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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF HUMBOLDT**

10 TELLONI HOLDINGS LIMITED, a company
11 limited by shares organized under the laws of
12 British Virgin Islands,

13 Plaintiff,

14 vs.

15 CASE MANDEL, an individual, TRINIDAD
CONSULTING, LLC, a California limited
16 liability company, and TRINIDAD
MANAGEMENT, LLC f/d/b/a CANNADIPS,
17 LLC, a California limited liability company,

18 Defendants.

Case No.

Unlimited Civil

COMPLAINT FOR:

- (1) Fraudulent Inducement;**
(2) Negligent Misrepresentation;
(3) Breach of Contract; and
(4) Unjust Enrichment

19 **INTRODUCTION**

20 1. Case Mandel (“Mandel”) is on a desperate pursuit to raise money at all costs. In this
21 second lawsuit in a series of lawsuits against him¹, Mandel inflated projections for his cannabidiol
22 (“CBD”) business by over 2,000% when compared to his actual sales in order to con Telloni
23 Holdings Limited (“Telloni”) and its related affiliates out of well over \$1.2 million under three
24 separate contracts. Mandel’s fraud started back in July 2018 when Mandel, through Trinidad
25 Consulting, LLC (“Trinidad”), which Mandel owns and controls, entered into a Convertible Loan
26

27 ¹ The first lawsuit brought against Mandel and his affiliate companies was filed on February 18,
28 2020 in the District Court of Clark County, State of Nevada, as *Solace Holdings, LLLP v. Case Mandel, et al.*, Case No. A-20-810683-C, Department 16. Attached hereto as **Exhibit B** is a true and correct copy of that Complaint and is incorporated herein by reference.

1 Agreement with Telloni. Pursuant to this Agreement, Telloni provided Trinidad, and by association
2 Mandel, with \$500,000.00 in cash to fund Mandel’s CBD business.

3 2. Subsequently, around the beginning of 2019, based on representations made by
4 Mandel, Telloni renegotiated with Mandel, Trinidad, and Trinidad Management, LLC, which at the
5 time was known as Cannadips, LLC² (“Cannadips”) (Mandel, Trinidad, and Cannadips are
6 collectively, “Defendants” or the “Borrowers”), and amended the Convertible Loan Agreement to
7 increase the loan amount to Mandel’s business to \$1 million (the “Primary Loan”). Then, in or
8 around July 2019, Mandel once again made a desperate plea for more funds, this time claiming he
9 needed to fund his business’s marketing expenses. Based upon representations made by Mandel and
10 Trinidad, Telloni’s affiliate, Solace Holdings, LLLP (“Solace”), gave Mandel and his business more
11 funds by providing Trinidad with a bridge loan for \$200,000.00 (the “Bridge Loan”). Under the
12 terms of the Bridge Loan, the parties agreed that the \$200,000.00 would be paid-back-in-full after
13 three months with all accrued and unpaid interest. However, unbeknownst to Solace or Telloni,
14 Mandel, Trinidad, and Cannadips never intended to honor any of their representations and promises
15 with regard to any of their loans, and when the Bridge Loan reached its maturity date, Mandel and
16 Trinidad refused and continued to refuse to pay back what Solace is rightfully owed.

17 3. Because Mandel and his affiliate companies are in default on the Bridge Loan, that
18 such default qualifies as an Event of Default on the Primary Loan with Telloni, which, in turn, now
19 forms the basis for this lawsuit.

20 **THE PARTIES**

21 4. Plaintiff Telloni is organized under the laws of the British Virgin Islands, with its
22 principal place of business located in London, United Kingdom.

23 5. Upon information and belief, Defendant Mandel is a resident of Humboldt County,
24 California and conducts business within the State of California.

25 6. Upon information and belief, Defendant Trinidad is a California limited liability
26 company that maintains or has maintained a principal place of business in Humboldt County,
27

28 ² Upon information and belief, Cannadips, LLC changed its name to Trinidad Management, LLC on
or around April 22, 2019.

1 California, and conducts business within the State of California.

2 7. Upon information and belief, Defendant Cannadips is a California limited liability
3 company that maintains or has maintained a principal place of business in Humboldt County,
4 California, and conducts business within the State of California.

5 JURISDICTION AND VENUE

6 8. The Court has jurisdiction over this matter and Defendants because Defendants are
7 located in the State of California, in Humboldt County, and expressly consented to the exclusive
8 jurisdiction of the State of California, Humboldt County in the Amended and Restated Convertible
9 Loan Agreement. *See Exhibit A* (at 5 ¶ 9.4), a true and correct copy of which is attached hereto and
10 incorporated herein by reference.

11 9. Venue is further proper in this district because the parties agreed that any action
12 brought by Telloni to enforce the promissory note at issue would be brought in the state of
13 California, County of Humboldt. *See id.*

14 GENERAL ALLEGATIONS

15 10. In July 2018, Case Mandel approached Telloni and its affiliates asking for a loan to
16 fund his CBD³ business. To induce Telloni to provide funds, Mandel represented that the business
17 would succeed and that he and his company would pay the loan back timely, and also provided
18 Telloni with projections for his CBD business that grossly overstated the projected revenue and
19 profits. There was no factual basis for these projections. Yet, Mandel concealed from Telloni that the
20 projections were not supportable, and presented them to Telloni as reliable.

21 11. As Mandel intended, Telloni relied on these projections and Mandel's
22 representations, and agreed to loan him and his affiliates the money. To effectuate this loan, Trinidad
23 entered into a Convertible Loan Agreement with Telloni pursuant to which Telloni provided

24 ³ CBD or cannabidiol is a legal substance derived directly from the hemp plant that contains less
25 than 0.3% THC. While CBD is a component of marijuana, by itself it does not cause a "high." *See*
26 Peter Grinspoon, MD, *Cannabidiol (CBD) - What We Know and What We Don't*,
27 <https://bit.ly/2SseGus> (February 14, 2020, 9:00 AM). On December 20, 2018, the United States'
28 federal government passed the Agriculture Improvement Act of 2018, Pub. L. 115-334, (the "2018
Farm Bill"), which removed hemp from the Controlled Substances Act, which, in turn, legalized
CBD under federal law. *See* Food and Drug Administration, *Regulation of Cannabis and Cannabis-*
derived Products: Q&A Office Commissioner, <https://bit.ly/2OVN5zk> (February 14, 2020, 9:00
AM).

1 Trinidad with \$500,000.00 to fund Mandel’s CBD business.

2 12. Subsequently, that same year, Mandel told Telloni he needed more money to make
3 the CBD business work, which would ultimately enable him (through Trinidad and Cannadips) to
4 pay back the first loan. As such, Mandel effectively represented that without this additional loan, he
5 and his business would not pay back the first loan. Telloni trusted Mandel and relied on his
6 representations, and agreed to provide more money. As a result, Telloni and Borrowers increased the
7 loan for Mandel’s business to \$1,000,000.00 (the “Primary Loan”).

8 13. To effectuate this Primary Loan, on January 23, 2019, the Borrowers entered into an
9 Amended and Restated Convertible Loan Agreement (the “Amended Note”) in exchange for a
10 \$1,000,000.00 line of credit to be provided by Telloni. A true and correct copy of the Amended Note
11 is attached hereto as **Exhibit A**.

12 14. Pursuant to the Amended Note, Telloni then provided the Borrowers with
13 disbursements of the entire Primary Loan amount.

14 15. Each disbursement accrued interest thereon at a rate of three percent (3%) per annum
15 on the principal, with all accrued interest and principal due and payable at the Primary Loan’s
16 maturity date. *See* Exhibit A at 2 ¶ 2.5.

17 16. All borrowed funds under the Amended Note, together with all accrued and unpaid
18 interest, became due and owing on the maturity date of October 1, 2020. *Id.* at 2 ¶ 2.1.

19 17. Then, following the Borrowers execution of the Amended Note, Mandel once again
20 made a plea for funds in or around July 2019. This time, Mandel claimed a need to fund his
21 business’s marketing expenses, which would be needed and essential for the business to succeed to
22 in turn ensure the previously paid loan amounts would be paid back. In order to preserve the chances
23 of Mandel and his companies paying back the earlier loans, Telloni’s affiliate Solace agreed to
24 provide Trinidad and, by association, Mandel, with a new bridge loan for \$200,000.00 (the “Bridge
25 Loan”).

26 18. All borrowed funds under the Bridge Loan, together with all accrued and unpaid
27 interest, became due and owing on October 8, 2019.

28 19. However, Trinidad, and by association Mandel, did not pay the amounts due on the

1 Bridge Loan on or before the maturity date of October 8, 2019, and has failed and refused to pay the
2 indebtedness due to Solace at any time since. Trinidad is therefore in default under the promissory
3 note memorializing the Bridge Loan. Attached hereto as **Exhibit C** is a true and correct copy of the
4 Bridge Loan, which is incorporated by reference herein.

5 20. Under the express provisions of the Amended Note, if the Borrowers become
6 insolvent or generally fail to pay their debts as they become due—as Trinidad has done with the
7 Bridge Loan—they will be in default under the Amended Note. *See* Exhibit A at 11 ¶ 2(d).

8 21. Thus, under the Amended Note, the Borrowers are in default, have not cured such
9 default, and the principal and accrued interest under the Primary Loan are now past due and owing,
10 and interest will continue to accrue unless and until the default is cured.

11 22. Telloni has made reasonable and diligent efforts to locate the original of the Amended
12 Note, but has been unable to find it and now believes that it has been accidentally misplaced,
13 destroyed or lost.

14 23. Telloni was and has been entitled to enforce the Amended Note since its execution,
15 including when loss of possession of the original occurred.

16 24. Telloni has not sold, negotiated, transferred, assigned or indorsed the Amended Note
17 in any manner whatsoever, and Telloni continues to be the owner in its own right of the Note. The
18 original of the Amended Note has not been seized by any person or entity, lawfully or otherwise.
19 Therefore, the loss of possession of the original of the Amended Note was not the result of an
20 assignment or transfer by Telloni or a lawful seizure.

21 25. Telloni cannot reasonably obtain possession of the original of the Amended Note
22 because it was either destroyed or its whereabouts cannot be determined.

23 26. The copy of the Amended Note attached hereto in this action is a complete, accurate,
24 and authentic copy, and contains identical terms and conditions to the original Amended Note.

25 27. All conditions precedent to the prosecution of this action have been performed,
26 satisfied, excused or waived.

27 28. Telloni has been required to retain the services Greenspoon Marder LLP and
28 Perlman, Bajandas, Yevoli & Albright, P.L. (*pro hac vice* applications will be forthcoming) to

1 enforce its rights under the Amended Note and prosecute this action and, under the Amended Note,
2 is entitled to costs associated with enforcing this action, including without limitation, all reasonable
3 attorneys' fees, costs, and expenses.

4 **FIRST CAUSE OF ACTION**

5 **(Fraud in the Inducement against Mandel, Trinidad, and Cannadips)**

6 29. Plaintiff Telloni repeats and re-alleges Paragraphs 1 through 28 above as if set forth
7 fully herein.

8 30. Mandel, both individually and as a representative and/or agent of Cannadips and
9 Trinidad, knowingly (i) made false or misleading statements of material fact to Telloni, (ii)
10 concealed and omitted material information from Telloni, and (iii) made false promises of future
11 conduct. This includes but is not limited to instances such as (i) when, on February 17, 2018, Mandel
12 e-mailed employees of Telloni a spreadsheet of Cannadips' projected sales that over inflated its
13 actual sales figures by over 2,000% in order to ultimately induce Telloni to enter into the Amended
14 Note; and (ii) when, on November 13, 2018, Mandel e-mailed employees of Telloni a presentation
15 titled "Cannadips Update & CBD Production" where Mandel projects Cannadips to bring in \$9.2
16 million in revenue in 2019, when in reality the company only generated approximately \$1.9 million
17 in revenue in 2019, in order to induce Telloni to enter into the Amended Note and Bridge Loan.
18 These misrepresentations, omissions and false promises are described above and are referred to in
19 this claim as the "misrepresentations and omissions."

20 31. The Borrowers were obligated to disclose these omitted material facts, among other
21 reasons, to prevent statements and representations from being misleading.

22 32. The Borrowers intended for Telloni to rely and act on the misrepresentations and
23 omissions in order to loan the Borrowers money pursuant to both the Amended Note and the Bridge
24 Loan.

25 33. Telloni did, in fact, detrimentally rely upon these misrepresentations and omissions.
26 The misrepresentations and omissions induced Telloni (i) to enter into the Amended Note; (ii) to
27 provide funds to the Borrowers, including the funding of the Primary Loan; (iii) to defer and/or lose
28 other business opportunities in the CBD industry, thereby delaying Telloni's entry into this market,

1 and (iv) to necessarily incur legal fees and costs and other expenses in connection with the Amended
2 Note.

3 34. Telloni's reliance was reasonable and justified. Telloni would not have entered into
4 the Amended Note and funded the Primary Loan, increased the original amount of the loan, or have
5 its affiliate company fund the Bridge Loan, conducted due diligence and investigation, deferred
6 and/or lost other market opportunities, or incurred significant fees, costs and expenses, but for
7 Borrowers' misrepresentations and omissions.

8 35. As a direct and proximate result of the above and foregoing, Telloni has suffered and
9 will continue to suffer damages in an amount to be proven at trial with said amount being in excess
10 of the jurisdictional limit of twenty-five thousand dollars (\$25,000.00).

11 36. The conduct and actions of Defendants, and each of them, as alleged above were
12 fraudulent, willful, wanton, intentional, oppressive, and malicious, and thereby entitle Telloni to
13 punitive damages in an amount to be proven at trial, in an amount constitutionally permissible.

14 **SECOND CAUSE OF ACTION**

15 **(Negligent Misrepresentation against Mandel, Trinidad, and Cannadips)**

16 37. Plaintiff Telloni repeats and re-alleges Paragraphs 1 through 36 above as if set forth
17 fully herein.

18 38. Mandel, both individually and as a representative and/or agent of Cannadips and
19 Trinidad, negligently represented Cannadips' projected sales to Telloni.

20 39. Mandel's negligent representations were not true as Cannadips' (i) projected sales
21 were inflated by over 2,000% and (ii) its projected revenue was severely inflated to \$9.2 million for
22 2019, when in reality the company only generated approximately \$1.9 million in revenue in 2019.

23 40. These representations were false.

24 41. That even if Mandel and the Borrowers believed these representations to be true, they
25 had no reasonable grounds for believing the representation to be true when made.

26 42. The Borrowers intended for Telloni to rely and act on the misrepresentations and
27 omissions in order to loan Borrowers money pursuant to both the Amended Note and the Bridge
28 Loan.

1 43. Telloni did, in fact, detrimentally rely upon these misrepresentations and omissions.
2 The misrepresentations and omissions induced Telloni (i) to enter into the Amended Note; (ii) to
3 provide funds to the Borrowers, including the funding of the Primary Loan; (iii) to defer and/or lose
4 other business opportunities in the CBD industry, thereby delaying Telloni's entry into this market,
5 and (iv) to necessarily incur legal fees and costs and other expenses in connection with the Amended
6 Note.

7 44. Telloni's reliance was reasonable and justified. Telloni would not have entered into
8 the Amended Note and funded the Primary Loan, increased the original amount of the loan, or have
9 its affiliate company fund the Bridge Loan, conducted due diligence and investigation, deferred
10 and/or lost other market opportunities, or incurred significant fees, costs and expenses, but for
11 Borrowers' misrepresentations and omissions.

12 45. As a direct and proximate result of the above and foregoing, Telloni has suffered and
13 will continue to suffer damages in an amount to be proven at trial with said amount being in excess
14 of the jurisdictional limit of twenty-five thousand dollars (\$25,000.00).

THIRD CAUSE OF ACTION

(Breach of Contract against Mandel, Trinidad, and Cannadips)

15
16
17 46. Plaintiff Telloni repeats and re-alleges Paragraphs 1 through 45 above as if set forth
18 fully herein.

19 47. Telloni entered into a contract, the Amended Note, with Trinidad and Cannadips.

20 48. Telloni did all, or substantially all, of the significant things that the Amended Note
21 required it to do, or that Telloni was excused from having to do due to the Borrowers' breach of the
22 Amended Note.

23 49. The Borrowers materially defaulted under the terms of the Amended Note as alleged
24 above, by failing to make the required payment of principal and interest due on Trinidad's Bridge
25 Loan with Solace on October 8, 2019, or at any time thereafter. This, in turn, put the Borrowers in
26 default under the Amended Note, which means that all amounts (including principle and interest)
27 under the Amended Note are past due and owing. *See Exhibit A at 11 ¶ 2(d).*

28 50. By virtue of the Borrowers' default and pursuant to the terms of the Amended Note,

1 Telloni has declared, and hereby again does declare, the full amount of the Amended Note and
2 accrued interest due and owing by Borrowers to Telloni.

3 51. Consequently, as of October 8, 2019, Borrowers owed and continue to owe Telloni
4 the full unpaid principal under the Amended Note, together with accrued and accruing interest, and
5 other charges, including but not limited to attorneys' fees and costs which are also recoverable under
6 the Amended Note. Attorneys' fees and costs, interest and other charges continue to accrue.

7 52. To date, no payment has been received and interest is continuing to accrue on the
8 Amended Note.

9 53. As a result of the above and foregoing, Borrowers are in an unremedied breach of the
10 terms and conditions of the Amended Note.

11 54. As a direct and proximate result of the above and foregoing, Telloni has suffered and
12 will continue to suffer damages in an amount to be proven at trial with said amount being in excess
13 of the jurisdictional limit of twenty-five thousand dollars (\$25,000.00).

14 55. Telloni has been required to retain the services Greenspoon Marder LLP and
15 Perlman, Bajandas, Yevoli & Albright, P.L. (pro *hac vice* applications will be forthcoming) to
16 enforce its rights under the Amended Note (or Primary Loan) and prosecute this action and, under
17 the Amended Note, is entitled to costs associated with enforcing this action, including without
18 limitation, all reasonable attorneys' fees, costs, and expenses.

19 **FOURTH CAUSE OF ACTION**

20 **(Unjust Enrichment against Mandel, Trinidad, and Cannadips)**

21 56. Plaintiff Telloni repeats and re-alleges Paragraphs 1 through 55 above as if set forth
22 fully herein.

23 57. Borrowers set into motion a series of events that induced Telloni into lending
24 Borrowers the Primary Loan referenced above.

25 58. Telloni conferred a benefit upon Borrowers by providing Borrowers \$1,000,000.00
26 pursuant to the Amended Note.

27 59. Borrowers have appreciated the benefit and have accepted and retained the
28 \$1,000,000.00 provided by Telloni pursuant to the Amended Note.

EXHIBIT A

AMENDED AND RESTATED CONVERTIBLE LOAN AGREEMENT

This Amended and Restated Convertible Loan Agreement, (the “**Agreement**”) is made and entered into as of [Month Date], 2018 (the “**Effective Date**”) by and among Case Mandel (“**Case**”) in his capacity as the sole manager of Trinidad Consulting, LLC, a California limited liability company (“**Trinidad**”) and Canadips, LLC, a California limited liability company (“**Cannadips**”) which entities are also herein referred to as the “**Companies**” (Case and the Companies are herein collectively referred to the “**Borrower**”) and Telsoni Holdings Limited, a company limited by shares organized under the laws of British Virgin Islands, (“**Telsoni**” or “**Lender**”). Each of the foregoing, Trinidad, Cannadips, Telsoni are individually referred to as a “**Party**” and collectively as the “**Parties**”.

Whereas, Cannadips is a wholly owned affiliate of Trinidad and Cannadips owns certain intellectual property related to products known as and herein referred to as “**Cannadips-in-the-Mouth**”;

Whereas, the Parties entered into a Convertible Loan Agreement in 2018 (the “**2018 Agreement**”) whereby the Lender made a loan to the Borrower of Five Hundred Thousand United States Dollars (USD500,000);

Whereas, Lender proposes to increase the loan to Borrower to One Million United States Dollars (USD1,000,000) in total (the “**Loan**”), that will be used by Trinidad as general working capital but only for the purposes set forth in the spreadsheet entitled “**Permitted Uses**” that is attached hereto as Exhibit “**A**”;

Whereas, Telsoni and Case have agreed that under certain conditions as set forth in this Agreement, Telsoni shall have the right to acquire a membership interest in Trinidad (the “**Membership**”) on the terms set forth in this Agreement.

Whereas, the Parties hereto enter into this Agreement for the purpose of amending and restating the rights and obligations of the Parties under the 2018 Agreement;

Now Therefore, in consideration of the foregoing recitals, which are not mere recitals, but are a material part of this Agreement, and in consideration of the mutual agreements of the Parties as herein set forth the Parties agree as follows:

1. AMOUNT OF LOAN

- 1.1 Principal. The total amount of the Loan shall be One Million United States Dollars (USD1,000,000) herein the “**Principal**”;
- 1.2 No Other Lender Obligation. Lender is under no obligation to advance or lend any additional amount to Borrower except as Lender may elect, in its sole and absolute discretion and as shall be memorialized in a written agreement signed by the Parties.

2. TERMS OF THE LOAN



- 2.1. Term. The term of the Loan shall be until October 1, 2020 and the Loan shall be all due and payable on that date (the "Maturity Date").
- 2.2. Promissory Note. Trinidad shall execute a promissory note (the "Convertible Note") in the form attached hereto as Exhibit "B" as of the Effective Date.
- 2.3. Duty to Fund. Provided that a valid Convertible Note has been received by the Lender, the Loan shall be funded by the Lender on or about:

September 20, 2018:	USD500,000 (Received)
January 31, 2019:	USD150,000
February 28, 2019:	USD100,000
March 31, 2019:	USD150,000
April 30, 2019:	USD100,000
- 2.4. Wire Transfer Funding. The manner of funding shall be by wire transfer from Lender to Trinidad's bank account at Wells Fargo Bank, located at 11th and G Streets, Arcata California, Account Number 3193585477 in the name of Trinidad Consulting bearing Swift/BIC Code WFBIUS65.
- 2.5. Interest Rate. The Loan shall bear interest at the rate of three percent (3%) per annum on the Principal from the date of funding such Principal and all such interest shall accrue and shall be all due and payable at the Maturity Date.

3. CONVERSION

- 3.1. Conversion Right. Lender shall have the following right to convert the Loan into an equity interest in Trinidad (the "Conversion Right"): At the sole option of Lender the entire Principal of the Loan may be converted into Membership which shall equal to ten percent (10%) of Trinidad's total membership as of the Effective Date.
- 3.2. Manner of Exercise. Lender's Conversion Right must be exercised before the Maturity Date and shall be deemed exercised upon thirty (30)-day notice from Lender to Borrower of its election to exercise its Conversion Right.
- 3.3. Interest Waiver, Cancellation of the Convertible Note. Upon the exercise of Lender's Conversion Right, all accrued interest on the Loan shall be deemed waived by Lender and shall not be due and payable; and upon such exercise the Convertible Note shall be deemed paid in full and shall be cancelled by Lender.

4. REPAYMENT.

- 4.1. Loan Repayment Obligation. Should Lender elect not to convert the Loan into a Membership as herein provided, Borrower shall repay the outstanding Principal of the

Loan, all accrued interest, and any and all other outstanding amounts due under the terms of the Convertible Note on the Maturity Date.

4.2. No Right of Prepayment. Borrower shall have no right to prepay any part of the Principal except with the consent of Lender, which consent it may withhold in its sole and absolute discretion.

5. REPRESENTATIONS AND WARRANTIES OF BORROWER. Borrower hereby represents and warrants to Lender as follows:

5.1. Organization Status. Both Trinidad and Cannadips are duly organized, validly existing and in good standing under the laws of California and each Company has the authority under its operating agreement and other formation documents to enter into and execute this Agreement.

5.2. Approval of the Companies' Manager. Case is the sole manager of both Companies and in that capacity and under the authority vested in him under each Company's operating agreement the transactions contemplated by this Agreement have been approved by him on terms set forth herein.

5.3. Companies' Assets and Liabilities. The Trinidad annual financial statements are complete and accurate, copies of which will be provided to Lender on demand. Each Company holds clear, good and marketable title to all of its assets.

5.4. No Conflicts. The consummation of the Loan transaction contemplated by this Agreement and the performance of all of the obligations of Borrower as set forth herein and all other documents to be executed by Borrower (including without limitation the Convertible Note contemplated by this transaction), will not result in any breach of, or constitute a default under, any mortgage, deed of trust, lease, contract, loan or credit agreement, formation charter, bylaws, partnership agreement, operating agreement, trust agreement, or other instrument to which Borrower is a party or by which it may be bound or affected.

5.5. Accuracy. All reports, documents, instruments, information, previously and/or hereafter delivered to Lender concerning the Loan or required by this Agreement are and will be accurate, correct, and sufficiently complete to give Lender true and accurate knowledge of their subject matter, and do not and will not contain any untrue statement of a material fact or omit any material fact necessary to make such reports, documents, instruments, information, and forms of evidence misleading.

6. NATURE OF REPRESENTATIONS AND WARRANTIES. Borrower certifies to Lender that all representations and warranties are true and correct as of the Effective Date and will remain true and correct in all material respects and will survive so long as any of Borrower's obligations hereunder have not been satisfied or the Convertible Note or any part of it remains outstanding, and for any applicable statute of limitations period.



7. **LENDER'S ASSUMPTION OF RISK.** Lender warrants and represents that it has such knowledge, experience, and sophistication in investment, financial, and business matters that it is capable of evaluating the merits and risks of Loan, the Borrower, and upon its election, its ownership of a Membership interest in Trinidad. Lender is able to bear the economic risk of its investment in the Companies under this Agreement and understands that no market for the Convertible Note now exists and that such market may not hereafter develop.
8. **COMPLIANCE WITH LAWS.** To the best of Borrower's knowledge, the Companies and each of them are in material compliance in all respects with all applicable laws, rules, regulations, orders, licenses or judgments. Furthermore, the Company's entry into and performance of this Agreement and the transactions contemplated hereby do not and will not conflict (i) with any law or regulation or any official or judicial order or treaty in the United States, or (ii) with any agreement, contract or other arrangement or document to which the Company is a party to or which is binding upon the Company or any of its assets, nor will the Company's entering into this Agreement result in the creation or imposition of any Encumbrance on any of the Company's assets pursuant to the provisions of any such agreement, contract or other arrangement or document.
9. **MISCELLANEOUS.**
- 9.1. **Further Assurances.** Upon a Party's reasonable request, each of the other Parties shall, at each such Party's sole cost and expense, execute and deliver all such further documents and instruments, and take all such further acts, necessary to give full effect to this Agreement.
- 9.2. **Entire Agreement.** This Agreement, including and together with the attached exhibits, including the Convertible Note, constitutes the sole and entire agreement of the Parties with respect to the subject matter contained herein and therein, and supersedes all prior and contemporaneous understandings, agreements, representations, and warranties, both written and oral, regarding such subject matter.
- 9.3. **Interpretation.** For purposes of this Agreement, (a) the words "include," "includes" and "including" are deemed to be followed by the words "without limitation"; (b) the word "or" is not exclusive; (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole; (d) words denoting the singular have a comparable meaning when used in the plural, and vice-versa; and (e) words denoting any gender include all genders. Unless the context otherwise requires, references in this Agreement: (f) to sections, exhibits, schedules, attachments, and appendices mean the sections of, and exhibits, schedules, attachments, and appendices attached to, this Agreement; (g) to an agreement, instrument, or other document means such agreement, instrument, or other document as amended, supplemented, and modified from time to time to the extent permitted by the provisions thereof; and (h) to a statute means such statute as amended from time to time and includes any successor legislation thereto and any regulations promulgated thereunder. The Parties drafted this Agreement without regard to any presumption or rule requiring construction or interpretation against the Party drafting an instrument or causing any instrument to be



drafted. The exhibits referred to herein are an integral part of this Agreement to the same extent as if they were set forth verbatim herein.

- 9.4. Governing Law; Venue; Service. This Agreement and its terms and provisions are to be governed by and construed under the laws of the State of California, without regard to the conflicts of law principles thereof, and the rules and regulations promulgated under the authority thereof. The Borrower and Lender irrevocably and unconditionally waives, to the fullest extent he or it may legally and effectively do so, any objection that he or it may now or hereafter have to the laying of venue of any proceeding arising out of or relating to the Agreement in the state of California, County of Humboldt, California. Each of the Borrower and the Lender irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding. Service of any court proceeding paper may be effected on such party by mail, as provided in this Agreement, or in such other manner as may be provided under applicable laws, rules of procedure or local rules.
- 9.5. **WAIVER OF JURY TRIAL. BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS, CROSSCLAIMS OR THIRD-PARTY CLAIMS) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT.**
- 9.6. Headings. The headings in this Agreement are for reference only and do not affect the interpretation of this Agreement.
- 9.7. Severability. If any term or provision of this Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability shall not affect any other term or provision of this Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction. Upon a determination that any term or provision is invalid, illegal, or unenforceable, the Parties shall negotiate in good faith to modify this Agreement to effect the original intent of the Parties as closely as possible in order that the transactions contemplated hereby be consummated as originally contemplated to the greatest extent possible.
- 9.8. Amendment and Modification. No amendment to, modification of, rescission, termination, or discharge of this Agreement or the Convertible Note shall be effective unless it is in writing and signed by each Party.
- 9.9. Waiver.
- 9.9.1. No waiver under this Agreement is effective unless it is in writing, identified as a waiver to this Agreement, and signed by the Party waiving its right.

A handwritten signature in black ink, appearing to be 'JML', is located in the bottom right corner of the page.

- 9.9.2. Any waiver authorized on one occasion is effective only in that instance and only for the purpose stated, and does not operate as a waiver on any future occasion.
- 9.9.3. None of the following constitutes a waiver or estoppel of any right, remedy, power, privilege, or condition arising from this Agreement: (i) any failure or delay in exercising any right, remedy, power, or privilege or in enforcing any condition under this Agreement; or (ii) any act, omission, or course of dealing between the Parties.
- 9.10. Cumulative Remedies. Except as explicitly stated elsewhere in this Agreement, all rights and remedies provided in this Agreement are cumulative and not exclusive, and the exercise by either Party of any right or remedy does not preclude the exercise of any other rights or remedies that may now or subsequently be available at law, in equity, by statute, in any other agreement between the Parties or otherwise.
- 9.11. Successors and Assigns. This Agreement is binding on and inures to the benefit of the Parties to this Agreement and their respective permitted successors and permitted assigns.
- 9.12. No Third-Party Beneficiaries. This Agreement benefits solely the Parties to this Agreement and their respective permitted successors and assigns and nothing in this Agreement, express or implied, confers on any other Person any legal or equitable right, benefit, or remedy of any nature whatsoever under or by reason of this Agreement.
- 9.13. Prevailing Party Attorney's Fees. If any action, proceeding, arbitration or lawsuit is brought to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to recover his, hers or its attorneys' fees, expert witness fees and costs.
- 9.14. Notices. All notices, consents, demands or other communications from one party to the other given pursuant to the terms of this Agreement shall be in writing and shall be deemed to have been fully given, when sent by certified return receipt requested or registered mail, postage prepaid, or by Federal Express or other nationally recognized commercial courier, charges prepaid, addressed as set forth below. Any such notice, demand, request or other communication shall be deemed to have been given upon the earlier of personal delivery thereof, three (3) business days after having been mailed as provided above, or one (1) business day after delivery to a commercial courier for next business day delivery, as the case may be. Notices may be given electronically by facsimile or email and shall be effective upon the transmission of such notice provided that the notice is transmitted on a business day and a copy of the notice indicating the date and time of transmission is sent no later than the immediately succeeding business day by recognized overnight carrier for next business day delivery. Each party shall be entitled to modify its address by notice given in accordance with this Section 12.

If to Lender:



Telloni Holdings Limited
Attn: Jonas Martin-Lof
C/O LSP Global Ltd.
York House, 1 Seagrave Road
London SW6 1RP
United Kingdom

Email: jonas.martinlof@whcloud.com

If to Borrower: Trinidad Consulting, LLC
Attn: Case Mandel
2730 Foster Ave.
Arcata CA 95521
United States

Email: case@cannadps.com

- 9.15. Counter-Part Signatures. This Agreement may be signed in any number of counterparts with the same effect as if the signatures to each counterpart were upon a single instrument, and is intended to be binding when each Party has delivered their signature to each of the other Parties. Counterpart signatures may be delivered by email transmission of a scanned or photographed copy of this Agreement. All counterparts shall be deemed an original of this Agreement.

[Signatures Follow on Page 8]

A handwritten signature in black ink, appearing to be the initials 'JM' or similar, located in the bottom right corner of the page.

IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be executed effective as of the day and year of the last Party signing.

BORROWER:

Trinidad Consulting, LLC,
a California limited liability company

Date: 1/23/19

By: 

Name: Case Mandel
Title: Member and Sole Manager

Cannadips, LLC,
A California limited liability company

Date: 1/23/19

By: 

Name: Case Mandel
Title: Member and Sole Manager

LENDER:

Telloni Holdings Limited

Date: 24/1/2019

By: 

Name: Jonas Martin-Lof
Title: Director

EXHIBIT "A"

PERMITTED USE OF FUNDS

USE OF FUNDS

Payroll 6 months- RUNWAY	Feb	March	April	May	June	July
Case	6000	6000	6000	6000	6000	6000
Cliff	6000	6000	6000	6000	6000	6000
Ryan	6000	6000	6000	6000	6000	6000
Caitlin	5000	5000	5000	5000	5000	5000
Nor Cal Sales manager	4000	4000	4000	4000	4000	4000
So Cal Sales Manager	4000	4000	4000	4000	4000	4000
Laborers	5000	5000	5000	5000	5000	5000
Rent	5800	5800	5800	5800	5800	5800
			Total	\$250,800		

AMMO FLOWER- LAUNCH

	Price per lb	Tax per pound	Total Spend
250 lbs-	400	150	\$137,500

Attorney Fees- + europe definitive	\$40,000
Ammo Packaging- 2nd payment	\$12,109
Brand Guidelines Europe	\$3,500

National Marketing -CBD \$50,000

TOTAL **\$493,909**



EXHIBIT "B"

CONVERTIBLE PROMISSORY NOTE

CONVERTIBLE PROMISSORY NOTE

USD1,000,000.00

January 23 2019

FOR VALUE RECEIVED, Trinidad Consulting, LLC, a California limited liability company, ("Borrower"), hereby promises to pay to Telsoni Holdings Limited, a company limited by shares organized under the laws of British Virgin Islands ("Lender"), at such location as Lender may from time to time designate, the sum of One Million and 00/100 United States Dollars (USD1,000,000) (the "Principal Sum") in accordance with the following terms:

1. Payments and Maturity.

a. The Principal Sum under this Note, including, without limitation, any interest that is due and payable hereunder, shall be due and payable on October 1, 2020, (the "**Maturity Date**"), provided, the entire Principal Sum and all accrued interest thereon be deemed cancelled in the event Lender shall elect to exercise its right to convert the Principal Sum of this Note into a membership interest in Borrower (a "**Membership**") under the terms of that certain Convertible Loan Agreement, of even date herewith.

b. The Principal Sum shall bear interest at the rate of three percent (3%) per annum (the "**Interest Rate**") and the Principal Sum. All accrued interest at the Interest Rate and any and all other sums due and payable hereunder shall be payable in U.S. Dollars by bank check or wire transfer of immediately available funds to an account designated by the Lender.

c. Borrower may not prepay any part of the outstanding Principal Sum or any accrued interest at the Interest Rate at any time prior to the Maturity Date, except with Lender's prior consent, which Lender may grant or refuse in Lender's sole discretion.

2. Events of Default. The occurrence of any one of the following events shall constitute a default by the Borrower ("**Event of Default**") under this Note:

a. if Borrower fails to satisfy its obligations to pay when due the Principal Sum, all accrued interest at the Interest Rate, and any other sum due and owing hereunder (collectively, "**Borrower's Liabilities**") when all or any of Borrower's Obligations become due in accordance with this Note and such failure continues for three (3) business days after Lender notifies Borrower in writing;

b. if Borrower fails or neglects to perform, keep or observe any term, provision, condition, covenant, warranty or representation contained in this Note (other than a



payment obligation under subsection (a) above, including, without limitation, the failure of Borrower to convey the Membership to Lender upon exercise of its conversion rights under that certain Amended and Restated Convertible Loan Agreement (the "**Convertible Loan Agreement**") or in the event of any other material default under said Agreement, which shall not be cured within seven (7) days after written notice to Borrower;

c. if any action or proceeding is commenced against Borrower whereby a material portion of Borrower's assets are attached, seized, subjected to a writ, or are levied upon or any material portion of such assets become subject to any lien (other than pursuant to commercial leasing or financing arrangements) or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors, which action, lien or proceeding is not dismissed or stayed within seven (7) days of the commencement thereof;

d. if, pursuant to or within the meaning of the United States Bankruptcy Code or any other federal or state law relating to insolvency or relief of debtors ("Bankruptcy Law"), Borrower becomes insolvent or generally fails to pay or admits in writing its inability to pay debts as they become due; or if a petition under Title 11 of the United States Code or any other bankruptcy, reorganization, insolvency or moratorium law, or any other similar law for the relief of, or relating to, debtors, now or hereafter in effect is filed by or against Borrower and such petition is not dismissed within seven (7) days of the filing thereof,

e. if, pursuant to or within the meaning of Bankruptcy Law, Borrower shall make an assignment for the benefit of creditors, or if any case or proceeding is filed by or against Borrower for its dissolution or liquidation and such case or proceeding is not dismissed within seven (7) days of the commencement thereof,

f. if any part of the Membership to which Lender has rights under the Convertible Loan Agreement or any part of such Agreement is adjudged invalid or unenforceable;

Borrower shall notify Lender of the occurrence of an Event of Default promptly upon the occurrence thereof. Upon the occurrence of an Event of Default (unless the Event of Default has been cured or waived by Lender), at Lender's option, without notice or demand, in addition to all other rights and remedies of Lender under this Note, all of Borrower's Liabilities shall be immediately due and payable; provided, however, if Borrower fails to provide Lender with written notice of the occurrence of an Event of Default within five (5) business days of the date of such occurrence, all of Borrower's Liabilities, in addition to all other rights and remedies of Lender under this Note, shall be immediately due and payable without notice to Borrower or demand by Lender.

2. **Acceleration.** Upon the occurrence of an Event of Default and at any time thereafter during the continuance of such Event of Default hereunder, Lender, at its sole option, may declare the entire unpaid amount of this Note immediately due and payable in full.

3. **Payment Order and Default Rate.** All payments made on this Note shall be applied first to payment of all late fees, charges, premiums and costs and expenses due but unpaid under this Note, accrued interest, if any, and then to principal, in the inverse order of the payment dates



therefore, unless the Lender determines in its sole discretion to apply payments in a different order or applicable law requires a different application of payments. Notwithstanding the foregoing, but subject to applicable law, upon and during the occurrence of an Event of Default, this Note shall bear interest on any and all outstanding principal from the Effective Date until such Event of Default is cured or waived, payable on demand in immediately available funds, at a rate equal to ten percent (10%) per annum. Lender will not compute the interest in a manner that would cause Lender to contract for, charge or receive interest that would exceed the Maximum Lawful Rate or the Maximum Lawful Amount.

4. As used herein, "**Maximum Lawful Rate**" is the maximum rate of interest, and the term "**Maximum Lawful Amount**" means the maximum amount of interest that is permissible under applicable state or federal laws for the type of loan evidenced by this Note. Any payment by the Borrower of any fees or interest amount in excess of Maximum Lawful Amount shall be considered a mistake, with the excess being applied, first, to any lawfully accrued but unpaid fees and interest, then, to the Principal Sum of this Note, and any remaining balance shall be refunded to the Borrower.

5. **Notices.** All notices, requests, consents, and other communications required or permitted under this Agreement shall be in writing (including electronic transmission) and shall be (as elected by the party giving such notice) sent by electronic transmission (return receipt requested), hand delivered by messenger or courier service, electronically transmitted or mailed by first class mail (postage prepaid) addressed to such address as either party may designate to the other by written notice from time to time. Each such notice shall be deemed delivered (a) on the date delivered if by hand delivery or by messenger or courier service; (b) upon confirmation of transmission, if by electronic transmission; and (c) five (5) days after deposit with the United States Post Office, if mailed via first class mail.

6. **Modifications.** This Note may be changed only by an agreement in writing signed by Borrower and Lender.

7. **Governing Law; Venue; Service.** This Note and its terms and provisions are to be governed by and construed under the laws of the State of California, without regard to the conflicts of law principles thereof, and the rules and regulations promulgated under the authority thereof. Borrower and Lender irrevocably and unconditionally waives, to the fullest extent he or it may legally and effectively do so, any objection that he or it may now or hereafter have to the laying of venue of any proceeding arising out of or relating to the Agreement in the State of California, County of Humboldt, California. Each of the Borrower and the Lender irrevocably waives, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding. Service of any court proceeding paper may be effected on such party by mail, as provided in this Note, or in such other manner as may be provided under applicable laws, rules of procedure or local rules.

8. **WAIVER OF JURY TRIAL.** BORROWER AND LENDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS,



CROSSCLAIMS OR THIRD-PARTY CLAIMS) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE.

9. **Entire Agreement.** There are no oral agreements between Borrower and Lender with regard to the subject matter of this Note and this Note, along with the Convertible Loan Agreement, embodies the final and entire agreement of Borrower and Lender, and supersedes any and all prior commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of Borrower and Lender. Should any conflict exist between this Note and the Convertible Loan Agreement, the terms of the Convertible Loan Agreement shall prevail.

10. **Payment of Costs.** In addition to any other relief to which Lender may be entitled, Borrower agrees to pay, immediately upon demand by Lender, any and all costs, fees and expenses (including reasonable attorneys' fees, court costs, sales and use taxes (plus any and all documentary stamp taxes, if any) and all expenses even if not taxable as court costs (including, without limitation, all such fees, taxes, costs and expenses incident to such action, appellate, bankruptcy and post judgment proceedings)) incurred by Lender (a) in enforcing any of Lender's rights hereunder, and (b) in representing, or retaining representation of, Lender in any litigation, contest, suit or dispute, or to commence, defend or intervene or to take any action with respect to any litigation, contest, suit or dispute (whether instituted by Lender, Borrower or any other person) in any way relating to this Note or Borrower's Liabilities, and to the extent not paid the same shall become part of Borrower's Liabilities hereunder. Attorneys' fees shall include, without limitation, paralegal fees, investigative fees, administrative costs, sales and use taxes and all other charges billed by the attorney to the Lender (including any fees and costs associated with collecting such amounts).

11. **Other Lender Rights.** All of Lender's rights and remedies under this Note and the Convertible Loan Agreement are cumulative and non-exclusive. The acceptance by Lender of any partial payment made hereunder after the time when any of Borrower's obligations hereunder become due and payable will not establish a custom or waive any rights of Lender to enforce prompt payment hereof. Lender's failure to require strict performance by Borrower of any provision of this Note shall not waive, affect or diminish any right of Lender thereafter to demand strict compliance and performance therewith. Any waiver of an Event of Default hereunder shall not suspend, waive or affect any other Event of Default hereunder. Borrower waives any right of offset, set-off and/or recoupment, presentment, demand and protest and notice of presentment, protest, non-payment, maturity, release, compromise, settlement, extension or renewal of this Note, and hereby ratifies and confirms any action Lender may take in this regard.

12. **Waiver and Consents.** Borrower and every other person liable at any time for payment of this Note waives presentment, protest, notice of protest, and notice of dishonor.

13. **Headings.** The headings preceding the texts of the Sections hereof are inserted solely for convenience of reference and shall not constitute a part of this Note, nor shall they affect its meaning, construction or effect.

A handwritten signature in black ink, appearing to be the initials 'JM', is located in the bottom right corner of the page.

14. **Severability.** If any provision of this Note or the application thereof is held by a court of competent jurisdiction or by a tribunal to be invalid or unenforceable, the remaining provisions hereof shall not be affected thereby, and each provision of this Note shall be valid and enforceable to the fullest extent permitted by law.

15. **Assignment; Successors and Assigns.** This Note is transferable and assignable by Lender at any time, but may not be assigned by Borrower without Lender's prior written consent, which consent may be granted or withheld in Lender's sole discretion.

[Signature Page Follows]

A handwritten signature in black ink, consisting of stylized initials, located in the bottom right corner of the page.

IN WITNESS WHEREOF, Borrower has caused this Note to be executed as an instrument under seal effective as of the day and year first above written.

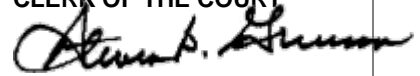
BORROWER:

Trinidad Consulting, LLC, a California
limited liability company

By: 

Name: Case Mandel
Title: Member and Sole Manager

EXHIBIT B



1 **COMP**
2 CLARK HILL PLC
3 MARK S. DZARNOSKI
4 Nevada Bar No. 3398
5 E-mail: mdzarnoski@clarkhill.com
6 MICHAEL V. CRISTALLI
7 Nevada Bar No. 6266
8 E-mail: mcristalli@clarkhill.com
9 3800 Howard Hughes Pkwy., #500
10 Las Vegas, Nevada 89169
11 Tel: (702) 862-8300
12 Fax: (702) 862-8400
13 *Attorneys for Plaintiff*

CASE NO: A-20-810683-C
Department 16

8 **DISTRICT COURT**
9
10 **CLARK COUNTY, NEVADA**

11 SOLACE HOLDINGS, LLLP, a Nevada
12 limited liability limited partnership,
13
14 Plaintiff,

Case No. _____

Dept. No. _____

13 vs.

COMPLAINT

14 CASE MANDEL, an individual, and
15 TRINIDAD CONSULTING, LLC, a limited
16 liability company,
17 Defendants.

18 **NATURE OF THE CASE**

19 1. Defendant Case Mandel (“Mandel”) is desperate to raise money, and will say or
20 do anything to get what he wants. Mandel inflated projections for his cannabadoil (“CBD”)
21 business by over 2,000% when compared to his actual sales in order to con Plaintiff Solace
22 Holdings LLLP (“Solace”) and its related affiliates out of over \$1.2 million under three separate
23 contracts. It started back in September 2018 when Mandel, through Cannadips, LLC
24 (“Cannadips”), a wholly owned subsidiary of Defendant Trinidad Consulting, LLC (“Trinidad”),
25 which Mandel owns and controls, entered into a Convertible Loan Agreement with Telloni
26 Holdings Limited (“Telloni”), an affiliate of Solace. Pursuant to that agreement, Telloni provided
27 Mandel (through Cannadips) with \$500,000.00 to fund Mandel’s CBD business. Subsequently,
28 around the beginning of 2019, Telloni and Cannadips amended the Convertible Loan Agreement

1 and increased the loan for Mandel’s business to \$1 million. In or around July 2019, Mandel once
2 again made a desperate plea for more funds, this time claiming he needed to fund his business’
3 marketing expenses. Based upon representations of Mandel and Trinidad, Solace gave Mandel
4 and his business more funds by providing Trinidad with a bridge loan for \$200,000.00, which the
5 parties agreed would be paid-in-full after three months with all accrued and unpaid interest. The
6 bridge loan was memorialized by a Credit Facility Note for \$200,000.00 with Trinidad as the
7 Maker and Solace as the Holder (“Credit Facility Note”). See **Exhibit 1** hereto. Unbeknownst
8 to Solace, Mandel and Trinidad never intended to honor their representations and promises
9 and/or the terms and conditions of the Credit Facility Note, and when this Credit Facility Note
10 reached its maturity date, Mandel and Trinidad refused and continue to refuse to pay back what
11 Solace is rightfully owed. This lawsuit relates to the collection of funds due to Solace under the
12 Credit Facility Note. Solace’s affiliate Telloni will be seeking damages in a separate jurisdiction
13 for the \$1 million provided by Telloni to Mandel, Cannadips, and Trinidad as referenced herein.

14 **THE PARTIES, JURISDICTION, AND VENUE**

15 2. Plaintiff Solace is organized under the laws of the State of Nevada, with its
16 principal place of business located in Clark County, Nevada.

17 3. Upon information and belief, Defendant Mandel is a resident of Humboldt
18 County, California.

19 4. Upon information and belief, Defendant Trinidad is a California limited liability
20 company that maintains or has maintained a principal place of business in Humboldt County,
21 California.

22 5. The exercise of jurisdiction by the above-captioned court over Defendants in this
23 civil action is appropriate based upon Trinidad’s consent to jurisdiction contained in the Credit
24 Facility Note and otherwise pursuant to N.R.S. § 14.065. See **Exhibit 1**, p. 3 ¶ 7.

25 6. Venue is proper in this district because the parties agreed that any action brought
26 by Solace to enforce the Credit Facility Note at issue would be instituted and prosecuted in the
27 District Court of Clark County, Nevada. See **Exhibit 1**, p. 3 ¶ 7.

28 ///

1 **GENERAL ALLIGATIONS**

2 7. In 2018, Mandel approached Solace asking for a loan to fund his CBD¹ business.
3 To induce Solace to provide funds, Mandel represented that the business would succeed and that
4 he and his company would pay the loan back timely, and also provided Solace with projections
5 for his CBD business that grossly overstated the projected revenue and profits. There was no
6 reasonable factual basis to support these projections. Yet, Mandel concealed from Solace that the
7 projections were not supportable, and presented them to Solace as reliable.

8 8. As Mandel intended, Solace relied on the projections and Mandel's
9 representations, and agreed to loan the money. To effectuate this loan, Cannadips, LLC
10 ("Cannadips"), a wholly owned subsidiary of Trinidad, which Mandel owns and controls,
11 entered into a Convertible Loan Agreement with Telloni, an affiliate of Solace, pursuant to
12 which Telloni provided Cannadips (and effectively, Mandel) with \$500,000.00 to fund his CBD
13 business.

14 9. Subsequently, that same year, Mandel told Solace he needed more money to make
15 the CBD business work, which would enable him (through Trinidad) to pay back the first loan.
16 As such, Mandel effectively represented that without this additional loan, he and his business
17 would not pay back the first loan. Solace and its affiliate Telloni trusted Mandel and reasonably
18 relied on his representations and agreed to provide more money. In fact, Solace and Telloni had
19 no choice but to provide more money to avoid losing any hope of being paid back on the first
20 loan. As a result, Telloni and Trinidad amended this Convertible Loan Agreement and increased
21 the loan for Mandel's business to \$1,000,000.00.

22 10. Then, in or around July 2019, Mandel once again made a plea for funds, this time

23 _____
24 ¹ CBD or cannabidiol is a legal substance derived directly from the hemp plant that contains less
25 than 0.3% THC. While CBD is a component of marijuana, by itself it does not cause a
26 "high." See Peter Grinspoon, MD, *Cannabidiol (CBD) - What We Know and What We Don't*,
27 <https://bit.ly/2SseGus> (February 14, 2020, 9:00 AM). On December 20, 2018, the United States'
28 federal government passed the Agriculture Improvement Act of 2018, Pub. L. 115-334, (the
"2018 Farm Bill"), which removed hemp from the Controlled Substances Act, which, in turn,
legalized CBD under federal law. See Food and Drug Administration, *Regulation Of Cannabis
and Cannabis-derived Products: Q&A Office Commissioner*, <https://bit.ly/2OVN5zk> (February
14, 2020, 9:00 AM).

1 claiming a need to fund his business' marketing expenses, which would be needed for the
2 business to succeed to in turn ensure the previously paid loan amounts would be paid back.
3 Again facing a situation where Solace and Telsoni needed to provide these additional funds to
4 preserve the chances of Mandel and his companies paying back the earlier loans, Solace agreed
5 to provide Trinidad and, by association, Mandel, with a new bridge loan for \$200,000.00 (the
6 "Bridge Loan" aka "Credit Facility Note").

7 11. To effectuate this Bridge Loan, on July 8, 2019, Trinidad executed a Credit
8 Facility Note (the "Credit Facility Note") in exchange for a \$200,000.00 line of credit to be
9 provided by Solace. A true and correct copy of the Credit Facility Note is attached hereto as

10 **Exhibit 1.**

11 12. Solace provided Trinidad with disbursements of the entire Bridge Loan.

12 13. Each disbursement accrued interest thereon at a rate of Fourteen Percent (14%)
13 per annum, compounded monthly from the date it was disbursed, computed on the basis of a 360
14 day year and a 30 day month. **Exhibit 1**, p. 1 ¶ 2(a).

15 14. All borrowed funds under the Credit Facility Note, together with all accrued and
16 unpaid interest, became due and owing on October 8, 2019. *Id.*, p. 1 ¶ 2(b).

17 15. Trinidad did not pay the amounts due on or before the maturity date of October 8,
18 2019, and has failed and refused to pay the indebtedness due to Solace at any time since despite
19 demand therefore being made. Trinidad is therefore in default under the Credit Facility Note.

20 16. Under the Credit Facility Note, the principal of the Bridge Loan and interest are
21 past due and owing, and interest will continue to accrue unless and until the default is cured.

22 17. Solace has made reasonable and diligent efforts to locate the original of the Credit
23 Facility Note, but has been unable to find it and now believes that it has been accidentally
24 misplaced, destroyed or lost.

25 18. Solace was and has been entitled to enforce the Credit Facility Note since its
26 execution, including when loss of possession of the original occurred.

27 19. Solace has not sold, negotiated, transferred, assigned or indorsed the Credit
28 Facility Note in any manner whatsoever, and Solace continues to be the owner in its own right of

1 the Credit Facility Note. The original of the Credit Facility Note has not been seized by any
2 person or entity, lawfully or otherwise. Therefore, the loss of possession of the original of the
3 Credit Facility Note was not the result of an assignment or transfer by Solace or a lawful seizure.

4 20. Solace cannot reasonably obtain possession of the original of the Credit Facility
5 Note because it was either destroyed or its whereabouts cannot be determined.

6 21. The copy of the Credit Facility Note attached hereto in this action is a complete,
7 accurate, and authentic copy, and contains identical terms and conditions to the original Credit
8 Facility Note.

9 22. All conditions precedent to the prosecution of this action have been performed,
10 satisfied, excused or waived.

11 23. Solace has been required to retain the services Clark Hill PLC and Perlman,
12 Bajandas, Yevoli & Albright, P.L. to enforce its rights under the Credit Facility Note and
13 prosecute this action and, under the Credit Facility Note, is entitled to costs associated with
14 enforcing this action, including without limitation, all reasonable attorneys' fees, costs, and
15 expenses.

16 **FIRST CLAIM FOR RELIEF**

17 (Fraud in the Inducement against Mandel and Trinidad)

18 24. Plaintiff Solace repeats and re-alleges Paragraphs 1 through 23 above as if set
19 forth fully herein.

20 25. Solace sues Mandel and Trinidad for fraudulent inducement of Solace to enter
21 into the Note.

22 26. Mandel, both individually and as a representative and/or agent of Trinidad,
23 knowingly (i) made false or misleading statements of material fact to Solace, (ii) concealed and
24 omitted material information from Solace, and (iii) made false promises of future conduct. This
25 includes but is not limited to instances such as (i) when, on February 17, 2018, Mandel e-mailed
26 employees of Solace a spreadsheet of Cannadips' projected sales that over inflated its actual
27 sales figures by over 2,000% in order to induce Solace to enter into the Credit Facility Note; and
28 (ii) when, on November 13, 2018, Mandel e-mailed employees of Solace a presentation titled

1 “Cannadips Update & CBD Production” where Mandel projects Cannadips to bring in \$9.2
2 million in revenue in 2019, when in reality the company only generated approximately \$1.9
3 million in revenue in 2019, in order to induce Solace to enter into the Credit Facility Note. These
4 misrepresentations, omissions and false promises are described above and are referred to in this
5 claim as the “misrepresentations and omissions.”

6 27. Mandel and Trinidad were obligated to disclose omitted material facts, among
7 other reasons, to prevent statements and representations from being misleading.

8 28. Mandel and Trinidad intended for Solace to rely and act on the misrepresentations
9 and omissions, and Solace did detrimentally rely upon the misrepresentations and omissions.
10 The misrepresentations and omissions induced Solace, in reliance, (i) to enter into the Bridge
11 Loan; (ii) to provide funds to Mandel and Trinidad, including the funding of the Bridge Loan;
12 (iii) to defer and/or lose other business opportunities in the CBD industry, thereby delaying
13 Solace’s entry into this market, and (iv) to necessarily incur legal fees and costs and other
14 expenses in connection with the Credit Facility Note.

15 29. Solace’s reliance was reasonable and justified. Solace would not have entered
16 into and funded the Bridge Loan, conducted due diligence and investigation, deferred and/or lost
17 other market opportunities, or incurred significant fees, costs and expenses, but for Mandel’s and
18 Trinidad’s misrepresentations and omissions.

19 30. Mandel’s and Trinidad’s conduct constitutes fraud in the inducement.

20 31. As a direct and proximate result of the above and foregoing, Solace has suffered
21 and will continue to suffer damages in an amount to be proven at trial with said amount being in
22 excess of fifteen thousand dollars (\$15,000.00).

23 32. Solace has been required to retain the services Clark Hill PLC and Perlman,
24 Bajandas, Yevoli & Albright, P.L. to enforce its rights under the Credit Facility Note and
25 prosecute this action and, under the Credit Facility Note, is entitled to costs associated with
26 enforcing this action, including without limitation, all reasonable attorneys’ fees, costs, and
27 expenses.

28 ///

SECOND CLAIM FOR RELIEF
(Breach of Note against Trinidad)

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3 33. Plaintiff Solace repeats and re-alleges Paragraphs 1 through 32 above as if set
4 forth fully herein.

5 34. Trinidad materially defaulted under the terms of the Credit Facility Note as
6 alleged above, including by failing to make the required payment of principal and interest due on
7 October 8, 2019, or at any time thereafter. All amounts (including principle and interest) under
8 the Credit Facility Note are past due and owing.

9 35. By virtue of Trinidad's default and pursuant to the terms of the Credit Facility
10 Note, Solace has declared, and hereby again does declare, the full amount of the Credit Facility
11 Note and accrued interest due and owing by Trinidad to Solace.

12 36. Consequently, as of October 8, 2019, Trinidad has owed and continues to owe
13 Solace the full unpaid principal under the Credit Facility Note, together with accrued and
14 accruing interest, and other charges, including but not limited to attorneys' fees and costs which
15 are also recoverable under the Credit Facility Note. Attorneys' fees and costs, interest and other
16 charges continue to accrue.

17 37. To date, no payment has been received and interest is continuing to accrue on the
18 Note.

19 38. As a result of the above and foregoing, Trinidad is in an unremedied breach of the
20 terms and conditions of the Credit Facility Note.

21 39. As a direct and proximate result of the above and foregoing, Solace has suffered
22 and will continue to suffer damages in an amount to be proven at trial with said amount being in
23 excess of fifteen thousand dollars (\$15,000.00).

24 40. Solace has been required to retain the services Clark Hill PLC and Perlman,
25 Bajandas, Yevoli & Albright, P.L. to enforce its rights under the Credit Facility Note and
26 prosecute this action and, under the Credit Facility Note, is entitled to costs associated with
27 enforcing this action, including without limitation, all reasonable attorneys' fees, costs, and
28 expenses

THIRD CLAIM FOR RELIEF
(Unjust Enrichment against Trinidad and Mandel)

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3 41. Plaintiff Solace repeats and re-alleges Paragraphs 1 through 40 above as if set
4 forth fully herein.

5 42. Mandel and Trinidad set into motion a series of events that induced Solace into
6 lending Trinidad the Bridge Loan referenced above.

7 43. Solace conferred a benefit upon Trinidad by providing Trinidad \$200,000.00
8 pursuant to the Credit Facility Note.

9 44. Upon information and belief, some or all of the Bridge Loan funds provided to
10 Trinidad have been transferred to Mandel or otherwise have inured to the benefit of Mandel thus
11 providing Mandel a benefit conferred by Solace.

12 45. Trinidad and Mandel have appreciated the benefit and have accepted and retained
13 the \$200,000.00 provided by Solace pursuant to the Bridge Loan.

14 46. Although Trinidad and Mandel had actual knowledge that the money provided by
15 Solace was a loan and not a gift and that Solace expected to be reimbursed therefore, Trinidad
16 failed to make the required payment due on the Loan's maturity date, October 8, 2019, or any
17 subsequent day thereafter. Mandel has likewise paid no compensation to Solace for any benefits
18 received by Mandel.

19 47. Retention by Trinidad and Mandel of the \$200,000.00 benefit received from
20 Solace under the circumstances described above would be inequitable and unjust.

21 48. Thus, Trinidad and Mandel have been unjustly enriched by failing to repay the
22 amount loaned by Solace.

23 49. As a direct and proximate result of the above and foregoing, Solace has suffered
24 and will continue to suffer damages in an amount to be proven at trial with said amount being in
25 excess of fifteen thousand dollars (\$15,000.00).

26 50. Solace has been required to retain the services Clark Hill PLC and Perlman,
27 Bajandas, Yevoli & Albright, P.L. to enforce its rights under the Credit Facility Note and
28 prosecute this action and, under the Credit Facility Note, is entitled to costs associated with

1 enforcing this action, including without limitation, all reasonable attorneys' fees, costs, and
2 expenses

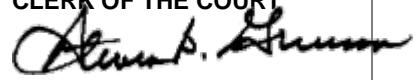
3 WHEREFORE, Plaintiff Solace prays for relief as follows:

- 4 1. Monetary damages in an amount to be proven at trial with said amount
5 being in excess of fifteen thousand dollars (\$15,000.00);
- 6 2. For enforcement of the Credit Facility Note;
- 7 3. For attorney fees and costs; and
- 8 4. For such other and further relief as the Court deems just and proper.

9 Dated this 18th day of February, 2020.

10 CLARK HILL PLC

11 /s/ Mark S. Dzarnoski, Esq.
12 MARK S. DZARNOSKI
13 Nevada Bar No. 3398
14 MICHAEL V. CRISTALLI
15 Nevada Bar No. 6266
16 3800 Howard Hughes Pkwy., #500
17 Las Vegas, Nevada 89169
18 Tel: (702) 862-8300
19 Fax: (702) 862-8400
20 *Attorneys for Plaintiff*



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6 Fax: (702) 862-8400
Attorneys for Plaintiff
7

8 **DISTRICT COURT**
9 **CLARK COUNTY, NEVADA**

10 SOLACE HOLDINGS, LLLP, a Nevada
11 limited liability limited partnership,

12 Plaintiff,

13 vs.

14 CASE MANDEL, an individual, and
15 TRINIDAD CONSULTING, LLC, a limited
liability company,

16 Defendants.
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CASE NO. A-20-810683-C
DEPT. 16

EXHIBIT 1 TO COMPLAINT

EXHIBIT 1

CREDIT FACILITY NOTE

US\$200,000.00

July 8th, 2019

FOR VALUE RECEIVED, TRINIDAD CONSULTING, LLC a limited liability company having an address of 26 Seadrift Lane, Trinidad, CA 95570 (“**MAKER**”), hereby promises to pay to **SOLACE HOLDINGS, LLLP**, a Nevada limited liability limited partnership, having an address of 6155 E. Azure Avenue, Las Vegas, Nevada 89115 (the “**HOLDER**”), all Disbursements (as defined below) borrowed (the “**Borrowed Funds**”) from a total amount of available funds equal to **TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000.00)** (the “**Principal Sum**”), together with interest thereon as set forth herein, in accordance with the terms set forth herein.

1. Disbursements.

- a. The loan represented by this Credit Facility Note (this “**Note**”) is a line of credit such that, during the term hereof, **MAKER** may borrow, from time to time, from the Principal Sum pursuant to the terms set forth herein.
- b. Subject to the terms and conditions of this agreement, **HOLDER** agrees to keep all undisbursed (per the terms of this Note) portions of the Principal Sum available to make disbursements thereof to **MAKER** (each a “**Disbursement**”).
- c. **MAKER** may request Disbursements at any time by delivering, via email to **HOLDER**, an irrevocable borrowing notice (a “**Borrowing Request**”) specifying the Disbursement amount requested, the intended use or uses of the Disbursement (the “**Purposes**”) and the requested borrowing date (the “**Disbursement Date**”) at least ten (10) Business Days before such Disbursement Date, unless such ten Business Day notice period requirement is waived by **HOLDER**. For purposes of this Note, “**Business Day**” shall mean any day in which banks in Las Vegas, Nevada are open for business.
- d. Following receipt of any Borrowing Request, in the event that **HOLDER** consents, in **HOLDER**’S sole discretion, to any requested Disbursement, **HOLDER** will provide such Disbursement to **MAKER** by wire transfer to an account designated by **MAKER** in writing in such Borrowing Request, provided that in no event shall the aggregate amount of all Disbursements, whether outstanding or prepaid pursuant to Section 2(d), made pursuant to this Note (the “**Principal Sum**”) exceed the Principal Sum.
- e. **MAKER** covenants that, absent the express written consent of **HOLDER** to the contrary, **MAKER** shall use each Disbursement solely for the purpose or purposes set forth in the Purpose of the Borrowing Request related to any such Disbursement.

2. Payments and Maturity.

- a. Each Disbursement made pursuant to this Note shall accrue interest thereon (“**Interest**”), at the rate of Fourteen Percent (14%) per annum, compounded monthly from the date on which it is disbursed, computed on the basis of a 360 day year, 30 day month (the “**Interest Rate**”).
- b. All Borrowed Funds, together with all accrued and unpaid Interest thereon, shall be due and payable on the date occurring three calendar months following the date hereof 2019 (the “**Maturity Date**”).

- c. All Borrowed Funds and Interest thereon shall be payable in lawful money of the United States of America by wire transfer to an account designated by HOLDER to MAKER in writing.

3. Events of Default.

- a. MAKER shall be in default under this Note upon the occurrence of any of the following events or conditions (each, an “**Event of Default**”): (i) failure of MAKER to pay in full, any amount whatsoever due hereunder to HOLDER; (ii) MAKER shall (A) have an order for relief entered with respect to it under 11 U.S.C. (2018) (the “**Federal Bankruptcy Code**”); (B) not pay, have no ability to pay or admit in writing its inability to pay its debts generally as they become due; (C) make an assignment for the benefit of creditors; (D) apply for, seek, consent to, or acquiesce in the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official, for it, or any substantial part of its property; (E) institute any proceeding seeking an order for relief under the Federal Bankruptcy Code or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it, or its debts, under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or fail to file an answer, or other pleading, denying the material allegations of any such proceeding filed against it; (F) be “insolvent” as such term is defined in the Federal Bankruptcy Code; (G) have concealed, removed, or permitted to be concealed or removed, any part of its properties or assets, with intent to hinder, delay or defraud its creditors, or any of them, or made or suffered a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or shall have made any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; (H) take any corporate action to authorize or effect any of the foregoing actions set forth in this subsection (ii), or (I) fail to contest in good faith any appointment or proceeding described in subsection (D); (iii) without the application, approval or consent of MAKER, a receiver, trustee, examiner, liquidator or similar official shall be appointed for MAKER or any part of its property, or a proceeding described in subsection (ii)(E) shall be instituted against MAKER; (iv) the entry of a judgment against MAKER which is not satisfied within thirty (30) days of the entry thereof; (v) the issuing of any attachments or garnishment or the filing of any lien against any property of MAKER which is not satisfied within thirty (30) days of the entry thereof; (vi) the taking of possession of any substantial part of the property of MAKER at the insistence of any governmental authority; (vii) the dissolution, merger, consolidation or reorganization of MAKER; and (viii) the occurrence of any events otherwise described in this Note as a default under this Note.
- b. In the event of any Event of Default, full power and authority is hereby given to HOLDER by MAKER to sell, assign and deliver or otherwise dispose of any other property or security of MAKER in the possession of HOLDER in the manner prescribed by applicable law for realizing upon collateral security upon default under related agreements.
- c. Upon the occurrence of an Event of Default, HOLDER shall have the right, at its option, and without notice or demand, to declare all amounts due to HOLDER under this Note immediately due and payable. HOLDER shall have the right to charge and collect interest at the Interest Rate on all Borrowed Funds and unpaid Interest from the date of the occurrence of an Event of Default until the Event of Default is cured (in HOLDER’S reasonable discretion) or all amounts due and payable to HOLDER pursuant to this Note are fully repaid. Further, HOLDER shall be entitled to all rights and remedies available to it pursuant to the Security Agreement. Failure to exercise any rights of HOLDER shall not constitute a waiver of the subsequent right to exercise any such rights. Failure to collect, or

a waiver of, delinquent interest at the Interest Rate or any other payments due to HOLDER as a result of an Event of Default (“**Default Payments**”) shall not constitute a waiver of any subsequent right to collect such Default Payments.

4. **Intent Not to Commit Usury.** Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require MAKER to pay interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to applicable law. Should any interest or other charges paid by MAKER, in connection with the loan evidenced by this Note or any other document encumbering property described therein, result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, then any and all such excess shall be and the same is hereby waived by HOLDER, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and the portion of said excess which exceeds the balance due under this indebtedness shall be paid by HOLDER to MAKER.
5. **Notices.** All notices, requests, consents, and other communications required or permitted under this Note shall be in writing and shall be hand delivered, electronically transmitted or mailed by first class mail (postage prepaid) addressed to:

If to MAKER:

Trinidad Consulting, LLC
26 Seadrift Lane
Trinidad, CA 95570

If to HOLDER:

Solace Holdings, LLLP
6155 E. Azure Avenue
Las Vegas, NV 89115

6. **Modifications.** This Note may only be amended pursuant to a writing signed by MAKER and HOLDER.
7. **Governing law; Disputes.** This Note shall be governed and construed in accordance with the laws of the State of Nevada without giving effect to principles of conflict of laws, regardless of the citizenship, residence, location or domicile of MAKER. Whenever possible, each provision of this Note shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by, or invalid under, applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note. MAKER hereby waives any plea of jurisdiction or venue as not being residents of the county within the State of Nevada where suit is instituted, and hereby specifically authorize any action brought upon the enforcement of this Note by HOLDER to be instituted and prosecuted in the District Court of Clark County, State of Nevada.
8. **WAIVER OF JURY TRIAL.** MAKER AND HOLDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS, CROSSCLAIMS OR THIRD-PARTY CLAIMS) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE.
9. **Entire Agreement.** There are no oral agreements between MAKER and HOLDER with regard to the subject matter of this Note and this Note embodies the final and entire agreement of MAKER and HOLDER with respect to the subject matter hereof. This Note supersedes any and all prior

commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of MAKER and HOLDER.

10. **Payment of Costs.** MAKER shall pay all reasonable costs incurred by HOLDER in enforcing or collecting this Note, including without limitation all reasonably attorneys' fees, costs, and expenses incurred in all matters of interpretation, enforcement, and collection, before, during, and after demand, suit, proceeding, trial, appeal, and post-judgment collection efforts as well as all costs and fees incurred by HOLDER of this Note in connection with any bankruptcy, reorganization, or similar proceeding (including efforts to obtain relief from any stay) if MAKER or any other person or entity liable for the indebtedness represented by this Note becomes involved in any bankruptcy, reorganization, or similar proceeding.
11. **Other HOLDER Rights.** The acceptance by HOLDER of any partial payment made hereunder after the time when any of MAKER's obligations hereunder become due and payable will not establish a custom or waive any rights of HOLDER to enforce prompt payment hereof. HOLDER's failure to require strict performance by MAKER of any provision of this Note shall not waive, affect or diminish any right of HOLDER thereafter to demand strict compliance and performance therewith. Any waiver of an Event of Default hereunder shall not suspend, waive or affect any other Event of Default hereunder. MAKER waives any right of offset, set-off and/or recoupment, presentment, demand and protest and notice of presentment, protest, non-payment, maturity, release, compromise, settlement, extension or renewal of this Note, and hereby ratifies and confirms any action HOLDER may take in this regard. Should HOLDER disgorge funds previously received for the purpose of paying off some or all of the amounts due under this Note, whether as the result of a court order or as part of a settlement agreement to a trustee in Bankruptcy or similarly situated authority, then HOLDER has the right to revive the terms of this Note as against the MAKER and all sureties, guarantors and endorsers, and their respective successors and assigns. This provision shall survive the termination of this Note.
12. **Documentary Stamp Taxes.** MAKER shall pay all documentary stamp taxes due on the obligation evidenced by this Note.
13. **Waiver and Consents.** MAKER and every other person liable at any time for payment of this Note waives presentment, protest, notice of protest, and notice of dishonor.
14. **Headings.** The headings preceding the text of the Sections hereof are inserted solely for convenience of reference and shall not constitute a part of this Note, nor shall they affect its meaning, construction or effect.
15. **Severability.** If any provision of this Note or the application thereof is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall not be affected thereby, and each provision of this Note shall be valid and enforceable to the fullest extent permitted by law, except to the extent that removal of such provision would frustrate the essential purpose of this Note.
16. **No Construction Against Draftsmen.** MAKER acknowledges that this Note is negotiated, and that in no event shall the terms hereof be construed against HOLDER on the basis that HOLDER, or its counsel, drafted this Note.
17. **Assignment; Successors and Assigns.** This Note may not be sold or assigned at any time by MAKER without the prior written consent of HOLDER. HOLDER may, in compliance with applicable law, assign this Note to any party at any time in HOLDER'S sole discretion. All of the terms and conditions herein shall be binding upon and inure to the benefit of any permitted successors and assigns of MAKER and HOLDER, respectively.

18. **Representations by Maker.** MAKER is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation. MAKER shall maintain its existence and comply with all registration requirements of the jurisdiction of its formation. The execution and delivery hereof is duly authorized by all requisite actions of MAKER; does not require any consent or approval of any other person; will not violate any provision of law or of the organizational documents, as amended to the date hereof, of MAKER; will not violate or be in conflict with, result in a breach of, or constitute a default under, any indenture, agreement or other instrument to which MAKER is a party, or by which MAKER, or any properties owned thereby, may be bound, or any order, writ, injunction or decree of any court or governmental institution; and, will, when executed and delivered for value, be legal, valid and binding obligation of MAKER, enforceable in accordance with the terms hereof, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally.
19. **No Impairment.** Nothing herein shall be deemed to or shall in any manner prejudice or impair the Loan Documents, or any security granted or held by HOLDER for any indebtedness evidenced by the Loan Documents.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, MAKER has caused this Note to be executed as an instrument under seal effective as of the date first written above.

MAKER:

Trinidad Consulting, LLC,

By: The Sole Manager of Trinidad Consulting, LLC

By: 
Case Mandel, Manager

EXHIBIT C

CREDIT FACILITY NOTE

US\$200,000.00

July 8th, 2019

FOR VALUE RECEIVED, TRINIDAD CONSULTING, LLC a limited liability company having an address of 26 Seadrift Lane, Trinidad, CA 95570 (“**MAKER**”), hereby promises to pay to **SOLACE HOLDINGS, LLLP**, a Nevada limited liability limited partnership, having an address of 6155 E. Azure Avenue, Las Vegas, Nevada 89115 (the “**HOLDER**”), all Disbursements (as defined below) borrowed (the “**Borrowed Funds**”) from a total amount of available funds equal to **TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$200,000.00)** (the “**Principal Sum**”), together with interest thereon as set forth herein, in accordance with the terms set forth herein.

1. Disbursements.

- a. The loan represented by this Credit Facility Note (this “**Note**”) is a line of credit such that, during the term hereof, **MAKER** may borrow, from time to time, from the Principal Sum pursuant to the terms set forth herein.
- b. Subject to the terms and conditions of this agreement, **HOLDER** agrees to keep all undisbursed (per the terms of this Note) portions of the Principal Sum available to make disbursements thereof to **MAKER** (each a “**Disbursement**”).
- c. **MAKER** may request Disbursements at any time by delivering, via email to **HOLDER**, an irrevocable borrowing notice (a “**Borrowing Request**”) specifying the Disbursement amount requested, the intended use or uses of the Disbursement (the “**Purposes**”) and the requested borrowing date (the “**Disbursement Date**”) at least ten (10) Business Days before such Disbursement Date, unless such ten Business Day notice period requirement is waived by **HOLDER**. For purposes of this Note, “**Business Day**” shall mean any day in which banks in Las Vegas, Nevada are open for business.
- d. Following receipt of any Borrowing Request, in the event that **HOLDER** consents, in **HOLDER**’S sole discretion, to any requested Disbursement, **HOLDER** will provide such Disbursement to **MAKER** by wire transfer to an account designated by **MAKER** in writing in such Borrowing Request, provided that in no event shall the aggregate amount of all Disbursements, whether outstanding or prepaid pursuant to Section 2(d), made pursuant to this Note (the “**Principal Sum**”) exceed the Principal Sum.
- e. **MAKER** covenants that, absent the express written consent of **HOLDER** to the contrary, **MAKER** shall use each Disbursement solely for the purpose or purposes set forth in the Purpose of the Borrowing Request related to any such Disbursement.

2. Payments and Maturity.

- a. Each Disbursement made pursuant to this Note shall accrue interest thereon (“**Interest**”), at the rate of Fourteen Percent (14%) per annum, compounded monthly from the date on which it is disbursed, computed on the basis of a 360 day year, 30 day month (the “**Interest Rate**”).
- b. All Borrowed Funds, together with all accrued and unpaid Interest thereon, shall be due and payable on the date occurring three calendar months following the date hereof 2019 (the “**Maturity Date**”).

- c. All Borrowed Funds and Interest thereon shall be payable in lawful money of the United States of America by wire transfer to an account designated by HOLDER to MAKER in writing.

3. Events of Default.

- a. MAKER shall be in default under this Note upon the occurrence of any of the following events or conditions (each, an “**Event of Default**”): (i) failure of MAKER to pay in full, any amount whatsoever due hereunder to HOLDER; (ii) MAKER shall (A) have an order for relief entered with respect to it under 11 U.S.C. (2018) (the “**Federal Bankruptcy Code**”); (B) not pay, have no ability to pay or admit in writing its inability to pay its debts generally as they become due; (C) make an assignment for the benefit of creditors; (D) apply for, seek, consent to, or acquiesce in the appointment of a receiver, custodian, trustee, examiner, liquidator or similar official, for it, or any substantial part of its property; (E) institute any proceeding seeking an order for relief under the Federal Bankruptcy Code or seeking to adjudicate it a bankrupt or insolvent, or seeking dissolution, winding up, liquidation, reorganization, arrangement, adjustment or composition of it, or its debts, under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or fail to file an answer, or other pleading, denying the material allegations of any such proceeding filed against it; (F) be “insolvent” as such term is defined in the Federal Bankruptcy Code; (G) have concealed, removed, or permitted to be concealed or removed, any part of its properties or assets, with intent to hinder, delay or defraud its creditors, or any of them, or made or suffered a transfer of any of its property which may be fraudulent under any bankruptcy, fraudulent conveyance or similar law; or shall have made any transfer of its property to or for the benefit of a creditor at a time when other creditors similarly situated have not been paid; (H) take any corporate action to authorize or effect any of the foregoing actions set forth in this subsection (ii), or (I) fail to contest in good faith any appointment or proceeding described in subsection (D); (iii) without the application, approval or consent of MAKER, a receiver, trustee, examiner, liquidator or similar official shall be appointed for MAKER or any part of its property, or a proceeding described in subsection (ii)(E) shall be instituted against MAKER; (iv) the entry of a judgment against MAKER which is not satisfied within thirty (30) days of the entry thereof; (v) the issuing of any attachments or garnishment or the filing of any lien against any property of MAKER which is not satisfied within thirty (30) days of the entry thereof; (vi) the taking of possession of any substantial part of the property of MAKER at the insistence of any governmental authority; (vii) the dissolution, merger, consolidation or reorganization of MAKER; and (viii) the occurrence of any events otherwise described in this Note as a default under this Note.
- b. In the event of any Event of Default, full power and authority is hereby given to HOLDER by MAKER to sell, assign and deliver or otherwise dispose of any other property or security of MAKER in the possession of HOLDER in the manner prescribed by applicable law for realizing upon collateral security upon default under related agreements.
- c. Upon the occurrence of an Event of Default, HOLDER shall have the right, at its option, and without notice or demand, to declare all amounts due to HOLDER under this Note immediately due and payable. HOLDER shall have the right to charge and collect interest at the Interest Rate on all Borrowed Funds and unpaid Interest from the date of the occurrence of an Event of Default until the Event of Default is cured (in HOLDER’S reasonable discretion) or all amounts due and payable to HOLDER pursuant to this Note are fully repaid. Further, HOLDER shall be entitled to all rights and remedies available to it pursuant to the Security Agreement. Failure to exercise any rights of HOLDER shall not constitute a waiver of the subsequent right to exercise any such rights. Failure to collect, or

a waiver of, delinquent interest at the Interest Rate or any other payments due to HOLDER as a result of an Event of Default (“**Default Payments**”) shall not constitute a waiver of any subsequent right to collect such Default Payments.

4. **Intent Not to Commit Usury.** Nothing herein contained, nor any transaction related thereto, shall be construed or so operate as to require MAKER to pay interest at a greater rate than is now lawful in such case to contract for, or to make any payment, or to do any act contrary to applicable law. Should any interest or other charges paid by MAKER, in connection with the loan evidenced by this Note or any other document encumbering property described therein, result in the computation or earning of interest in excess of the maximum rate of interest that is legally permitted under applicable law, then any and all such excess shall be and the same is hereby waived by HOLDER, and any and all such excess shall be automatically credited against and in reduction of the balance due under this indebtedness, and the portion of said excess which exceeds the balance due under this indebtedness shall be paid by HOLDER to MAKER.
5. **Notices.** All notices, requests, consents, and other communications required or permitted under this Note shall be in writing and shall be hand delivered, electronically transmitted or mailed by first class mail (postage prepaid) addressed to:

If to MAKER:

Trinidad Consulting, LLC
26 Seadrift Lane
Trinidad, CA 95570

If to HOLDER:

Solace Holdings, LLLP
6155 E. Azure Avenue
Las Vegas, NV 89115

6. **Modifications.** This Note may only be amended pursuant to a writing signed by MAKER and HOLDER.
7. **Governing law; Disputes.** This Note shall be governed and construed in accordance with the laws of the State of Nevada without giving effect to principles of conflict of laws, regardless of the citizenship, residence, location or domicile of MAKER. Whenever possible, each provision of this Note shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Note shall be prohibited by, or invalid under, applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Note. MAKER hereby waives any plea of jurisdiction or venue as not being residents of the county within the State of Nevada where suit is instituted, and hereby specifically authorize any action brought upon the enforcement of this Note by HOLDER to be instituted and prosecuted in the District Court of Clark County, State of Nevada.
8. **WAIVER OF JURY TRIAL.** MAKER AND HOLDER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY AND ALL RIGHTS THEY MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION (INCLUDING, BUT NOT LIMITED TO, ANY CLAIMS, CROSSCLAIMS OR THIRD-PARTY CLAIMS) ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS NOTE.
9. **Entire Agreement.** There are no oral agreements between MAKER and HOLDER with regard to the subject matter of this Note and this Note embodies the final and entire agreement of MAKER and HOLDER with respect to the subject matter hereof. This Note supersedes any and all prior

commitments, agreements, representations, and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of MAKER and HOLDER.

10. **Payment of Costs.** MAKER shall pay all reasonable costs incurred by HOLDER in enforcing or collecting this Note, including without limitation all reasonably attorneys' fees, costs, and expenses incurred in all matters of interpretation, enforcement, and collection, before, during, and after demand, suit, proceeding, trial, appeal, and post-judgment collection efforts as well as all costs and fees incurred by HOLDER of this Note in connection with any bankruptcy, reorganization, or similar proceeding (including efforts to obtain relief from any stay) if MAKER or any other person or entity liable for the indebtedness represented by this Note becomes involved in any bankruptcy, reorganization, or similar proceeding.
11. **Other HOLDER Rights.** The acceptance by HOLDER of any partial payment made hereunder after the time when any of MAKER's obligations hereunder become due and payable will not establish a custom or waive any rights of HOLDER to enforce prompt payment hereof. HOLDER's failure to require strict performance by MAKER of any provision of this Note shall not waive, affect or diminish any right of HOLDER thereafter to demand strict compliance and performance therewith. Any waiver of an Event of Default hereunder shall not suspend, waive or affect any other Event of Default hereunder. MAKER waives any right of offset, set-off and/or recoupment, presentment, demand and protest and notice of presentment, protest, non-payment, maturity, release, compromise, settlement, extension or renewal of this Note, and hereby ratifies and confirms any action HOLDER may take in this regard. Should HOLDER disgorge funds previously received for the purpose of paying off some or all of the amounts due under this Note, whether as the result of a court order or as part of a settlement agreement to a trustee in Bankruptcy or similarly situated authority, then HOLDER has the right to revive the terms of this Note as against the MAKER and all sureties, guarantors and endorsers, and their respective successors and assigns. This provision shall survive the termination of this Note.
12. **Documentary Stamp Taxes.** MAKER shall pay all documentary stamp taxes due on the obligation evidenced by this Note.
13. **Waiver and Consents.** MAKER and every other person liable at any time for payment of this Note waives presentment, protest, notice of protest, and notice of dishonor.
14. **Headings.** The headings preceding the text of the Sections hereof are inserted solely for convenience of reference and shall not constitute a part of this Note, nor shall they affect its meaning, construction or effect.
15. **Severability.** If any provision of this Note or the application thereof is held by a court of competent jurisdiction to be invalid or unenforceable, the remaining provisions hereof shall not be affected thereby, and each provision of this Note shall be valid and enforceable to the fullest extent permitted by law, except to the extent that removal of such provision would frustrate the essential purpose of this Note.
16. **No Construction Against Draftsmen.** MAKER acknowledges that this Note is negotiated, and that in no event shall the terms hereof be construed against HOLDER on the basis that HOLDER, or its counsel, drafted this Note.
17. **Assignment; Successors and Assigns.** This Note may not be sold or assigned at any time by MAKER without the prior written consent of HOLDER. HOLDER may, in compliance with applicable law, assign this Note to any party at any time in HOLDER'S sole discretion. All of the terms and conditions herein shall be binding upon and inure to the benefit of any permitted successors and assigns of MAKER and HOLDER, respectively.

18. **Representations by Maker.** MAKER is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation. MAKER shall maintain its existence and comply with all registration requirements of the jurisdiction of its formation. The execution and delivery hereof is duly authorized by all requisite actions of MAKER; does not require any consent or approval of any other person; will not violate any provision of law or of the organizational documents, as amended to the date hereof, of MAKER; will not violate or be in conflict with, result in a breach of, or constitute a default under, any indenture, agreement or other instrument to which MAKER is a party, or by which MAKER, or any properties owned thereby, may be bound, or any order, writ, injunction or decree of any court or governmental institution; and, will, when executed and delivered for value, be legal, valid and binding obligation of MAKER, enforceable in accordance with the terms hereof, except as enforceability may be limited by applicable bankruptcy, insolvency or similar laws affecting the rights of creditors generally.
19. **No Impairment.** Nothing herein shall be deemed to or shall in any manner prejudice or impair the Loan Documents, or any security granted or held by HOLDER for any indebtedness evidenced by the Loan Documents.

[Remainder of Page Intentionally Blank]

IN WITNESS WHEREOF, MAKER has caused this Note to be executed as an instrument under seal effective as of the date first written above.

MAKER:

Trinidad Consulting, LLC,

By: The Sole Manager of Trinidad Consulting, LLC

By: 
Case Mandel, Manager