EIDo's Investors Is Not Relevant to This Action and Should Not Be Produced.**

In Part III.B of the Motion, Defendants correctly state that “[o]ne of the major claims that EIDo makes is that it contributed substantial sums of money to the Dispensaries.” Motion at 5 (underscore added). But Defendants then engage in a glaring *non sequitur* by arguing that they are entitled to “information and documents regarding EIDo's investors and the funds they purportedly contributed to the Dispensaries.” *Id.* (underscore added). Among the information sought is “[i]dentification of all private investors, including the names of any private investors in EIDo.” *Id.*

To be clear, the EIDo Parties do not object to production of information concerning EIDo's investments of capital into, or on behalf of, the Dispensaries. Indeed, those are the only “investments” at issue in this case. Thus, EIDo has produced a general ledger showing each and every investment of capital EIDo made into or on behalf of the Dispensaries, and it is in the process of creating and producing (as described in Part II.B above) a *detailed* breakdown of the general ledger that shows all funds expended by or on behalf of the Dispensaries. It is also in the process of producing EIDo's bank statements that will show all deposits made into the Dispensaries' bank accounts and all expenses paid directly by EIDo on the Dispensaries' behalf.

But that is all Defendants are entitled to. The identity of each of EIDo's investors (not members, but *investors*), their personally identifiable information, the timing or amounts of their investments into EIDo, and similar information has no bearing whatsoever on the outcome of this litigation. The only possible purpose for Defendants' request for such information is to harass and

oppress persons who have, at most, a highly tangential connection to this lawsuit.<sup>7</sup> Accordingly, Defendants' request for such information should be denied.

**D. Defendants Already Have Virtually All of the Information Concerning the Dispensaries' Finances That They Purport to Seek.**

In Part III.C of the Motion, Defendants assert that the EIDo Parties have failed to produce a litany of “financial records” that “are not only relevant to the claims and counterclaims in this case, but they also rightfully belong to the Dispensaries.” Motion at 6-8. Such assertion is largely untrue, in that the EIDo Parties already produced most of the forms of documents that Defendants identify—usually as attachments to e-mails that were originally sent to Defendants before litigation even began.<sup>8</sup> Other documents are entirely within Defendants own control, such as “Bank Statements for all Partner Colorado Credit Union accounts and Blue Ridge accounts associated with the Dispensaries from origination”—as Defendants have direct access to each of those accounts. Motion at 7. Other of Defendants' categories—*i.e.*, “*Accurate* Sales Reports” and “*Accurate* Capital Expenditure (CapEx) Reports” (emphasis added)—simply reflect Defendants' dissatisfaction with the contents of documents that were produced, as if the EIDo Parties are obliged to *create* documents that support Defendants' “wish-it-were-true” view of the case.

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<sup>7</sup> That said, the EIDo Parties already produced to Defendants a spreadsheet list of EIDo's investors, bates labeled PL000610, as Defendants admit in footnote 7 on page 8 of the Motion—thereby exposing Defendants' allegation of EIDo's refusal to produce such information as entirely disingenuous.

<sup>8</sup> Again, a non-exhaustive list of the categories of documents bullet-pointed on page 7 of the Motion can be found at the following bates ranges of the EIDo Parties' document productions: (a) 2022 Financial Statements and General Ledger – PL002314-16, PL000678, PL000832, PL000758, PL002334; (b) Monthly Profit and Loss Statements – PL002052-64, PL002068-71, PL003617-20, PL004052-58, PL004603-07, PL004629-43, PL004655-60, PL006754-57; (c) Bank Statements – PL003092-3155; (d) Sales Reports – PL002495, PL002874, PL000678, PL000832, PL000758; (e) CapEx Reports – PL000655, PL007919, PL000614.

Nonetheless, the EIDo Parties are endeavoring to supplement (and in many instances *re-produce*) the financial documents that Defendants identify, by category, for ease of reference both for the forthcoming audit and for the purpose of ameliorating Defendants' professed concern. This will include all of the bank statements that the EIDo Parties possess for each of the Dispensaries, as well as for EIDo's bank account from which deposits into the Dispensary were made and expenses paid.

Of the categories Defendants list, however, there is one to which the EIDo Parties do object on grounds of burden, relevance, and proportionality—*i.e.*, what Defendants refer to as “the source data for all expenses in the general ledger” for the Dispensaries. *See* Motion at 7. The search for and production of every invoice, every bill of lading, every receipt, etc., is entirely unnecessary to the resolution of this matter, unduly burdensome, and disproportionate to the needs of the case. *See* Rule 56.01(b)(1) (requiring that requested discovery be both (a) relevant to the subject matter, and (b) “proportional to the needs of the case”). Indeed, the firm conducting the upcoming audit of the Dispensaries has expressly exhorted the parties to agree to the scope of items in dispute, because auditing the source documents for every single inventory purchase or shipment (the vast majority of which there is no dispute over) would substantially increase the time and expense of the audit yet get the parties no closer to resolution. The same is true of discovery, and in the absence of both a stated need for “source data” and *particular* Dispensary expenses for which such need would apply, Defendants' request should be denied.

**E. Defendants Are Not Entitled to Discovery of Membership or Ownership Interests Held by Any Party Other Than EIDo and Its Members, Nor Are They Entitled to Discovery of “Investor” Information.**

Defendants seek “information regarding the current and historic membership interests in BBS, BesaMe [IP], and EIDo as well as information regarding any other medical marijuana businesses in which any of the EIDo Parties (or their individual owners or investors) have an

ownership or membership interest.” Motion at 8. They further seek “the identification of any individual investors in EIDo as well as relevant communications with, or background information about, such investors.” *Id.* Defendants’ purported need for such information is that “there are certain regulations in Missouri regarding the number of marijuana licenses which can be possessed by individuals or companies,” such that “[i]f EIDo, or any of its individual owners or investors have interests in other marijuana dispensaries, it could be barred from investing in additional marijuana businesses.” *Id.* at 9. Defendants’ requests are overly broad, almost entirely irrelevant, and meant only to harass.<sup>9</sup>

First, only EIDo has ever claimed a right to an ownership interest in the Dispensaries, so the membership interests that BBS or BesaMe IP may or may not have in other marijuana dispensaries is entirely irrelevant. Indeed, the *only* ownership interests that are germane to Defendants’ purported discovery need are those of EIDo—and Defendants acknowledge that the EIDo Parties identified Benny Brower and Dane Brower as the *only* members of EIDo. Motion at 8. Thus, Defendants’ request for the ownership interests that BBS, BesaMe IP, Jack Mitchell, and/or Thomas Elafros may have in other dispensaries seeks purely irrelevant information.

Second, the word “investor” simply does not appear in the regulation that Defendants cite as the basis for their purported need, 19 CSR 30-95.040(3). For example, the provision of the regulation that Defendants point to which addresses the number of marijuana licenses that can be possessed reads as follows:

(C) No more than three (3) cultivation, nor more than three (3) manufacturing, and no more than five (5) dispensary licenses shall be issued *to any entity* under

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<sup>9</sup> The purported justification for these invasive requests is also insincere because the June 29, 2021 letter memorializing the promise and contract for EIDo to purchase a 46.5% interest in the Dispensaries already specifies that DHSS would have to approve of the transfers described therein. *See* 6/29/2021 Letter, attach. B to Ex. 2, Aff. of Benny R. Brower in Supp. of TRO & Prelim. Inj. (Apr. 15, 2022). Thus, the parties already addressed Defendants’ purported concern.

substantially common control, ownership, or management. *Any entity* under substantially common control, ownership, or management that has applied for more than three (3) cultivation, three (3) manufacturing, or five (5) dispensary licenses shall contact the department at the time of application submission to identify for the department the applications associated *with that entity*. The department will use this information, once application scoring is complete pursuant to 19 CSR 30-95.025(4), solely for determining how many licenses the department may issue any particular entity.

19 CSR 30-95.040(3)(C) (emphasis added). And the broadest category of persons addressed in the regulation appears in subsection (3)(A), which states that “[c]ultivation, infused products manufacturing, dispensary, testing, and transportation facilities shall not be owned by, in whole or in part, or have as an officer, director, board member, manager, or employee, any individual with a disqualifying felony offense.” Again, nowhere in the regulation does the term “investor” appear. Thus, Defendants are simply not entitled to information regarding ownership interests that EIDo’s “investors” may have.

EIDo, Benny Brower, and Dane Brower will each amend their interrogatory responses to identify all other membership/ownership interests they have had in other marijuana dispensaries, if any. The remainder of Defendants’ requested discovery should be denied.

**F. The EIDo Parties Produced All Responsive Communications of Which They Are Aware, Unlike Defendants.**

Defendants accuse the EIDo Parties of failing to produce certain forms of communications pertaining to the Dispensaries—*e.g.*, internal e-mails or text messages, e-mails with vendors, and meeting minutes. Motion at 9-10. On the contrary, the EIDo Parties have included within their document productions of well over 8,400 pages all communications of which they are currently aware that pertain specifically to the Dispensaries. To the extent additional documents are located that are responsive, the EIDo Parties will supplement their production in accordance with their obligations under the Missouri Rules.



Notably, Defendants' productions—which currently number 1,710 pages in volume—are far more egregiously underinclusive, and provably so. For example, the vast majority of the documents produced by the EIDo Parties (again, over 8,400 pages) consisted of e-mail communications that Defendants were included on, and somehow very few of those communications made it into Defendants' production. Similarly, EIDo produced the attachments to e-mails. Defendants did not. Defendants produced virtually no internal e-mail communications, nor did they produce text messages. Each of these issues and more will be the subjects of a forthcoming motion to compel filed by EIDo.

**G. EIDo's Damages Calculation Is a Work-in-Progress, Which Is Reflected by Its Discovery Responses to Date.**

Finally, Defendants fault EIDo for failing to provide a comprehensive accounting of its damages. *See* Motion at 10. Once again, EIDo is not refusing to provide relevant discovery. Instead, it provided the information it had within its possession at the time its original responses were due—*e.g.*, the “CapEx table provided to the Closes,” months of sales data, and the general ledger containing all amounts spent by EIDo on behalf of the Dispensaries. *See* discussion *supra*, at Part II.B. And EIDo is currently engaged in providing a more accurate accounting (in conjunction with providing information for the ongoing audit) of amounts it invested in or spent on behalf of each of the Dispensaries. Further, some portion of EIDo's damages may be the subject of expert analysis and opinion. Accordingly, as EIDo obtains more information pertinent to its damages, it will supplement its discovery responses in compliance with the Missouri Rules and any scheduling order entered by this Court.

### III. CONCLUSION

For all the foregoing reasons, as well as those stated at any hearing on this matter, the EIDo Parties respectfully request that the Court issue an order denying Defendants' Motion and awarding the EIDo Parties all such other relief to which the Court deems them justly entitled.

Respectfully submitted,  
MCN Law LLC

By: /s/ M. Cory Nelson  
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ATTORNEY FOR PLAINTIFF AND  
COUNTERCLAIM DEFENDANTS

### CERTIFICATE OF SERVICE

I hereby certify that on this, the 19th day of December 2022, a copy of the foregoing document was filed with the Court's electronic filing system, which will automatically send notice thereof to all counsel of record.

By: /s/ M. Cory Nelson  
Attorney for Plaintiff

# Exhibit A

**From:** Tom Elafros  
**Sent:** Mon, 24 Jan 2022 15:55:13 +0000  
**To:** jack mitchell; Stevepclose; Alexander Close  
**Cc:** Dane Brower  
**Subject:** RE: Mo Accounting  
**Attachments:** Close, Missouri allocation - 12.31.2021.xlsx

Updated expense allocation attached with adjustments.

Thomas J. Elafros  
Botanic Business Services, LLC

**From:** jack mitchell <jackmitchell@jms.com>  
**Sent:** Monday, January 24, 2022 9:44 AM  
**To:** Stevepclose; Alexander Close  
**Cc:** Tom Elafros; Dane Brower  
**Subject:** Re: Mo Accounting

Dane said there's 40 or \$50,000 of expenses which should not have been allocated here and were unique to our entity so we'll get another version out to you today which will show the reduction of those amounts.

Jack

Get [Outlook for Android](#)

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**From:** jack mitchell  
**Sent:** Monday, January 24, 2022 9:25:40 AM  
**To:** Stevepclose; Alexander Close  
**Cc:** Tom Elafros; Dane Brower; jack mitchell  
**Subject:** Mo Accounting

Steve and Alex,

Tom prepared the attached. Let me know when we can discuss and answer any questions. We are getting closer each month to break even, but it will not really swing big until it goes Rec. We either have to accrue Alex and Dane wages or contribute additional cash. Tom will have to weigh in whether he has their monthly covered in the negative cash flow.

Let's get this agreed and apply this week for ownership transition. Tom Kern has a simple form that works.

Tom E can provide any detail you want to audit.

Best Jack

Jack R Mitchell  
Attorney at law

Name: Close, Missouri allocation - 12.31.2021.xlsx

Comments: Unsupported OR Excluded OR Password Protected File

<b>Eldo Organic, LLC</b>				
<b>Capital and License Summary</b>				
<b>Jan-22</b>				
<b>License Purchase Agreement:</b>		<b>Eldo Organic, LLC</b>	<b>Close Family</b>	<b>Total</b>
Close	\$ 645,000.00			
Kerns	\$ 750,000.00			
<b>Total</b>	<b>\$ 1,395,000.00</b>			
Prepaid		\$ 35,940.75		\$ 35,940.75
Inventory		\$ 561,385.48		\$ 561,385.48
CIP - Gallatin		\$ 39,784.94	\$ 281,479.09	\$ 321,264.03
CIP - Joplin		\$ 654,078.19	\$ 781,258.78	\$ 1,435,336.97
CIP - Pacific		\$ 253,122.54		\$ 253,122.54
CIP - Dexter		\$ 450,719.59		\$ 450,719.59
Furniture, Fixtures, Computers		\$ 50,198.99		\$ 50,198.99
				\$ -
Net Cash Losses		\$ 706,040.40	\$ -	\$ 706,040.40
<b>Total Spent to Date</b>		<b>\$ 2,751,270.88</b>	<b>\$ 1,062,737.87</b>	<b>\$ 3,814,008.75</b>
<b>Expected entity share based upon allocation percentage</b>		\$ 1,773,514.07	\$ 2,040,494.68	\$ 3,814,008.75
		46.5%	53.5%	
Payments due to true up allocation - 12/31/2021		\$ (977,756.81)	\$ 977,756.81	\$ -
License Purchase from Close Family		\$ (645,000.00)	\$ 645,000.00	\$ -
<b>Net Due to the business - December 31, 2021</b>		<b>\$ (332,756.81)</b>	<b>\$ 332,756.81</b>	
6 months negative cash flow	\$ 360,000.00	\$ 167,400.00	\$ 192,600.00	
		\$ -	\$ -	
<b>Total Estimated Expense Contribution - Close Family</b>			<b>\$ 525,356.81</b>	

**IN THE CIRCUIT COURT OF CLAY COUNTY  
LIBERTY, MISSOURI**

ELDO ORGANIC, LLC,	)	
a Missouri limited liability company,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Case No. 22CY-CV03887
	)	
ASTRO FARMS ALPHA, LLC, <i>et al.</i>	)	
	)	
Defendants.	)	

**DEFENDANT ASTRO FARMS ALPHA'S RESPONSES AND OBJECTIONS TO  
PLAINTIFF ELDO ORGANIC, LLC'S FIRST SET OF INTERROGATORIES**

Defendant Astro Farms Alpha, LLC hereby submits its responses and objections to Plaintiff ELDo Organic's First Set of Interrogatories.

**GENERAL OBJECTIONS**

The responses of Defendant to the Discovery Requests of Plaintiff are subject to the General Objections set forth below and all pertinent objections as to the admissibility thereof that may be interposed at the trial of the above-captioned action. These General Objections shall be considered made, to the extent applicable, in response to each Discovery Request as if the General Objections were fully set forth therein.

1. Defendant objects to each Discovery Request to the extent that it seeks to impose duties or obligations upon Defendant that are greater than or inconsistent with those imposed by the Missouri Rules of Civil Procedure or the Court's Local Rules.

2. Defendant objects to each Discovery Request to the extent that it seeks information and/or documents protected by the attorney-client privilege, the attorney work product doctrine, or any other legally recognized privilege, protection, or immunity. No privilege information or materials will be produced. In the event that privileged information or materials are inadvertently

produced to Plaintiff, any copies or images thereof shall be returned to Defendant's counsel immediately upon discovery thereof. Inadvertent production of any information or materials containing such protected information shall not constitute a waiver of Defendant's right to assert the applicability of any privilege or immunity.

3. Defendant objects to each Discovery Request to the extent that it seeks information and/or documents confidential, proprietary, trade secret or competitively sensitive data and material. Defendant will provide such information or materials only to the extent that Plaintiff agrees that it will be deemed confidential or highly confidential, depending on the content of the information or materials, subject to a protective order entered in this action.

4. Defendant objects to each Discovery Request to the extent that it is vague, ambiguous, and/or not susceptible to a reasoned interpretation.

5. Defendant objects to each Discovery Request to the extent that it is unduly burdensome, overly broad, oppressive, or seeks information or materials neither relevant to the issues presented in this case, nor reasonably calculated to lead to admissible evidence or proportional to the needs of the case.

6. Defendant objects to each Discovery Request to the extent that it does not contain any temporal limitations or limitations as to scope.

7. Defendant objects to each Discovery Request to the extent that it seeks information or materials already within Plaintiff's possession, custody, or control, or information or materials readily available to Plaintiff in the public record.

8. Defendant objects to each Discovery Request to the extent that it calls for Defendant to provide information or materials that are not within Defendant's possession, custody, or control.



9. Defendant objects to each Discovery Request to the extent that it calls for Defendant to create a not already existing document.

10. Defendant objects to each Discovery Request to the extent that it seeks to define terms and/or characterize the evidence in this matter. To the extent that Defendant provides information or materials in response to Plaintiff's Discovery Requests, such responses to Plaintiff's requests are neither an express nor implied agreement or admission as to the meaning of a term or characterization of evidence.

The foregoing General Objections apply to each of the specific Discovery Requests and are hereby incorporated in Defendant's specific responses and objections set forth below. The specific responses and objections are not intended to be, nor shall the same be deemed, a waiver, either in whole or in part, of any of the foregoing General Objections.

Defendant's objections made herein, or lack thereof, shall not be deemed to be an admission of any kind by Defendant, including as to the existence or non-existence of any materials. No statement that Defendant will provide the required materials shall be deemed to be a representation that such materials exist, but rather that Defendant will produce such materials to the extent that they do exist and are in Defendant's possession, custody, and control.

Subject to and limited by these General Objections and all pertinent objections as to the admissibility thereof that may be interposed at the trial or any other disposition of the above-captioned action, Defendant hereby responds to Plaintiff's Discovery Requests as follows:

### **INTERROGATORIES**

**INTERROGATORY NO. 1:** Identify each communication you have had since January 1, 2020 concerning EIDo's, the EIDo Group's and/or BBS' potential participation in your ownership by stating the date, time, and medium (*e.g.*, telephone, face-to-face, e-mail, text) of the

communication, all person(s) involved in the communication, and the substance of the communication.

**RESPONSE:**

**OBJECTION.** This Interrogatory is unduly burdensome and overly broad. Subject to and without waiving said Objection, see Defendant's responses to Plaintiff's Requests for Production.

**INTERROGATORY NO. 2:** Identify each communication you have had since January 1, 2020 concerning EIDo's, the EIDo Group's and/or BBS' potential participation in your management or operational support by stating the date, time, and medium (*e.g.*, telephone, face-to-face, e-mail, text) of the communication, all person(s) involved in the communication, and the substance of the communication.

**RESPONSE:**

**OBJECTION.** This Interrogatory is unduly burdensome and overly broad. Subject to and without waiving said Objection, see Defendant's responses to Plaintiff's Requests for Production.

**INTERROGATORY NO. 3:** Identify each communication you or someone on your behalf has since January 1, 2020 pertaining to your monetary value, offered purchase price(s), or expected sales price(s) by stating the date, time, and medium (*e.g.*, telephone, face-to-face, e-mail, text) of the communication, all other person(s) involved in the communication, and the substance of the communication.

**RESPONSE:**

**OBJECTION.** This Interrogatory is unduly burdensome and overly broad. Subject to and without waiving said Objection, see Defendant's responses to Plaintiff's Requests for Production.

**INTERROGATORY NO. 4:** Identify each person (including name, address, telephone number, e-mail address, and place of employment) whom you believe may have knowledge concerning any of the matters alleged in your Counterclaim, and with respect to each identified person, describe with specificity the knowledge that you believe that person possesses.

**RESPONSE:**

**Employees, representatives, or members of Astro Farms Alpha, LLC**  
**Employees, representatives, or members of Astro Farms Gamma, LLC**  
**Employees, representatives, or members of Green Gryphon, LLC**  
**Employees, representatives, or members of Red Stag Retail, LLC**  
**Alexander Close**  
**Stephen Close**  
**Ryan White**  
**Thomas Kern**  
**Benjamin Kern**  
**Ty Kendrick**  
**Kristopher Chandler**  
**Nate Ruby**  
**Nicholas Higby**  
**Melissa Lee**  
**Employees, representatives, or members of EIDo Organic, LLC**  
**Employees, representatives, or members of Botanic Business Services, LLC**  
**Employees, representatives, or members of BesaMe Wellness IP, LLC**  
**Jack Mitchell**  
**Tom Elafros**  
**Dane Brower**  
**Benny Brower**  
**All alleged or purported "investors" in the Dispensaries**  
**All alleged or purported "investors" in EIDo Organic, LLC**  
**Employees, representatives, or members of any vendors of the Dispensaries**  
**Employees, representatives, or members of any financial institutions of the Dispensaries**

**INTERROGATORY NO. 5:** Do you contend that funds deposited by EIDo in your bank accounts and/or were paid by EIDo on your behalf constituted loans? If so, state with specificity the date(s), amount(s), and recipient(s) of each such loan, all material terms (including obligor(s), interest rate(s), and repayment terms) of each such loan, and all payments made to EIDo in repayment of such loan(s).

**RESPONSE:**

**OBJECTION.** This Interrogatory is vague and ambiguous. Further objecting, this Interrogatory seeks information in the custody, possession, and control of Plaintiff. Subject to and without waiving said Objection, Defendant states that it cannot fully answer this question because Plaintiff has refused to afford an accounting to Defendant. Plaintiff has also refused to disclose the alleged “investor” names and the alleged “investor” contributions. Based upon the limited information in the possession of Defendant, Defendant states that certain funds allegedly deposited into Defendant’s bank accounts do constitute loans. For example, the alleged amount of “approximately \$513,000” referenced in the June 29, 2021 letter represents a loan to the Dispensaries.

**INTERROGATORY NO. 6:** Identify each person whom you expect to call as an expert witness at trial by providing each such expert’s name, address, occupation, place of employment and qualifications to give an opinion, and state the general nature of the subject matter on which each such expert is expected to testify and each expert’s hourly deposition fee.

**RESPONSE:**

**OBJECTION.** This request is premature. Subject to and without waiving said Objection, Defendant has not yet identified its expert witnesses. Further answering, Defendant reserves

**the right to call as an expert witness Clay Kniepmann JD, CPA/CFF, CFE, Senior Manager + Forensic and Litigation, Anders CPA & Advisers.**

**INTERROGATORY NO. 7:** Identify each non-retained expert witness, including parties, whom you expect to call at trial who may provide expert witness opinion testimony by providing each such expert's name, address, and field of expertise.

**RESPONSE:**

**OBJECTION. This request is premature. Subject to and without waiving said Objection, Defendant has not yet identified its expert witnesses. Further answering, Defendant reserves the right to call as an expert witness Clay Kniepmann JD, CPA/CFF, CFE, Senior Manager + Forensic and Litigation, Anders CPA & Advisers.**

**INTERROGATORY NO. 8:** With respect to each affirmative defense stated in your answer to the State Court Petition, identify all facts upon which you rely to support the affirmative defense and all persons with knowledge of the facts upon which you rely.

**RESPONSE:**

**OBJECTION. This Interrogatory is vague and ambiguous. Subject to and without waiving said Objection, Defendant refers Plaintiff to its Counterclaim. Further answering, see Defendant's response to Interrogatory number 4.**

**INTERROGATORY NO. 9:** In paragraphs 171, 172, and 188 of your Counterclaim, you allege that there was a verbal "vendor agreement" or "contract" between the Dispensaries and one or more of "BBS, ElDo, and/or BesaMe." With respect to such verbal "vendor agreement" or

“contract,” state with specificity all parties to the agreement and the date the agreement was entered into, all material terms of the agreement, and all persons who were present when the verbal agreement was made.

**RESPONSE:**

**OBJECTION. This Interrogatory is vague and ambiguous. Subject to and without waiving said Objection, to the best of Defendant’s recollection, there was a verbal agreement between the Dispensaries and Botanic Business Services LLC (“BBS”) to provide certain operational functions to the Dispensaries, such as marketing, hiring, and e-commerce. The verbal agreement was discussed sometime in early 2021 between Stephen Close and Tom Elafros and Jack Mitchell. Alexander Close also has some knowledge of the verbal discussions. As a fee for its services, BBS was to receive its costs plus five percent (5.0%).**

**INTERROGATORY NO. 10:** With respect to any indemnification you are providing to any person in connection with this lawsuit and/or the federal lawsuit in which the Federal Complaint was filed, identify the expenses and amounts for which you have paid indemnification and the sources of funds used to provide the indemnification.

**RESPONSE:**

**OBJECTION. This Interrogatory seeks information protected by the attorney-client privilege. Subject to and without waiving said Objection, see Section 6.5 of each Dispensary’s Operating Agreement, providing for indemnification. To the extent any such indemnification occurs, it would be paid as an operating expense of the Dispensaries.**

**INTERROGATORY NO. 11:** Describe your ownership structure by identifying all

persons/entities that have ever had an equity interest in you, the percentages of each such equity interest, and all changes thereto since your formation.

**RESPONSE:**

**Alexander Close – 1.00%**  
**Stephen Close – 23.99%**  
**Ryan White – 50.01%**  
**Thomas Kern – 7.75%**  
**Benjamin Kern – 5.75%**  
**Ty Kendrick – 5.75%**  
**Kristopher Chandler – 5.75%**

**INTERROGATORY NO. 12:** Identify all branding and/or trade names under which you have operated your dispensary since March 1, 2022.

**RESPONSE:**

**OBJECTION. This Interrogatory seeks information not relevant to this action and is not reasonably calculated to lead to discoverable information. Subject to and without waiving said Objection, Verts Neighborhood Dispensary.**

**INTERROGATORY NO. 13:** Identify each member/owner capital contributions to you by stating the amount, date, and member/owner who provided the contribution.

**RESPONSE:**

**OBJECTION. This Interrogatory seeks information in the custody, possession, and control of Plaintiff. Subject to and without waiving said Objection, Defendant states that Plaintiff has refused to afford an accounting to Defendant. Further answering, Defendant states that members Stephen Close and Alexander Close made capital contributions to Defendant. In addition, Alexander Close made contributions of working capital to Defendant. Defendants**

are further researching the dates and amounts of their capital contributions and will supplement this response as necessary.

**INTERROGATORY NO. 14:** Identify all other contributions and/or loans to you from any other non-owner/member by stating the amount(s), date(s), and persons/entities who provided the contribution.

**RESPONSE:**

**OBJECTION.** This Interrogatory seeks information in the custody, possession, and control of Plaintiff. Subject to and without waiving said Objection, Defendant states that it cannot fully answer this question because Plaintiff has refused to afford an accounting to Defendant. Plaintiff has also refused to disclose the alleged “investor” names and the alleged “investor” contributions. Defendant does not possess the information to provide any purported “contributions” or “loans” to Defendant.

Respectfully submitted,



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Matthew T. Anderson  
*Admitted Pro Hac Vice*  
Luper Neidenthal & Logan, LPA  
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Columbus, Ohio 43215-1052  
(614) 221-7663 Fax: (866) 345-4948  
E-mail: manderson@LNLattorneys.com  
*Attorney for Defendants*



**VERIFICATION**

I, the below-signed, (hereinafter "affiant"), being duly sworn, state that I have verified the interrogatory answers (hereinafter "Answers") of Astro Farms Alpha, LLC, and that I am duly authorized to do so, that I have read the forgoing Answers thereto and know the contents thereof, and that these Answers were prepared with the assistance of employees of and/or counsel for Defendant upon which I have relied, and these Responses, subject to inadvertent and undiscovered error, are based upon, and necessarily limited by, the records and information still in existence, presently recollected and thus far discovered in the course of preparation of such Answers. Further, I reserve the right to make any changes in the Answers if it appears at any time that omissions or errors have been made therein or that more accurate information is available. Subject to the limitations set forth herein, such Answers are true and correct to the best of my knowledge, information and belief.

By:   
Signature

Printed Name: ALEX CLOSE

Subscribed and sworn to before me this 22 day of June, 2022.

  
NOTARY PUBLIC

My Commission Expires: N/A



Erik Mikkelsen, Attorney At Law  
NOTARY PUBLIC - STATE OF OHIO  
My commission has no expiration date  
Sec. 147.03 R.C.

**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that a true and exact copy of the above and foregoing has been served by electronic mail only, this 23rd day of June, 2022, upon the following:

Kevin R. Corlew  
PathGuide Law LLC  
Kevin.corlew@pathguidelaw.com

M. Cory Nelson  
MCN Law LLC  
mcorynelson@mcnlawllc.com



---

Matthew T. Anderson