

1 THE RESTIS LAW FIRM, P.C.  
2 William R. Restis, Esq. (SBN 246823)  
3 402 West Broadway, Suite 1520  
4 San Diego, California 92101  
5 +1.619.270.8383  
6 +1.619.752.1552  
7 william@restislaw.com

8 *Attorneys for Plaintiff and the Proposed Settlement Class*

9 [Additional Counsel Listed On Signature Page]

10 **SUPERIOR COURT FOR THE STATE OF CALIFORNIA**  
11 **COUNTY OF SAN DIEGO**

12 **KARL BECK**, individually and on behalf of all  
13 other similarly situated California residents,

14 Plaintiff,

15 v.

16 **POINT LOMA PATIENTS CONSUMER**  
17 **COOPERATIVE CORPORATION**, A  
18 California Corporation, **ADAM KNOPF**, an  
19 Individual, **JUSTUS H. HENKES IV**, an  
20 Individual, **419 CONSULTING INC.**, a  
21 California Corporation, **GOLDEN STATE**  
22 **GREENS LLC**, a California LLC, **FAR WEST**  
23 **MANAGEMENT, LLC**, a California LLC,  
24 **FAR WEST OPERATING, LLC**, a California  
25 LLC, **FAR WEST STAFFING, LLC**, a  
26 California LLC, and **DOES 1-50**,

27 Defendants.  
28

**ELECTRONICALLY FILED**  
Superior Court of California,  
County of San Diego

**02/19/2019** at 12:00:00 AM

Clerk of the Superior Court  
By Richard Day, Deputy Clerk

Case No: 37-2017-00037524-CU-BT-CTL

**CLASS ACTION**

**DECLARATION OF WILLIAM R. RESTIS  
IN SUPPORT OF PLAINTIFF'S  
AMENDED UNOPPOSED MOTION FOR  
PRELIMINARY APPROVAL OF CLASS  
ACTION SETTLEMENT**

Date: March 15, 2019

Time: 9:00 a.m.

Judge: Hon. Joel R. Wohlfeil

Ctrm: C-73

1 I, William R. Restis, hereby declare as follows:

2 1. I am managing member of the law firm of THE RESTIS LAW FIRM, P.C. (“RLF”),  
3 counsel for Plaintiff and proposed Class Representative Karl Beck (“Plaintiff” or “Beck”), and the  
4 proposed Class Members in the above captioned case. I have personal knowledge of the matters set  
5 forth herein, based on my active participation in all material aspects of this litigation. If called upon,  
6 I could and would testify competently to the facts herein based upon my personal involvement in  
7 this case. I submit this declaration in support of Plaintiff’s Amended Unopposed Motion for  
8 Preliminary Approval of Class Action Settlement filed concurrently herewith.

9 2. Plaintiff and proposed Class Representative Beck seeks preliminary approval of a  
10 class action settlement with defendants Point Loma Patients Consumer Cooperative Corporation (the  
11 “PLPCC”), 419 Consulting Inc., Golden State Greens LLC, Far West Management, LLC, Far West  
12 Operating, LLC, Far West Staffing, LLC, Adam Knopf and Justus Henkes, IV (collectively  
13 “Defendants”) that provides the same relief sought by Plaintiff’s class action Complaint (“SAC”).  
14 A true and correct copy of the Amended Settlement Agreement is attached hereto as Exhibit “A”. A  
15 redlined version of the Amended Settlement Agreement is attached hereto as Exhibit “B”.

16 **A. Settlement Negotiations**

17 3. While the case was actively proceeding, the parties engaged in multiple rounds of  
18 settlement negotiations. On May 17, 2018, the parties engaged in mediation before Judge Pressman,  
19 formerly of the San Diego Superior Court. During the May 17<sup>th</sup> mediation, the parties discussed and  
20 agreed on a general structure for a proposed class settlement that formed the basis for the Settlement  
21 now proposed to the Court. After the parties generally agreed on the structure of a class settlement,  
22 they began to discuss the value of a common fund.

23 4. Defendants provided financial statements to Judge Pressman, which the Judge  
24 represented to me that he reviewed. Defendants communicated (through Judge Pressman)  
25 aggregated numbers from their financial statements for Plaintiff’s consideration during the May 17<sup>th</sup>  
26 mediation.

27 5. Judge Pressman represented to me that based on the documentation he had seen, and  
28 based on his understanding of *alter ego* principles, he believed proving unlawful profits would be

1 extremely difficult. Based on Judge Pressman’s review of Defendants’ financial statements, he  
2 recommended that Plaintiff accept a class settlement that was approximately 38% less than the  
3 current proposed Settlement. Despite these efforts, the parties were unable to resolve the litigation.

4 6. On July 30, 2018, the parties conducted a second mediation with Judge Pressman.  
5 During that mediation, based on the recommendation of Judge Pressman, the parties executed a  
6 settlement term sheet containing the major elements of the proposed Settlement. Although neither  
7 Plaintiff nor myself had yet viewed Defendants’ financial statements, they had been disclosed to,  
8 and reviewed by Judge Pressman who recommended the Settlement (and communicated in part to  
9 me).

10 7. Accordingly, the original Settlement terms were expressly conditioned on Plaintiff’s  
11 ability to conduct confirmatory discovery to ensure that the Settlement terms are “fair, reasonable  
12 and adequate” as claimed by Defendants and Judge Pressman. The term sheet included a list of  
13 materials recommended and approved by Judge Pressman, that I could promptly review to either  
14 substantiate the claims made by Defendants during mediation, or withdraw from the Settlement.

15 8. After signing the settlement term sheet on July 30, 2018, I continued to negotiate for  
16 a full and complete review of Defendants’ finances to verify the adequacy of the Settlement terms,  
17 and satisfy one of the goals of the litigation – an audit for the benefit of PLPCC members. After  
18 approximately two months of negotiation, Defendants agreed that I could have unrestricted access  
19 to Defendants’ books and records, provided the materials were provided for “attorneys eyes only,”  
20 and provided that I not keep any copies of the materials reviewed.

21 9. Prior to signing original Settlement Agreement, on September 24, 2018, I met with  
22 counsel for defendants Matthew Dart and Tamara Leetham, as well as defendant Henkes  
23 (telephonically) at the offices of Austin Legal Group. During this meeting, which lasted  
24 approximately four hours, I was provided unrestricted access to financial statements and information  
25 related to all Defendants. Mr. Henkes (the accountant for Defendants) answered each of my inquiries  
26 concerning the income, expenses, and balance sheet of the Defendants. Mr. Henkes' candid  
27 disclosure went far beyond what the parties agreed to (at the recommendation of Judge Pressman)  
28 at the July 30, 2018 mediation.

1           10.     During the September 24<sup>th</sup> due diligence session, I reviewed both consolidated and  
2 deconstructed financial statements covering the entire Class Period. The information I reviewed  
3 included the PLPCC's income statements, balance sheets, and cash flow statements. I also reviewed  
4 the sales reports generated from the PLPCC's 420soft point-of-sale software that was the subject of  
5 Plaintiff's June 28, 2018 subpoena. I compared the expenses from the PLPCC's profit and loss  
6 statements to the income of the other Defendants, as well as expenses incurred by the other  
7 Defendants.

8           11.     Based on this review, I learned that the Settlement's consideration (\$830,0000)  
9 represents approximately **57%** of the total potentially recoverable funds (\$1,461,000) if Plaintiff  
10 were to successfully certify a class and prevail at trial. Defendants' income net of expenses  
11 represented less than 5% of the PLPCC's total gross revenue during the Class Period.

12           12.     As a result of this due diligence review, I was well informed, and concluded that the  
13 original Settlement was "fair, reasonable, and adequate."

14           13.     Even after the parties reached a settlement in principal, the adversarial process  
15 continued through two months of negotiations concerning the original settlement agreement, and  
16 thereafter with continued adversarial negotiation of the finer points of the Settlement, as well as  
17 issues relating to Notice, and settlement administration. The parties executed the original Settlement  
18 Agreement on November 21, 2018.

19           14.     On January 4, 2019, the Court denied preliminary approval of the original Settlement  
20 Agreement. A true and correct transcript of the January 4, 2019 is attached hereto as Exhibit "C".  
21 After the Court denied preliminary approval without prejudice, the parties spent a month negotiating  
22 how to distribute the reverter. Plaintiff insisted that every single penny be paid out, including any  
23 attorney fees that were not awarded by the Court. The parties signed the Amended Settlement  
24 Agreement on or about January 6. 2019.

25           **B. Attorneys' Fees and Litigation Expenses, and Incentive Award**

26           15.     RLF undertook this action on a contingent-fee basis, assuming significant risk that  
27 the action would yield no recovery and leave RLF uncompensated. From the initial inspection and  
28 CLRA demand made on Defendants in July 2016, RLF has not been compensated for *any* time or

1 expenses incurred.

2 16. I understood RLF was embarking on a complex and expensive litigation with no  
3 guarantee of ever being compensated for the investment of time and money this case would require.  
4 In undertaking the responsibility of representing the class, RLF was obliged to ensure that sufficient  
5 resources were dedicated to the prosecution of this litigation and that funds were available to  
6 compensate staff and to cover the considerable costs that a case such as this requires. With an average  
7 lag time of several years for class cases to conclude, the financial burden on contingent-fee counsel  
8 is *far* greater than on a firm that is paid on an ongoing basis. That is especially true in this case,  
9 which has been ongoing for more than a year.

10 17. As such, RLF intends to request an award of attorneys' fees and reimbursement of  
11 litigation costs that does not exceed \$200,000.

12 18. At the Final Approval Hearing, RLF will ask the Court to award fees based upon the  
13 value of the benefits achieved in the proposed Settlement and will present time and expense  
14 declarations to allow for a cross-check under the lodestar/multiplier method. At the time of filing for  
15 preliminary approval, RLF's fee and cost lodestar exceeds \$370,000, giving RLF a current **lodestar**  
16 **multiplier of approximately 0.54**. Based on my past experience in class action litigation, I expect  
17 that RLF will incur at least another 20 hours of attorney and paralegal time, further reducing RLF's  
18 lodestar multiplier.

19 **C. The Uncertainty of Continued Litigation Favors Settlement**

20 19. Having reviewed the strengths and weaknesses of this litigation, I remain confident  
21 about the strength of Plaintiff's claims. Nonetheless, I recognize that Defendants have factual and  
22 legal defenses that, if successful, could potentially defeat or substantially impair the value of the  
23 lawsuit. For example, Plaintiff could potentially be unable to establish that he and other PLPCC  
24 patrons are cooperative "members" entitled to patronage distributions at all. *See* RoA # 20, at p.8  
25 (arguing that Plaintiff is a mere "associate member" under the PLPCC bylaws and is explicitly not  
26 entitled to patronage distributions) citing CAL. CORP. CODE § 12454 ("Nothing in this chapter  
27 prohibits additional restrictions ... patronage distributions, by provision in a corporation's articles or  
28 bylaws or agreement entered into by the corporation.") and CAL. CORP. CODE § 12420(a)

1 (“...a corporation may issue memberships having different rights, privileges, preferences,  
2 restrictions, or conditions, as provided in its articles or bylaws.”)

3 20. In addition, Plaintiff may not be able to “pierce the corporate veil” between the  
4 PLPCC and the other corporate defendants with which Plaintiff and other PLPCC patrons lack  
5 privity. *Id.*, at p 6 (arguing that Plaintiff cannot establish alter ego liability against defendants other  
6 than the PLPCC). And at the time of settlement, the Court had denied Plaintiff the detailed discovery  
7 necessary to conduct an independent audit of Defendants’ finances, and prove Plaintiff’s case. *See*  
8 RoA ## 158, 163 (denying Plaintiff’s motions to compel inspection requests intended to reconstruct  
9 Defendants’ financial statements). Finally, although I am confident that this case is readily amenable  
10 to certification, class certification is always a major risk.

11 21. A redlined version of the Long-Form Notice, identifying the changes from the long-  
12 form notice submitted in connection with the original settlement is attached hereto as Exhibit “D”.

13 22. A redlined version of the Short-Form Notice, identifying the changes from the long-  
14 form notice submitted in connection with the original settlement is attached hereto as Exhibit “E.”

15 **D. Qualifications of Counsel**

16 23. I have extensive experience prosecuting and defending class action litigation. A true  
17 and correct copy of my legal *curriculum vitae* is attached hereto as Exhibit “F.”

18 24. I declare under penalty of perjury under the laws of the State of California that the  
19 foregoing is true and correct.

20 Executed on February 19, 2019 in San Diego, California.

21  
22 \_\_\_\_\_  
23 William R. Restis  
24  
25  
26  
27  
28

# EXHIBIT A

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO**

KARL BECK, individually and on behalf  
of all other similarly situated California  
residents,

Plaintiff,

vs.

POINT LOMA PATIENTS CONSUMER  
COOPERATIVE CORPORATION, a  
California corporation, ADAM KNOPF, an  
individual, JUSTUS H. HENKES IV, an  
individual, 419 CONSULTING INC, a  
California corporation, GOLDEN STATE  
GREENS LLC, a California LLC, FAR  
WEST MANAGEMENT LLC, a  
California LLC, FAR WEST  
OPERATING, LLC, a California LLC,  
FAR WEST STAFFING LLC, a California  
LLC, and DOES 1-50;

Defendants.

---

**CASE NO. 37-2017-00037524-CU-BT-CTL**

**CLASS ACTION**

**AMENDED STIPULATION AND  
AGREEMENT OF SETTLEMENT**



1 It is hereby stipulated and agreed by and between the undersigned Parties, subject to Court  
2 approval, that settlement of this action shall be effectuated pursuant to the terms and conditions  
3 set for in this Settlement Agreement.

4 **SECTION 1 – PREAMBLE**

5 1. WHEREAS Karl Beck (“Plaintiff”) is the named plaintiff in this action entitled  
6 *Karl Beck, individually and on behalf of all other similarly situated California residents, Plaintiff,*  
7 *v. Point Loma Patients Consumer Cooperative Corporation, a California corporation; Adam*  
8 *Knopf, an individual; Justus H. Henkes IV, an individual; 419 Consulting Inc., a California*  
9 *corporation; Golden State Greens LLC, a California LLC; Far West Management, LLC a*  
10 *California LLC; Far West Operating, LLC, a California, LLC; Far West Staffing, LLC, a*  
11 *California LLC; and DOES 1 through 50, inclusive, Defendants* (collectively all defendants  
12 referred to as “Defendants”), case number 37-2017-00037524-CU-BT-CTL, commenced on or  
13 about October 6, 2017 (the “Action”);

14 2. WHEREAS Plaintiff filed a Complaint for damages and restitution against all  
15 Defendants for (1) Production Of Records Pursuant To Corporations Code §§ 12603-12607; (2)  
16 Violation Of The Unfair Competition Law (“UCL”) (Business and Professions Code § 17200 et  
17 seq.); (3) Violation Of The Consumer Legal Remedies Act (“CLRA”) (Civil Code § 1770 et  
18 seq.); (4) Conversion; and (5) Unjust Enrichment.

19 3. WHEREAS Plaintiff alleges that as a member patron of defendant Point Loma  
20 Patients Consumer Cooperative, he was entitled to certain patron distributions which Defendants  
21 diverted for their own use and benefit in violation of the UCL, the CLRA, and California’s  
22 common law doctrine of conversion.

23 4. WHEREAS the Action seeks monetary and equitable remedies on behalf of  
24 Plaintiff and a class of similarly situated persons;

25 5. WHEREAS the Parties have negotiated this Settlement at arms-length with the  
26 assistance and oversight of Honorable Joel Pressman (Ret.), and have had a full and fair  
27 opportunity to evaluate the strengths and weaknesses of their respective positions;

28 6. WHEREAS Defendants deny the allegations of the Action, deny all allegations of

1 wrongdoing and of liability, and deny any causation of harm or damage to the Settlement Class;

2 7. WHEREAS Defendants nevertheless have concluded that, in light of the costs,  
3 risks and disruption of litigation, this Settlement is appropriate on the terms and conditions set  
4 forth herein;

5 8. WHEREAS Plaintiff believes that the claims asserted in the Action are  
6 meritorious;

7 9. WHEREAS, Plaintiff nevertheless has concluded that in light of the costs, delay  
8 and risks of litigation of the matters in dispute, the high value of the Settlement relative to the  
9 amount in controversy, and in the desire to provide relief to the Settlement Class sooner rather  
10 than later, this Settlement is fair, reasonable, adequate, and in the best interests of the Settlement  
11 Class;

12 10. WHEREAS the performance of any act referenced in this Settlement Agreement,  
13 or any other circumstance regarding the Parties' agreement to settle, shall not be considered an  
14 admission of liability or as an admission of any allegations made in any claim or litigation,  
15 including this Action; and

16 11. WHEREAS the Parties hereto agree that this Settlement Agreement shall not be  
17 deemed or construed to be an admission or evidence of any violation of any federal or state  
18 statute, rule or regulation, principle of common law or equity, or of any liability or wrongdoing  
19 whatsoever by Defendants, or of the truth of any of the class claims asserted in the Action, or  
20 elsewhere;

21 12. WHEREAS the Parties hereto agree that the certification of the Settlement Class  
22 shall have no bearing in deciding whether the claims asserted in the Action are or were  
23 appropriate for class treatment in the absence of settlement.

24 13. NOW THEREFORE, it is hereby stipulated and agreed that, in consideration of  
25 the agreements, promises, and covenants set forth in this Settlement Agreement, and subject to  
26 approval of the Court, the Action shall be fully and finally settled and dismissed with prejudice  
27 under the following terms and conditions:  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**SECTION 2 – DEFINITIONS**

As used in this Settlement Agreement and the related documents attached hereto as exhibits, the terms used therein shall have the meanings set forth below. The singular includes the plural and vice versa.

1. “Administrator” means the third-party agent or administrator retained by Defendants and approved by the Court to provide services in the administration of the Settlement, including providing Class Notice, and the processing of other documents or tasks as provided for in the Settlement or as otherwise agreed to by the parties and Administrator or ordered by the Court.

2. “Administration Costs” means the actual and direct costs reasonably charged by the Administrator for its services.

3. “Class Counsel” means The Restis Law Firm, P.C.

4. “Class Members” means all individuals that purchased a product from Point Loma Patients Consumer Cooperative prior to December 31, 2017, except (i) any Defendant in this Action; (ii) Beck’s attorneys and litigation staff, including members of their immediate families; or (iii) any judge, justice judicial officer, or judicial staff of the Court.

5. “Class Notice” or “Notice” means all types of notice that will be provided to the Class Members pursuant to Code of Civil Procedure section 382 and California Rule of Court 3.766 including Short-Form Notice, Long-Form Notice, Settlement Website notice, and any additional or different notice that may be ordered by the Court. Class Notice means the Court-approved notice of this Agreement that is directed to Class Members and described in Section 4.1 of this Settlement Agreement and exemplified in Exhibits A and B. The Class Notice will be provided as set forth in the Preliminary Approval Order, pursuant to California Rule of Court 3.771(b).

6. “Class Period” means the time period between August 1, 2015 and December 31, 2017.

7. “Class Released Claims” means any and all actions, causes of action, claims, demands, liabilities, obligations, fees, costs, sanctions, proceedings, and/or rights of any nature

1 and description whatsoever, including, without limitation, violations of any state or federal  
2 statutes, or rules or regulations, or principles of common law, whether liquidated or unliquidated,  
3 known or unknown, in law or in equity, whether or not concealed or hidden, by Plaintiff,  
4 members of the Settlement Class, or any of them (on their own behalf and/or on behalf of the  
5 proposed class or the general public) against Defendants, or any other Released Parties, through  
6 the date the Final Approval Order is entered, and that are based on, or arise out of, the facts,  
7 transactions, events, occurrences, acts, disclosures, advertisements, omissions, or failure to act  
8 concerning the facts alleged in the Action. Notwithstanding the above, “Class Released Claims”  
9 shall exclude any claims for personal injury on behalf of the Settlement Class.

10 8. “Class Representative” means Plaintiff (Karl Beck).

11 9. “Court” means the Superior Court of the State of California, County of San Diego,  
12 Central Division.

13 10. “Defendants’ Counsel” means the Austin Legal Group and Dart Law.

14 11. “Effective Date” means the earliest of the following: (1) the date of entry of a  
15 Final Approval Order and judgment if no objections are filed to the Settlement or if all objections  
16 are withdrawn prior to the Court ruling on them; or (2) sixty-one (61) days after entry of a Final  
17 Approval Order and judgment; or (3) if a timely appeal is made, three (3) business days after the  
18 date of the final resolution of that appeal and any subsequent appeals or petitions for certiorari  
19 from final approval of the Settlement.

20 12. “Fee and Cost Application” means the written motion or application by which the  
21 Class Representative and/or Class Counsel request that the Court award attorneys’ fees, costs,  
22 expenses and incentive award.

23 13. “Fee and Expense Award” means an award of attorneys’ fees and the  
24 reimbursement of litigation costs and expenses authorized by the Court pursuant to the Fee and  
25 Cost Application to be paid to Class Counsel for the services rendered by Class Counsel and the  
26 attorneys at Finkelstein & Krinsk LLP to Beck and The Class Members in this Action.

27 14. “Final” means that the Court has entered the Final Approval Order on the docket  
28 in the Action, and (a) the time to appeal from such order has expired and no appeal has been

1 timely filed, (b) if such an appeal has been filed, it has finally been resolved and has resulted in an  
2 affirmation of the Final Approval Order, or (c) the Court, following the resolution of the appeal,  
3 enters a further order or orders approving settlement on the terms set forth herein, or on terms  
4 mutually agreed in writing by the parties, and either no further appeal is taken from such order(s)  
5 or any such appeal results in affirmation of such order(s). Neither the pendency of the Fee and  
6 Cost Application, nor any appeal pertaining solely to a decision on the Fee and Cost Application,  
7 shall in any way delay or preclude the Final Approval Order from becoming Final.

8 15. “Final Approval Hearing” means the hearing at which the Court shall (a)  
9 determine whether to grant final approval to this Settlement Agreement and to certify the  
10 Settlement Class; (b) consider any timely objections to this Settlement and all responses thereto;  
11 and (c) rule on the Fee and Cost Application.

12 16. “Final Approval Order” means the order in which the Court grants final approval  
13 of this Settlement Agreement, certifies the Settlement Class, and authorizes dismissal of the  
14 Action with prejudice.

15 17. “Incentive Award” means an award authorized by the Court to be paid to Plaintiff  
16 in recognition of his efforts in prosecuting this Action.

17 18. “Individual Released Claims”: means any and all of the Class Representative’s  
18 actions, causes of action, claims, demands, liabilities, obligations, fees, costs, sanctions,  
19 proceedings, and/or rights of any nature and description whatsoever, including, without  
20 limitation, violations of any state or federal statutes, rules or regulations, or principles of common  
21 law, whether liquidated or unliquidated, known or unknown, in law or in equity, whether or not  
22 concealed or hidden, against Defendants, or any other Released Parties, through the date the Final  
23 Approval Order is entered, and that are based on, arise out of, the facts alleged in this Action.

24 19. “Long-Form Notice” means the long-form of notice of the proposed class action  
25 settlement attached hereto as Exhibit A.

26 20. “Notice Response Deadline” means the deadline for all members of the Settlement  
27 Class to request exclusion from the Settlement or object to the Settlement, which shall be 45 days  
28 after Notice is disseminated to Class Members, or other date as ordered by the Court.

1           21.    “Parties” means Class Representative and Defendants.

2           22.    “Patronage Distribution Credits” means the United States dollar value of credits  
3 for free or discounted product from the PLPCC.

4           23.    “Patronage Distribution Date” means ten (10) days after the Effective Date, which  
5 will be disclosed on the Settlement Website, and is the date on which the Patronage Distribution  
6 Credits will be available to Class Members.

7           24.    “PLPCC” means defendant Point Loma Patients Consumer Cooperative  
8 Corporation, and any successor or related entities thereto operating a marijuana dispensary at  
9 3452 Hancock Street, San Diego, CA 92110.

10          25.    “Preliminary Approval Order” means the order in which the Court grants its  
11 preliminary approval to this Settlement Agreement and preliminarily certifies the Class Members,  
12 appoints Plaintiff as Class Representative, appoints Restis Law Firm as Class Counsel, appoints  
13 the Administrator, and authorizes dissemination of Notice to Class Members.

14          26.    “Released Parties” means Defendants to this Action and each of their respective  
15 current and former officers, directors, employees, stockholders, investors, owners, agents,  
16 representatives, attorneys, accountants, lenders, underwriters, insurers, administrators, successors,  
17 subsidiaries, assigns, affiliates, joint-ventures, partners, members (but not “associate members”),  
18 divisions, predecessors.

19          27.    “Request for Exclusion” means a valid request for exclusion from a Class  
20 Member. To be valid, a request for must (a) be submitted by the Class Member; (b) to the  
21 Administrator and postmarked (if applicable) by a date no later than forty-five (45) days  
22 following initial dissemination of Notice by the Administrator (or other date as ordered by the  
23 Court); and (c) contain the Class Member’s name, address and telephone number.

24          28.    “Settlement Agreement,” “Settlement,” or “Agreement” means this Stipulation and  
25 Agreement of Settlement, including any exhibits.

26          29.    “Settlement Class” means all individuals that purchased a product from Point  
27 Loma Patients Consumer Cooperative prior to December 31, 2017, except persons who properly  
28 exclude themselves from the Settlement.

1           30.    "Settlement Fund" means the amount payable by Defendants for Patronage  
2 Distribution Credits, Administrations Costs, and any Incentive Award.

3           31.    "Settlement Website" means the Internet website to be established by the  
4 Settlement Administrator as provided by the Preliminary Approval Order.

5           32.    "Short-Form Notice" means the short-form notice of the proposed class action  
6 settlement attached as Exhibit B.

7   **SECTION 3 – SETTLEMENT CLASS RELIEF**

8           In consideration of a full, complete, and final settlement of the Action, and the Releases in  
9 Section 7 below, and subject to the Court's approval, the Parties agree to the following relief:

10          1.    Class Settlement Fund:

11           a.    For a full, complete, and final settlement and satisfaction of the Action and  
12 all Released Claims, and subject to Court approval, Defendants will create a Settlement Fund of  
13 \$630,000, for the payment of:

14                   i.    Patronage Distribution Credits to Settlement Class Members  
15 (\$600,480 estimate);

16                   ii.   Administration Costs (\$25,000 estimate); and

17                   iii.   Incentive Award (\$5,000 estimate).

18          b.    Defendants shall pay Administration Costs, and any Incentive Award from  
19 the Settlement Fund. Amounts remaining in the Settlement Fund after payment of Administration  
20 Costs, and any Incentive Award shall be credited as Patronage Distribution Credits to Settlement  
21 Class Members *pro rata* based on their patronage in accordance with California Corporations Code  
22 §§ 12201.5(b) and 12243(a)(2).

23          c.    Patronage Distribution Credits shall be available for Settlement Class  
24 Members to redeem for free or discounted products (if a Settlement Class Member's Patronage  
25 Distribution Credits are insufficient to fully purchase a product) from the PLPCC for 12 months  
26 from the Patronage Distribution Date.

27          d.    Patronage Distribution Credits not redeemed by Settlement Class Members  
28 within 12 months from the Patronage Distribution Date ("Remainder Credits") shall be

1 redistributed to future PLPCC patrons as \$5.00 credited toward each purchase from the PLPCC  
2 until the Settlement Fund is exhausted. The PLPCC may in its discretion limit the amount of  
3 Remainder Credits paid in a single month. However, all Remainder Credits must be paid out in  
4 accordance with this section within 24 months from the Patronage Distribution Date.

5 e. Patronage Distribution Credits to Settlement Class Members, and any  
6 Remainder Credits, shall be non-transferrable and not redeemable for cash.

7 f. The PLPCC will provide the Court with four quarterly reports beginning 13  
8 months after the Patronage Distribution Date providing data obtained directly from its point of sale  
9 system and tax filings stating: (1) the total amount of Patronage Distribution Credits distributed  
10 during the first 12 months after the Patronage Distribution Date, and (2) the total number of  
11 Remainder Credits distributed, during each reporting period, as applicable.

12 g. Within 30 days after the entire Settlement Fund is exhausted pursuant to  
13 Section 3.1.d above, a representative of the PLPCC will file with the Court a declaration under  
14 penalty of perjury confirming that the entire Settlement Fund was paid out in accordance with this  
15 Section 3.

16 **SECTION 4 – NOTICE AND REQUESTS FOR EXCLUSION**

17 1. Provision of Class Notice

18 Notice to the Class Members shall be provided in the forms approved by the Court in the  
19 Preliminary Approval Order, by those means set forth in the Preliminary Approval Order. The  
20 Notice shall be substantially in the same forms as the exemplars submitted as Exhibits A and B  
21 hereto, or as approved by the Court.

22 a. Direct Notice.

23 Within 7 days after entry of the Preliminary Approval Order, Defendants shall provide a  
24 list to the Administrator of the Class Members. Within twenty-one (21) days after entry of the  
25 Preliminary Approval Order, the Administrator shall mail or email the Short-Form Notice (in the  
26 form attached to the Agreement as Exhibit B) to the identified Class Members. The Administrator  
27 shall utilize the national change of address database to update the mailing list of Class Members  
28 prior to sending Short-Form Notice to any Class Members that will be contacted by mail, and



1 shall perform a single Skip Trace to conduct an address update for any Short-Form Notice  
2 returned to the Administrator using an industry accepted source such as Accurint.

3 In the event that a Short-Form Notice is returned as undeliverable with a forwarding  
4 address, the Administrator shall re-mail the Short-Form Notice to the indicated forwarding  
5 address within 5 business days from the date of the receipt of the forwarding address. The  
6 Administrator shall have no obligation to re-mail any Class Notice returned as undeliverable after  
7 30 days from the date on which it was originally mailed.

8 b. Internet Notice.

9 The Parties and the Administrator shall use best efforts to cause the Class Notice to  
10 commence online at the Settlement Website promptly after entry of the Preliminary Approval  
11 Order. The Settlement Website shall be administered by the Administrator. The Administrator  
12 shall cause the Long Form Notice to be posted to the Settlement Website no later than the date for  
13 dissemination of the Short-Form Notice. The Settlement Website shall also provide relevant  
14 information regarding the Settlement, including (a) how to file Exclusion Requests or object to  
15 the Settlement, (b) relevant dates and deadlines, including the Notice Response Deadline, Final  
16 Approval Hearing date, and the date that Patronage Distribution Credits will be available for  
17 redemption at the PLPCC if the Settlement becomes Final; and (c) copies of the following  
18 documents: Plaintiff’s Complaint, Defendants’ Answer, the Settlement Agreement, Plaintiff’s  
19 Preliminary Approval Motion and supporting documents, the Preliminary Approval Order,  
20 Plaintiff’s Fee and Cost Application and supporting documents (when filed), Motion for Final  
21 Approval and supporting documents (when filed), and Final Order and Judgment (when filed).

22 2. Declarations of Compliance

23 The Administrator shall prepare declarations attesting to compliance with the notice  
24 requirements set forth above. Such declarations shall be provided to Class Counsel and  
25 Defendants’ Counsel and filed with the Court when required by the Preliminary Approval Order.

26 3. Best Notice Practicable

27 The Parties agree that compliance with the procedures described in this section is the best  
28 notice practicable under the circumstances and shall constitute due and sufficient notice to the

1 Class Members (and resulting Settlement Class) of the pendency of the Action, certification of the  
2 Class Members, the terms of the Settlement Agreement, and the Final Approval Hearing, and  
3 shall satisfy the requirements of the California Rules of Court, the Code of Civil Procedure, the  
4 California Constitution, the United States Constitution, and any other applicable law.

5 4. Report On Requests For Exclusion

6 Not later than the date provided in the Preliminary Approval Order, the Administrator  
7 shall prepare and deliver to Class Counsel, who shall file it with the Court and provide it to  
8 Defendant’s Counsel, a report stating: the total number of Persons that have submitted timely and  
9 valid Requests for Exclusion from the Class Members, and the names of such Persons. Any  
10 Person that has submitted a timely and valid Request for Exclusion will not be entitled to receive  
11 any relief under this Settlement Agreement.

12 5. Inquiries From Class Members

13 It shall be the responsibility of Class Counsel to establish procedures for receiving and  
14 responding to all inquiries from the Class Members with respect to this Settlement. Defendants’  
15 Counsel may respond, but are not required to respond, to such inquiries.

16 **SECTION 5 – COURT APPROVAL OF SETTLEMENT**

17 1. Preliminary Approval

18 As soon as practicable after the execution of this Settlement Agreement, Class Counsel  
19 shall apply for entry of Preliminary Approval Order in the form of Exhibit C, which Defendants  
20 shall not oppose. The Preliminary Approval Order proposed to the Court shall include provisions  
21 (a) preliminarily certifying the Class Members for settlement purposes only; (b) preliminarily  
22 approving this Settlement and finding this Settlement sufficiently fair, reasonable and adequate to  
23 allow Notice to be disseminated to the Class Members; (c) approving the form, content, and  
24 manner of the Notice; (d) setting a schedule for proceedings with respect to final approval of this  
25 Settlement; and (e) staying the Action, other than such proceedings as are related to this  
26 Settlement.

27 2. Objections To Settlement

28 Any Class Member wishing to object to or to oppose the approval of this Settlement

1 and/or the Fee and Cost Application and Fee and Expense Award shall file a written objection  
 2 (with a statement of reasons) with the Court and serve it on the Parties no later than forty-five  
 3 (45) days following initial dissemination of Notice. Any Class Member making an objection  
 4 must include the following information: (a) the Class Member’s name, address, telephone  
 5 number and, if represented by counsel, the name, address, and telephone number of counsel; (b) a  
 6 statement whether the Class Member intends to appear at the Final Approval Hearing, either in  
 7 person or through counsel; (c) all grounds for the objection, accompanied by any legal support for  
 8 the objection; (d) a list of all previous class action objections made by the objecting Class  
 9 Member and/or Class Member’s counsel, if any; and (e) the Class Member’s handwritten  
 10 signature, or shall comply with any objection procedures as ordered by the Court. Any Class  
 11 Member that fails to file a timely written objection shall have no right to file an appeal relating to  
 12 the approval of this Settlement.

13 3. Final Approval Hearing

14 The Parties shall request that the Court, on the date set forth in the Preliminary Approval  
 15 Order, or on such other date that the Court may set, conduct a Final Approval Hearing to: (a)  
 16 determine whether to grant final approval to this Settlement Agreement and to certify the  
 17 Settlement Class; (b) consider any timely objections to this Settlement and the Parties’ responses  
 18 to such objections; and (c) rule on the Fee and Cost Application. At the Final Approval Hearing,  
 19 the Parties shall ask the Court to give final approval to this Settlement Agreement, then the  
 20 Parties shall ask the Court to enter a Final Approval Order which approves this Settlement,  
 21 certifies the Settlement Class, and authorizes entry of a final judgment.

22 4. Disapproval, Cancellation, Termination, Or Nullification Of Settlement

23 a. This Settlement Agreement shall terminate automatically if either (i) the  
 24 Court denies preliminary approval or final approval to this Settlement Agreement, or (ii) the Final  
 25 Approval Order does not become Final.

26 b. If this Settlement Agreement is terminated pursuant to its terms, then : (i)  
 27 this Settlement Agreement shall be rendered null and void; (ii) this Settlement Agreement and all  
 28 negotiations and proceedings relating hereto shall be of no force or effect, and without prejudice

1 to the rights of the Parties; and (iii) all Parties shall be deemed to have reverted to their respective  
2 status in the Action, as of the date and time immediately preceding the execution of this  
3 Settlement Agreement and, except as otherwise expressly provided, the Parties shall stand in the  
4 same position and shall proceed in all respects as if this Settlement Agreement and any related  
5 orders had never been executed, entered into, or filed, except that the Parties shall not seek to  
6 recover from one another any costs incurred in connection with this Settlement.

7 5. Termination Based On Exclusion Requests

8 Defendants, in their sole and absolute discretion, may elect to terminate this Agreement if  
9 exclusion requests as provided for in the Preliminary Approval Order exceeds 1% of the Class  
10 members. Defendants may terminate under this Paragraph by providing written notice of  
11 termination to Class Counsel no later than seven (7) calendar days before the Final Approval  
12 Hearing.

13 **SECTION 6 – ADMINISTRATIVE EXPENSES, ATTORNEYS’ FEES, COSTS**

14 1. Costs Of Notice

15 All costs of providing the Notice as provided herein, including the costs of Direct notice  
16 and Internet notice, shall be paid from the Class Settlement Fund.

17 2. Costs Of Administering Settlement

18 All costs of administering this Settlement, including all fees of the Administrator, shall be  
19 paid from the Class Settlement Fund. In the event that this Settlement Agreement is terminated  
20 pursuant to its terms, Defendants shall bear any costs of administering this Settlement already  
21 incurred.

22 3. Attorneys’ Fees And Costs

23 Plaintiff and/or Class Counsel may make a Fee and Cost Application, to be heard at the  
24 Final Approval Hearing, seeking an award of attorneys’ fees and costs in an amount not to exceed  
25 \$200,000, inclusive of documented costs. Defendants have agreed not to oppose such application  
26 by Class Counsel, and to affirmatively express their non-opposition to Class Counsel’s Fee and  
27 Cost Application provided that Class Counsel’s Fee and Cost Application shall not collectively  
28 exceed \$200,000. No later than the date set in the Preliminary Approval Order, Class Counsel

1 shall file a motion requesting the Court’s approval of attorneys’ fees and costs. Defendants shall  
2 pay all attorneys’ fees and costs up to \$200,000 that are approved by the Court, and only in the  
3 event that the Effective Date occurs. Any portion of the \$200,000 sought by Class Counsel in its  
4 Fee and Cost Application that is not awarded by the Court will be credited toward the Settlement  
5 Fund for the benefit of the Settlement Class.

6 Defendants shall make one payment of up to \$100,000 no later three (3) days after the  
7 Effective Date, and any remainder no later than ninety (90) days from the Effective Date. Any  
8 payments made under this provision will be exclusive of the Class Settlement Fund. Payments  
9 under this provision shall be made to The Restis Law Firm. Class Counsel shall be solely  
10 responsible for further distributing any payments made under this provision.

11 4. Incentive Award

12 Plaintiff and/or Class Counsel on his behalf may make an application to be heard at the  
13 Final Approval Hearing for an incentive award to be paid from the Class Settlement Fund in an  
14 amount not to exceed five thousand dollars (\$5,000). Defendants have agreed not to oppose such  
15 a request. Class Counsel shall file a motion requesting the Court’s approval for any incentive  
16 award no later than the date set forth in the Preliminary Approval Order. Such incentive award, if  
17 approved by the Court, shall be paid from the Class Settlement Fund no later than fifteen (15)  
18 days after the Effective Date, and only in the event that the Effective Date occurs. Such payment  
19 shall be compensation and consideration for the efforts of Plaintiff as the Class Representative in  
20 the Action.

21 5. Defendants’ Legal Fees and Expenses

22 Defendants own legal fees, costs, and expenses incurred in the Action or related to this  
23 Settlement shall be borne exclusively by Defendants.

24 6. Effect On Settlement

25 The Parties agree that the rulings of the Court regarding the amount of attorneys’ fees or  
26 costs and any incentive award, and any claim or dispute relating thereto, will be considered by the  
27 Court separately from the remaining matters to be considered at the Final Approval Hearing as  
28 provided for in this Settlement Agreement and any determinations in that regard will be embodied

1 in a separate order. Any order or proceedings relating to the amount of attorneys’ fees or  
2 incentive award, including any appeals from or modifications or reversals of any order related  
3 thereto, shall not operate to modify, reverse, terminate, or cancel the Settlement Agreement,  
4 affect the releases provided for in the Settlement Agreement, or affect whether the Final Approval  
5 Order becomes Final as defined herein.

6 **SECTION 7 – RELEASES UPON EFFECTIVE DATE**

7 1. Binding And Exclusive Nature Of Settlement Agreement

8 On the Effective Date, if it occurs, the Parties and each and every Settlement Class  
9 Member shall be bound by this Settlement Agreement and shall have recourse exclusively to the  
10 benefits, rights, and remedies provided hereunder. No other action, demand, suit or other claim  
11 may be pursued against the Released Parties with respect to the Class Released Claims.

12 2. Class Releases

13 On the Effective Date, if it occurs, the Settlement Class Members shall be deemed to  
14 have, and by operation of this Settlement Agreement shall have fully, finally and forever released,  
15 relinquished and discharged the Released Parties from any and all of the Class Released Claims.

16 3. Class Representative’s Individual Releases

17 On the Effective date, if it occurs, the Class Representative shall be deemed to have, and  
18 by operation of this Settlement Agreement shall have fully, finally and forever released,  
19 relinquished and discharged the Released Parties from any and all of the Class Representative’s  
20 Individual Released Claims.

21 The Class Representative shall further be deemed to have waived the provisions of Civil  
22 Code section 1542 (or any like or similar state or federal statute or common law doctrine) and  
23 does so understanding the significance of that waiver. Section 1542 provides:

24 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS  
25 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT  
26 TO EXIST IN HER OR HER FAVOR AT THE TIME OF  
27 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM  
28 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR  
HER SETTLEMENT WITH THE DEBTOR**

4. Stay Of The Action

1 The Parties agree to request that the Court, in connection with Preliminary Approval of  
2 the Class Action Settlement, issue an immediate stay of the Action.

3 5. Assumption Of The Risk

4 In entering into this Settlement Agreement, each of the Parties assumes the risk of any  
5 mistake of fact or law. If either Party should later discover that any fact which the Party relied  
6 upon in entering this Settlement Agreement is not true, or that the Party’s understanding of the  
7 facts or law was incorrect, the Party shall not be entitled to modify, reform, or set aside this  
8 Settlement Agreement, in whole or in part, by reason thereof. The Parties agree that at the time  
9 this Settlement Agreement was executed, there were unsettled issues of law, and the Parties agree  
10 to honor this Agreement regardless of developments in the law after execution; specifically, the  
11 Class Representative and Class Counsel recognize and agree that, given these uncertainties in the  
12 law, the Class Representative and Class Counsel are receiving valuable consideration for the  
13 settlement of the Action at this time and per the terms of this Agreement. The Parties will  
14 advocate for Court approval of this Settlement Agreement.

15 **SECTION 8 – LIMITATIONS ON USE OF SETTLEMENT AGREEMENT**

16 1. No Admission

17 Neither the acceptance by Defendants of the terms of this Settlement Agreement nor any  
18 of the related negotiations or proceedings constitutes an admission with respect to the merits of  
19 the claims alleged in the Action, the validity of any claims that could have been asserted by any  
20 of the Class Members in the Action, or the liability of the Defendants in the Action. Defendants  
21 specifically deny any liability or wrongdoing of any kind associated with the claims alleged in the  
22 Action. Neither the acceptance by Plaintiff of the terms of the Settlement Agreement, nor any of  
23 the related negotiations or proceedings constitutes an admission with respect to the merits of the  
24 claims alleged in the Action.

25 2. Limitations On Use

26 This Settlement Agreement shall not be used, offered, or received into evidence in the  
27 Action for any purpose other than to enforce, to construe, or to finalize the terms of the Settlement  
28 Agreement or to obtain the preliminary and final approval by the Court of the terms of the

1 Settlement Agreement. Neither this Agreement nor any of its terms shall be offered or received  
2 into evidence in any other action or proceeding except that Defendants may file this Settlement  
3 Agreement in any action that may be brought against a Released Party in order to support a defense  
4 or counterclaim based on principles of res judicata, collateral estoppel, release, good faith  
5 settlement, judgment bar, reduction, or any other theory of claim preclusion or issue preclusion or  
6 similar defense or counterclaim.

7 3. No Public Statements Without Agreement Of The Parties

8 Class Counsel will remove all information on the website www.restislaw.com that  
9 references this Action either expressly or impliedly. The Parties and their counsel agree that no  
10 Party or counsel who is a signatory to this Settlement Agreement will comment publicly in any  
11 form regarding this Settlement or litigation without prior approval of all Parties and counsel. Any  
12 disputes among the Parties regarding publicity associated with this Settlement shall be submitted  
13 to this Court for expedited review and determination.

14 **SECTION 9 – MISCELLANEOUS PROVISIONS**

15 1. No Assignment.

16 Each Party represents, covenants, and warrants that he or it has not directly or indirectly  
17 assigned, transferred, encumbered, or purported to assign, transfer, or encumber any portion of  
18 any liability, claim, demand, cause of action, or rights that he or it herein releases.

19 2. Binding On Assigns.

20 This Settlement Agreement shall be binding upon and inure to the benefit of the Parties  
21 and their respective heirs, trustees, executors, successors, and assigns.

22 3. Captions.

23 Titles or captions contained herein are inserted as a mater of convenience and for  
24 reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement  
25 or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a  
26 recital.

27 4. Settlement Class Member Signatures.

28 It is agreed that, because the Settlement Class Members are so numerous, it is impractical



1 to have each Settlement Class Member execute this Settlement Agreement. The Notice will  
2 advise all Settlement Class Members of the binding nature of the Releases and of the remainder  
3 of this Settlement Agreement, and in the absence of a valid and timely Request for Exclusion,  
4 such Notice shall have the same force and effect as if each Settlement Class Member executed  
5 this Settlement Agreement.

6 5. Construction.

7 The Parties agree that the terms and conditions of this Settlement Agreement are the result  
8 of arms-length negotiations between the Parties and that this Settlement Agreement shall not be  
9 construed in favor of or against any Party by reason of the extent to which any Party, or his or its  
10 counsel, participated in the drafting of this Settlement Agreement.

11 6. Counterparts.

12 This Settlement Agreement and any amendments hereto may be executed in one or more  
13 counterparts, and either Party may execute any such counterpart, each of which when executed  
14 and delivered shall be deemed to be an original and both of which counterparts taken together  
15 shall constitute but one and the same instrument. A facsimile or portable data file (PDF)  
16 signature shall be deemed an original for all purposes.

17 7. Governing Law.

18 Construction and interpretation of the Settlement Agreement shall be determined in  
19 accordance with California state law without regard to choice of law principles.

20 8. Integration Clause.

21 This Settlement Agreement, including the exhibits referred to herein, which form an  
22 integral part hereof, contains the entire understanding of the Parties with respect to the subject  
23 matter contained herein. There are no promises, representations, warranties, covenants, or  
24 undertakings governing the subject matter of this Settlement Agreement other than those  
25 expressly set forth in this Settlement Agreement. This Settlement Agreement supersedes all prior  
26 agreements and understandings among the Parties with respect to the settlement of the Action.  
27 This Settlement Agreement may not be changed, altered, or modified, except in a writing signed  
28 by the Parties and approved by the Court. This Settlement Agreement may not be discharged

1 except by performance in accordance with its terms or by a writing signed by the Parties.

2 9. Jurisdiction.

3 The Final Approval Order proposed to the Court shall provide that the Court retain  
4 jurisdiction, after entry of the Final Approval Order, with respect to enforcement of the terms of  
5 this Settlement, and all Parties and Settlement Class (and their counsel) submit to the exclusive  
6 jurisdiction of the Court with respect to the enforcement of this Settlement and any dispute arising  
7 out of, related to, or with respect to this Settlement.

8 10. No Collateral Attack.

9 This Settlement Agreement shall not be subject to collateral attack by any member of the  
10 Settlement Class at any time on or after the Effective Date related to the calculation of Patronage  
11 Distribution Credits.

12 11. Parties' Authority.

13 The signatories hereto represent that they are fully authorized to enter into this Settlement  
14 Agreement, have received legal advice with respect to the advisability of entering into this  
15 Settlement Agreement, and fully understand its legal effect.

16 12. Receipt Of Advice Of Counsel.

17 The Parties acknowledge, agree, and specifically warrant to each other that they have read  
18 this Settlement Agreement, have received legal advice with respect to the advisability of entering  
19 into this Settlement, and fully understand its legal effect.


20 13. Waiver Of Compliance.

21 Any failure of any Party to comply with any obligation, covenant, agreement, or condition  
22 herein may be expressly waived in writing, to the extent permitted under applicable law, by the  
23 Party or Parties entitled to the benefit of such obligation, covenant, agreement, or condition. A  
24 waiver or failure to insist upon compliance with any representation, warranty, covenant,  
25 agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any  
26 subsequent or other failure.

27  
28

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: 2/6/2019, 2018

DocuSigned by:  


KARL BECK, individually and on behalf of  
all other similarly situated California  
residents

Dated: \_\_\_\_\_, 2018

POINT LOMA PATIENTS CONSUMER  
COOPERATIVE CORPORATION, a California  
corporation

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

ADAM KNOPF, an individual

Dated: \_\_\_\_\_, 2018

JUSTUS H. HENKES IV, an individual

Dated: \_\_\_\_\_, 2018

419 CONSULTING INC., a California corporation

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

GOLDEN STATE GREENS LLC, a California  
LLC

By: \_\_\_\_\_

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: \_\_\_\_\_, 2018

DART LAW


By: \_\_\_\_\_

MATTHEW B. DART  
Attorney for Defendants 419 Consulting,  
Inc., Adam Knopf and Justus Henkes

THE RESTIS LAW FIRM, P.C.

Dated: 2/8/2019, 2018

THE RESTIS LAW FIRM, P.C.

By:  \_\_\_\_\_  
63ED378E6862412

WILLIAM R. RESTIS  
Attorney for Plaintiff Karl Beck,  
individually and on behalf of all other  
similarly situated California residents.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: \_\_\_\_\_, 2018

KARL BECK, individually and on behalf of  
all other similarly situated California  
residents

February 15, 2019  
Dated: \_\_\_\_\_, 2018

POINT LOMA PATIENTS CONSUMER  
COOPERATIVE CORPORATION, a California  
corporation

By: Ad Knopf

February 15, 2019  
Dated: \_\_\_\_\_, 2018

Ad Knopf  
ADAM KNOPF, an individual

02/15/2019  
Dated: \_\_\_\_\_, 2018

Justus H. Henkes IV  
JUSTUS H. HENKES IV, an individual

February 15, 2019  
Dated: \_\_\_\_\_, 2018

419 CONSULTING INC., a California corporation

By: Ad Knopf

February 15, 2019  
Dated: \_\_\_\_\_, 2018

GOLDEN STATE GREENS LLC, a California  
LLC

By: Ad Knopf



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: \_\_\_\_\_, 2018

FAR WEST MANAGEMENT LLC, a California LLC

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

FAR WEST OPERATING, LLC, a California LLC

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

FAR WEST STAFFING LLC, a California LLC

By: \_\_\_\_\_

Approved as to form by:

Dated: February 8, 2018<sup>?</sup>

AUSTIN LEGAL GROUP, APC

By: Tamara M. Leetham  
Gina M. Austin/Tamara Leetham,  
Attorneys for Point Loma Patients  
Consumer Cooperative Corporation,  
Golden State Greens, LLC, Far West  
Management, LLC, Far West Operating,  
LLC, and Far West Staffing, LLC

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: 2/7, <sup>2019</sup>~~2018~~

DART LAW

By: 

MATTHEW B. DART  
Attorney for Defendants 419 Consulting,  
Inc., Adam Knopf and Justus Henkes

THE RESTIS LAW FIRM, P.C.

Dated: \_\_\_\_\_, 2018

THE RESTIS LAW FIRM, P.C.

By: \_\_\_\_\_

WILLIAM R. RESTIS  
Attorney for Plaintiff Karl Beck,  
individually and on behalf of all other  
similarly situated California residents.



# EXHIBIT A

## NOTICE OF CLASS ACTION SETTLEMENT

**You have been identified as a member of a class action lawsuit due to your purchase of product from Point Loma Patient Consumer Cooperative Cooperation d/b/a Golden State Greens (“PLPCC”).**

**This notice explains your rights and options and the deadlines to exercise them.**

*A California court authorized this Notice. This is not a solicitation from a lawyer.*

### SUMMARY OF THE LAWSUIT AND SETTLEMENT

- A member patron of PLPCC claims that the PLPCC cooperative was operated as a for-profit business in violation of California law, which requires cooperative profits to be distributed to cooperative patrons. The lawsuit alleges that defendants diverted revenue to themselves rather than distribute profits to patrons of PLPCC.
- PLPCC, along with 419 Consulting, Inc., Golden State Greens LLC, Far West Management, LLC, Far West Operating, LLC, Far West Staffing, LLC, Adam Knopf and Justus Henkes IV (collectively, the “Defendants”) deny any wrongdoing and have strongly defended against the lawsuit.
- Plaintiff, on behalf of himself and all class members, and Defendants have agreed to settle the litigation on the terms explained in this Notice. Defendants contest liability with respect to all facts and claims alleged in the lawsuit. Nevertheless, Defendants are entering into this settlement to avoid further expense and burden of litigation. Plaintiff, and the attorneys appointed for you and all class members (“Class Counsel”), believe this Settlement is fair, reasonable, adequate, and in the best interests of Plaintiff and the Class.
- This Notice is being sent to you to inform you about your rights and options under the proposed Settlement and your deadlines to exercise them.

	<b>YOUR LEGAL RIGHTS AND OPTIONS</b>
<b>DO NOTHING AND GET BENEFITS</b>	The Settlement provides class members (who do not exclude themselves) with account credits for free or discounted products at the PLPCC, located at 3452 Hancock Street, San Diego, CA 92110. If you wish to remain in the Settlement and receive these benefits, simply do nothing. See FAQ 7-8 below.
<b>EXCLUDE YOURSELF</b>	Get no credit at the PLPCC. This is the only option that allows you to ever be part of any other lawsuit against Defendants about the legal claims in this case. See FAQ 9-10 below. To exclude yourself, send a letter that states you want to be excluded from the settlement in “ <i>Beck. v. PLPCC</i> ,” Include your name, address, and signature. <b>You must mail your exclusion request letter so that it is postmarked by MONTH xx, 2019.</b>
<b>OBJECT</b>	Write to the Court about why you don’t like the settlement. To object, you must file with the Court and serve on Class Counsel and Defendants’ Counsel your objection in writing no later than MONTH xx, 2019. See FAQ 13 below.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the settlement. See FAQ 14-16 below.

## BASIC INFORMATION

### 1. Why did I receive this notice?

This notice was issued because a Court has preliminarily approved a class action settlement of this litigation.

**You have been identified as a class member because you purchased product from PLPCC between August 1, 2015 and December 31, 2017. As a class member, your rights may be affected. This notice explains all of these things.**

Honorable Judge Joel Wohlfeil of the Superior Court of California, County of San Diego, is overseeing this class action. The case is known as *Beck v. Point Loma Patient Consumer Cooperative Corp., et al.* Case No. 37-2017-00037524-CU-BC-CTL. The person who sued is called the Plaintiff. The companies and people he sued are called the Defendants. The Defendants include PLPCC, 419 Consulting, Inc., Golden State Greens LLC, Far West Management, LLC, Far West Operating, LLC, Far West Staffing, LLC, Adam Knopf and Justus Henkes IV.

### 2. What is a class action?

In a class action, one or more people, called Class representatives (in this case Karl Beck), sue on behalf of all others who have similar claims. Together, these people make up the Class and are called class members. One court resolves the issues for all Class members, except for those who exclude themselves from the Class.

### 3. Why is this lawsuit a class action?

The Court decided that this lawsuit could proceed as a class action because the Class Members are so numerous that that joining them in one lawsuit is impracticable; (b) there are questions of law and fact common to the Class Members; (c) Class Representative Beck's claims are typical of the claims of the Class Members; (d) Class Representative and Class Counsel are able to adequately represent the Class Members; and (e) class-wide treatment of the disputes raised in the lawsuit is superior to individual cases

## THE CLAIMS IN THE LAWSUIT

### 4. What is the lawsuit about?

The lawsuit claims that Defendants operated PLPCC as a for-profit business in violation of California law, including the law governing cooperative corporations, and California's medical marijuana laws. The lawsuit claims that Defendants diverted revenue to themselves rather than distribute profits to members of PLPCC. Plaintiff claims those laws require cooperative profits to be distributed to cooperative member-patrons.

Defendants vehemently deny that they have done anything wrong, or owe the Class any money.

For more information about the allegations in the case, including Court documents, see [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com).

### 5. Has the Court decided who is right?

The Court has made no determinations of the merits of the lawsuit.

## THE SETTLEMENT

### 6. Why is there a settlement?

The parties attended two mediation sessions before retired Superior Court Judge Hon. Joel Pressman, and at mediation both sides agreed to settle the litigation on the terms described herein. That way, they avoid the cost of a trial, and the people affected will get compensation. The Class Representative and Class Counsel believe the Settlement is in the best interest of the class members.

## SETTLEMENT BENEFITS AND OPTIONS

### 7. Benefits of the Settlement

The Settlement relieves the need for the Class to prove their claims at trial and eliminates the uncertainty of the results of a trial. The Settlement also allows class members to receive benefits faster and without the expense of bringing their own lawsuit.

If the Settlement is approved by the Court, Defendants will create a Settlement Fund of \$630,000 (plus any portion of \$200,000 not awarded to Class Counsel as fees and costs) that will pay for credits to the Class for free or discounted product at the PLPCC. The Settlement Fund will also pay for settlement administrative costs, and possibly an incentive award to the class representative (if awarded by the Court). These payments will reduce the funds available for account credits to Class members that do not exclude themselves from the Settlement

If you purchased any product from PLPCC between August 1, 2015 and December 31, 2017, and do not exclude yourself from the Settlement, you will receive a credit for free or discounted products to redeem at the PLPCC, 3452 Hancock Street, San Diego, CA 92110. The credits will be distributed *pro rata* based on your patronage at PLPCC. In other words, Class members that purchased more from the PLPCC will receive more credits than Class members that purchased less.

**You can redeem your credits for free or discounted products from PLPCC for 12 months after the Settlement is finally approved by the Court. The settlement website [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) and dispensary website [www.goldenstategreens.com](http://www.goldenstategreens.com) will have details about when your credits will be available to redeem.**

If you do not redeem Credits within 12 months, they will be redistributed to future PLPCC patrons as \$5.00 credited toward each purchase from the PLPCC until the Settlement Fund is exhausted. The PLPCC may in its discretion limit the amount of these \$5.00 credits paid in a single month. However, the entire Settlement Fund must be paid out within 24 months after the Settlement becomes effective.

Credits are non-transferable and not redeemable for cash.

### 8. How can I get those benefits?

If you wish to stay a member of the Class and receive credits to redeem for free or discounted products at the PLPCC, simply do nothing. You will automatically receive these credits if the Settlement is approved. If you do nothing, you will be considered a member of the Class, and will waive your right to sue Defendants (and other Released Parties) based on, or arising out of, the facts alleged in the lawsuit.

The Court must also issue a final ruling approving the Settlement. The Court has preliminarily approved the Settlement, but will hold a hearing on [redacted] at [redacted] to decide whether to issue final approval of the Settlement. The hearing may be changed by the Court, and you should check [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) for any updates. If the Court approves the Settlement, there may be appeals. Benefits are contingent on final approval of the Court, including the determination of any appeal or other challenge. We do not know how long this will take, but check [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) for any updates.

### 9. What am I giving up in exchange for the settlement benefits?

Unless you exclude yourself, you are staying in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against the Defendants about the legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you.

### 10. Can I exclude myself from the Settlement?

Yes. If you don't want to receive PLPCC credits from this settlement, or want keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself, or "opting-out" of the settlement Class.

If you exclude yourself: (1) you will not receive any Settlement benefits; (2) you will not be legally bound the Settlement; and (3) you will keep any rights you may have to sue Defendants for the legal claims included in this lawsuit, so long as suit is filed before the relevant statutes of limitation expire.

You cannot exclude yourself on the phone or by e-mail. To exclude yourself, send a letter that states you want to be excluded from the "*Beck. v. PLPCC Settlement*". Include your name, address, and signature. **You must mail your exclusion request letter so that it is postmarked by MONTH XX, 2019 to: Beck v PLPCC - Settlement Administrator c/o The Notice Company, Inc., P.O. Box 778, Hingham, MA 02043.** As a reminder, before making a decision to exclude yourself, you should consult a lawyer.

## THE LAWYERS REPRESENTING YOU

### 11. Do I have a lawyer in this case?

Yes. The Court has appointed William R. Restis of The Restis Law Firm, P.C. as Class Counsel, and he represents you and other Class members in this case. You will not be charged for Class Counsel's fees. If you want to be represented by your own lawyer, you may hire one at your own expense.

### 12. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees and reimbursement of litigation expenses up to \$200,000, Defendants have agreed not to oppose these fees and expenses, but the Court may award less than these amounts. Defendants will separately pay the attorneys fees and expenses that the Court awards. These amounts will not come out of the funds for payments to the Class. Any portion of the \$200,000 designated for attorneys' fees and litigation expenses that is not awarded by the Court will be added to the Settlement Fund to be distributed as credits to Class members and future PLPCC patrons.

### 12. Does The Class Representative Get Special Treatment?

Under the Settlement, the Class Representative will receive his same *pro rata* share of the Settlement Fund as every other Class member, based on how much product he purchased at the PLPCC.

But as part of the Settlement, Defendants have agreed not to object to a request by Class Counsel for an incentive award up to \$5,000 to Mr. Beck in recognition for his efforts as Class Representative. Mr. Beck's support for the Settlement is not contingent on payment of the incentive award, which must be approved by the Court. The Court may award Mr. Beck less than \$5,000, or nothing at all.

Any incentive fee awarded to Mr. Beck as Class Representative will be paid out of the \$630,000 Settlement fund and reduce the funds available for account credits to Class members that do not exclude themselves from the Settlement.

## OBJECTING TO THE SETTLEMENT

### 13. How do I tell the Court I don't like the Settlement?

You can object to the Settlement if you do not like it or any part of it. To object, you must file with the Court and serve on Class Counsel and Defendants' Counsel your objection in writing.

The objection must include the following information:

- (a) your name, address, telephone number and, if represented by counsel, the name, address, and telephone number of your counsel as well;
- (b) a statement whether you intend to appear at the Final Approval Hearing, either in person or through counsel;
- (c) all grounds for your objection, accompanied by any legal support for the objection known to you or your counsel;

QUESTIONS? VISIT [WWW.PLPCCSETTLEMENT.COM](http://WWW.PLPCCSETTLEMENT.COM)

- (d) a list of all previous objections you or your counsel have made to any other class action settlement, if any; and
- (e) your handwritten signature.

**Your written objection must be served on and actually received by the Court and counsel, at the following addresses, no later than MONTH xx, 2019:**

Class Counsel:	San Diego Superior Court
William Restis, Esq. THE RESTIS FIRM, P.C. 402 W. Broadway, Suite 1520 San Diego, California 92101	Hon. Joel Wohlfeil, Dept. C-73 San Diego Superior Court 330 W. Broadway San Diego, California 92101
Defendants' Counsel:	Defendants' Counsel:
Tamara Leetham Gina Austin Austin Legal Group 3990 Old Town Ave, Ste A-112 San Diego, CA 92110	Matthew B. Dart Dart Law 12526 High Bluff Drive, Ste 300 San Diego, CA 92130

## **FINAL APPROVAL HEARING**

### **14. When and where will the Court decide final approval of the settlement?**

The Court will hold a hearing to consider whether to finally approve the Settlement on MONTH xx, 2019 at \_\_:\_\_ a.m./p.m. at:

Hon. Joel Wohlfeil, Dept. C-73  
San Diego Superior Court  
330 W. Broadway  
San Diego, California 92101

The hearing date may be changed by the Court. You can check [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) for updates. At the hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and capable of approval. The court will consider any objections. The Court will decide whether to approve the Settlement at or after the hearing.

### **15. Do I have to come to Court?**

No. Class Counsel will present the Settlement, answer any questions, and respond to any objections. You may, however, attend the hearing at your own expense.

### **16. May I speak at the hearing?**

The Court must grant you permission to speak at the hearing. If you want to speak at the hearing, you must file a Notice of Intention to Appear with the Court and send a copy to Class Counsel and Defendants' counsel at the addresses listed above no later than MONTH xx, 2019. You may also be required to provide proof that you are a class member.

## IF YOU DO NOTHING

### 17. What if I do nothing?

You will be included in the Settlement. However, you will release your claims against Defendants.

DATE: Month 00, 0000

# EXHIBIT B



**ATTENTION CUSTOMERS OF POINT LOMA PATIENTS CONSUMER COOPERATIVE  
A CLASS ACTION SETTLEMENT AFFECTS YOUR RIGHTS**

**The Court ordered this notice so that you may decide what to do.**

A proposed class Settlement has been reached in *Beck v. PLPCC et al.*, No. 37-2017-00037524-CU-BT-CTL. This lawsuit alleges that the PLPCC cooperative was operated as a for-profit business in violation of California law, which requires cooperative profits to be distributed to patrons. The lawsuit further alleges that defendants improperly diverted revenue to themselves. Defendants strongly deny any wrongdoing.

If the Court approves the Settlement, Defendants will create a \$630,000 fund for (1) credits to the Class for free or discounted product at the PLPCC, (2) settlement administrative costs, and (3) a potential class representative incentive award. **If you purchased any product from PLPCC between August 1, 2015 and December 31, 2017, you will receive a credit at PLPCC d/b/a Golden State Greens, 3452 Hancock Street, San Diego, CA 92110.** The credits will be distributed *pro rata* based on your patronage at PLPCC. The Court may award attorneys' fees and costs up to \$200,000, which will be paid separately from the \$630,000 fund. Attorneys' fees not awarded by the Court will be added to the Settlement Fund and distributed as credits.

**If you wish to stay a member of the class and receive PLPCC credit, simply do nothing. You may also exclude yourself from or object to the Settlement with the option to appear at the final approval hearing on \_\_\_\_\_, 2019.** If you do nothing, or object to the Settlement, you will be bound by its terms and cannot later sue on your own behalf. If you exclude yourself, you will not receive anything, but will retain your right to sue. **Exclusion requests and objections to the Settlement must be submitted by \_\_\_\_\_, 2019.**

**To find out how to exclude yourself from the Settlement, or object to any part of it, visit [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com).** The website also contains more information about the lawsuit and the Settlement. **Continue to check for updates. If the Court approves the Settlement, [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) will tell you when PLPCC credits will be available to redeem. PLEASE DO NOT CONTACT DEFENDANTS OR THE COURT FOR INFORMATION. Questions? Contact us at [ask@PLPCCsettlement.com](mailto:ask@PLPCCsettlement.com).**

Beck v PLPCC  
Settlement Administrator c/o  
The Notice Company, Inc.  
P.O. Box 778  
Hingham, MA 02043

**NOTICE OF PROPOSED CLASS  
ACTION SETTLEMENT**

This Notice Affects Your  
Legal Rights

Please read it carefully

**[www.PLPCCsettlement.com](http://www.PLPCCsettlement.com)  
FOR MORE INFORMATION**

<<FName>> <<LName>>  
<<Addr1>> <<Addr2>>  
<<City>>, <<State>> <<Zip>>

# EXHIBIT B

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

**SUPERIOR COURT OF THE STATE OF CALIFORNIA  
COUNTY OF SAN DIEGO**

KARL BECK, individually and on behalf  
of all other similarly situated California  
residents,

Plaintiff,

vs.

POINT LOMA PATIENTS CONSUMER  
COOPERATIVE CORPORATION, a  
California corporation, ADAM KNOPF, an  
individual, JUSTUS H. HENKES IV, an  
individual, 419 CONSULTING INC, a  
California corporation, GOLDEN STATE  
GREENS LLC, a California LLC, FAR  
WEST MANAGEMENT LLC, a  
California LLC, FAR WEST  
OPERATING, LLC, a California LLC,  
FAR WEST STAFFING LLC, a California  
LLC, and DOES 1-50;

Defendants.

**CASE NO. 37-2017-00037524-CU-BT-CTL**

**CLASS ACTION**

**AMENDED STIPULATION AND  
AGREEMENT OF SETTLEMENT**

1 It is hereby stipulated and agreed by and between the undersigned Parties, subject to Court  
2 approval, that settlement of this action shall be effectuated pursuant to the terms and conditions  
3 set for in this Settlement Agreement.

4 **SECTION 1 – PREAMBLE**

5 1. WHEREAS Karl Beck (“Plaintiff”) is the named plaintiff in this action entitled  
6 *Karl Beck, individually and on behalf of all other similarly situated California residents, Plaintiff,*  
7 *v. Point Loma Patients Consumer Cooperative Corporation, a California corporation; Adam*  
8 *Knopf, an individual; Justus H. Henkes IV, an individual; 419 Consulting Inc., a California*  
9 *corporation; Golden State Greens LLC, a California LLC; Far West Management, LLC a*  
10 *California LLC; Far West Operating, LLC, a California, LLC; Far West Staffing, LLC, a*  
11 *California LLC; and DOES 1 through 50, inclusive, Defendants* (collectively all defendants  
12 referred to as “Defendants”), case number 37-2017-00037524-CU-BT-CTL, commenced on or  
13 about October 6, 2017 (the “Action”);

14 2. WHEREAS Plaintiff filed a Complaint for damages and restitution against all  
15 Defendants for (1) Production Of Records Pursuant To Corporations Code §§ 12603-12607; (2)  
16 Violation Of The Unfair Competition Law (“UCL”) (Business and Professions Code § 17200 et  
17 seq.); (3) Violation Of The Consumer Legal Remedies Act (“CLRA”) (Civil Code § 1770 et  
18 seq.); (4) Conversion; and (5) Unjust Enrichment.

19 3. WHEREAS Plaintiff alleges that as a member patron of defendant Point Loma  
20 Patients Consumer Cooperative, he was entitled to certain patron distributions which Defendants  
21 diverted for their own use and benefit in violation of the UCL, the CLRA, and California’s  
22 common law doctrine of conversion.

23 4. WHEREAS the Action seeks monetary and equitable remedies on behalf of  
24 Plaintiff and a class of similarly situated persons;

25 5. WHEREAS the Parties have negotiated this Settlement at arms-length with the  
26 assistance and oversight of Honorable Joel Pressman (Ret.), and have had a full and fair  
27 opportunity to evaluate the strengths and weaknesses of their respective positions;

28 6. WHEREAS Defendants deny the allegations of the Action, deny all allegations of

1 wrongdoing and of liability, and deny any causation of harm or damage to the Settlement Class;

2 7. WHEREAS Defendants nevertheless have concluded that, in light of the costs,  
3 risks and disruption of litigation, this Settlement is appropriate on the terms and conditions set  
4 forth herein;

5 8. WHEREAS Plaintiff believes that the claims asserted in the Action are  
6 meritorious;

7 9. WHEREAS, Plaintiff nevertheless has concluded that in light of the costs, delay  
8 and risks of litigation of the matters in dispute, the high value of the Settlement relative to the  
9 amount in controversy, and in the desire to provide relief to the Settlement Class sooner rather  
10 than later, this Settlement is fair, reasonable, adequate, and in the best interests of the Settlement  
11 Class;

12 10. WHEREAS the performance of any act referenced in this Settlement Agreement,  
13 or any other circumstance regarding the Parties' agreement to settle, shall not be considered an  
14 admission of liability or as an admission of any allegations made in any claim or litigation,  
15 including this Action; and

16 11. WHEREAS the Parties hereto agree that this Settlement Agreement shall not be  
17 deemed or construed to be an admission or evidence of any violation of any federal or state  
18 statute, rule or regulation, principle of common law or equity, or of any liability or wrongdoing  
19 whatsoever by Defendants, or of the truth of any of the class claims asserted in the Action, or  
20 elsewhere;

21 12. WHEREAS the Parties hereto agree that the certification of the Settlement Class  
22 shall have no bearing in deciding whether the claims asserted in the Action are or were  
23 appropriate for class treatment in the absence of settlement.

24 13. NOW THEREFORE, it is hereby stipulated and agreed that, in consideration of  
25 the agreements, promises, and covenants set forth in this Settlement Agreement, and subject to  
26 approval of the Court, the Action shall be fully and finally settled and dismissed with prejudice  
27 under the following terms and conditions:  
28

1 **SECTION 2 – DEFINITIONS**

2 As used in this Settlement Agreement and the related documents attached hereto as  
3 exhibits, the terms used therein shall have the meanings set forth below. The singular includes  
4 the plural and vice versa.

5 1. “Administrator” means the third-party agent or administrator retained by  
6 Defendants and approved by the Court to provide services in the administration of the Settlement,  
7 including providing Class Notice, and the processing of other documents or tasks as provided for  
8 in the Settlement or as otherwise agreed to by the parties and Administrator or ordered by the  
9 Court.

10 2. “Administration Costs” means the actual and direct costs reasonably charged by  
11 the Administrator for its services.

12 3. “Class Counsel” means The Restis Law Firm, P.C.

13 4. “Class Members” means all individuals that purchased a product from Point Loma  
14 Patients Consumer Cooperative prior to December 31, 2017, except (i) any Defendant in this  
15 Action; (ii) Beck’s attorneys and litigation staff, including members of their immediate families;  
16 or (iii) any judge, justice judicial officer, or judicial staff of the Court.

17 5. “Class Notice” or “Notice” means all types of notice that will be provided to the  
18 Class Members pursuant to Code of Civil Procedure section 382 and California Rule of Court  
19 3.766 including Short-Form Notice, Long-Form Notice, Settlement Website notice, and any  
20 additional or different notice that may be ordered by the Court. Class Notice means the Court-  
21 approved notice of this Agreement that is directed to Class Members and described in Section 4.1  
22 of this Settlement Agreement and exemplified in Exhibits A and B. The Class Notice will be  
23 provided as set forth in the Preliminary Approval Order, pursuant to California Rule of Court  
24 3.771(b).

25 6. “Class Period” means the time period between August 1, 2015 and December 31,  
26 2017.

27 7. “Class Released Claims” means any and all actions, causes of action, claims,  
28 demands, liabilities, obligations, fees, costs, sanctions, proceedings, and/or rights of any nature

1 and description whatsoever, including, without limitation, violations of any state or federal  
2 statutes, or rules or regulations, or principles of common law, whether liquidated or unliquidated,  
3 known or unknown, in law or in equity, whether or not concealed or hidden, by Plaintiff,  
4 members of the Settlement Class, or any of them (on their own behalf and/or on behalf of the  
5 proposed class or the general public) against Defendants, or any other Released Parties, through  
6 the date the Final Approval Order is entered, and that are based on, or arise out of, the facts,  
7 transactions, events, occurrences, acts, disclosures, advertisements, omissions, or failure to act  
8 concerning the facts alleged in the Action. Notwithstanding the above, "Class Released Claims"  
9 shall exclude any claims for personal injury on behalf of the Settlement Class.

10 8. "Class Representative" means Plaintiff (Karl Beck).

11 9. "Court" means the Superior Court of the State of California, County of San Diego,  
12 Central Division.

13 10. "Defendants' Counsel" means the Austin Legal Group and Dart Law.

14 11. "Effective Date" means the earliest of the following: (1) the date of entry of a  
15 Final Approval Order and judgment if no objections are filed to the Settlement or if all objections  
16 are withdrawn prior to the Court ruling on them; or (2) sixty-one (61) days after entry of a Final  
17 Approval Order and judgment; or (3) if a timely appeal is made, three (3) business days after the  
18 date of the final resolution of that appeal and any subsequent appeals or petitions for certiorari  
19 from final approval of the Settlement.

20 12. "Fee and Cost Application" means the written motion or application by which the  
21 Class Representative and/or Class Counsel request that the Court award attorneys' fees, costs,  
22 expenses and incentive award.

23 13. "Fee and Expense Award" means an award of attorneys' fees and the  
24 reimbursement of litigation costs and expenses authorized by the Court pursuant to the Fee and  
25 Cost Application to be paid to Class Counsel for the services rendered by Class Counsel and the  
26 attorneys at Finkelstein & Krinsk LLP to Beck and The Class Members in this Action.

27 14. "Final" means that the Court has entered the Final Approval Order on the docket  
28 in the Action, and (a) the time to appeal from such order has expired and no appeal has been



1 timely filed, (b) if such an appeal has been filed, it has finally been resolved and has resulted in an  
2 affirmation of the Final Approval Order, or (c) the Court, following the resolution of the appeal,  
3 enters a further order or orders approving settlement on the terms set forth herein, or on terms  
4 mutually agreed in writing by the parties, and either no further appeal is taken from such order(s)  
5 or any such appeal results in affirmation of such order(s). Neither the pendency of the Fee and  
6 Cost Application, nor any appeal pertaining solely to a decision on the Fee and Cost Application,  
7 shall in any way delay or preclude the Final Approval Order from becoming Final.

8 15. "Final Approval Hearing" means the hearing at which the Court shall (a)  
9 determine whether to grant final approval to this Settlement Agreement and to certify the  
10 Settlement Class; (b) consider any timely objections to this Settlement and all responses thereto;  
11 and (c) rule on the Fee and Cost Application.

12 16. "Final Approval Order" means the order in which the Court grants final approval  
13 of this Settlement Agreement, certifies the Settlement Class, and authorizes dismissal of the  
14 Action with prejudice.

15 17. "Incentive Award" means an award authorized by the Court to be paid to Plaintiff  
16 in recognition of his efforts in prosecuting this Action.

17 18. "Individual Released Claims": means any and all of the Class Representative's  
18 actions, causes of action, claims, demands, liabilities, obligations, fees, costs, sanctions,  
19 proceedings, and/or rights of any nature and description whatsoever, including, without  
20 limitation, violations of any state or federal statutes, rules or regulations, or principles of common  
21 law, whether liquidated or unliquidated, known or unknown, in law or in equity, whether or not  
22 concealed or hidden, against Defendants, or any other Released Parties, through the date the Final  
23 Approval Order is entered, and that are based on, arise out of, the facts alleged in this Action.

24 19. "Long-Form Notice" means the long-form of notice of the proposed class action  
25 settlement attached hereto as Exhibit A.

26 20. "Notice Response Deadline" means the deadline for all members of the Settlement  
27 Class to request exclusion from the Settlement or object to the Settlement, which shall be 45 days  
28 after Notice is disseminated to Class Members, or other date as ordered by the Court.

1           21.   “Parties” means Class Representative and Defendants.

2           22.   “Patronage Distribution Credits” means the United States dollar value of credits  
3 for free or discounted product from the PLPCC.

4           23.   “Patronage Distribution Date” means ten (10) days after the Effective Date, which  
5 will be disclosed on the Settlement Website, and is the date on which the Patronage Distribution  
6 Credits will be available to Class Members.

7           24.   “PLPCC” means defendant Point Loma Patients Consumer Cooperative  
8 Corporation, and any successor or related entities thereto operating a marijuana dispensary at  
9 3452 Hancock Street, San Diego, CA 92110.

10          25.   “Preliminary Approval Order” means the order in which the Court grants its  
11 preliminary approval to this Settlement Agreement and preliminarily certifies the Class Members,  
12 appoints Plaintiff as Class Representative, appoints Restis Law Firm as Class Counsel, appoints  
13 the Administrator, and authorizes dissemination of Notice to Class Members.

14          26.   “Released Parties” means Defendants to this Action and each of their respective  
15 current and former officers, directors, employees, stockholders, investors, owners, agents,  
16 representatives, attorneys, accountants, lenders, underwriters, insurers, administrators, successors,  
17 subsidiaries, assigns, affiliates, joint-ventures, partners, members (but not “associate members”),  
18 divisions, predecessors.

19          27.   “Request for Exclusion” means a valid request for exclusion from a Class  
20 Member. To be valid, a request for must (a) be submitted by the Class Member; (b) to the  
21 Administrator and postmarked (if applicable) by a date no later than forty-five (45) days  
22 following initial dissemination of Notice by the Administrator (or other date as ordered by the  
23 Court); and (c) contain the Class Member’s name, address and telephone number.

24          28.   “Settlement Agreement,” “Settlement,” or “Agreement” means this Stipulation and  
25 Agreement of Settlement, including any exhibits.

26          29.   “Settlement Class” means all individuals that purchased a product from Point  
27 Loma Patients Consumer Cooperative prior to December 31, 2017, except persons who properly  
28 exclude themselves from the Settlement.

1 30. "Settlement Fund" means the amount payable by Defendants for Patronage  
2 Distribution Credits, Administrations Costs, and any Incentive Award.

3 31. "Settlement Website" means the Internet website to be established by the  
4 Settlement Administrator as provided by the Preliminary Approval Order.

5 32. "Short-Form Notice" means the short-form notice of the proposed class action  
6 settlement attached as Exhibit B.

7 **SECTION 3 – SETTLEMENT CLASS RELIEF**

8 In consideration of a full, complete, and final settlement of the Action, and the Releases in  
9 Section 7 below, and subject to the Court's approval, the Parties agree to the following relief:

10 1. Class Settlement Fund:

11 a. For a full, complete, and final settlement and satisfaction of the Action and  
12 all Released Claims, and subject to Court approval, Defendants will create a Settlement Fund of  
13 \$630,000, for the payment of:

14 i. Patronage Distribution Credits to Settlement Class Members  
15 (\$600,480 estimate);

16 ii. Administration Costs (\$25,000 estimate); and

17 iii. Incentive Award (\$5,000 estimate).

18 b. Defendants shall pay Administration Costs, and any Incentive Award from  
19 the Settlement Fund. Amounts remaining in the Settlement Fund after payment of Administration  
20 Costs, and any Incentive Award shall be credited as Patronage Distribution Credits to Settlement  
21 Class Members *pro rata* based on their patronage in accordance with California Corporations Code  
22 §§ 12201.5(b) and 12243(a)(2).

23 c. Patronage Distribution Credits shall be available for Settlement Class  
24 Members to redeem for free or discounted products (if a Settlement Class Member's Patronage  
25 Distribution Credits are insufficient to fully purchase a product) from the PLPCC for 12 months  
26 from the Patronage Distribution Date.

27 d. Patronage Distribution Credits not redeemed by Settlement Class Members  
28 within 12 months from the Patronage Distribution Date ("Remainder Credits") shall be

Deleted: 8

Deleted: 8

1 redistributed to future PLPCC patrons as \$5.00 credited toward each purchase from the PLPCC  
2 until the Settlement Fund is exhausted. The PLPCC may in its discretion limit the amount of  
3 Remainder Credits paid in a single month. However, all Remainder Credits must be paid out in  
4 accordance with this section within 24 months from the Patronage Distribution Date.

5 e. Patronage Distribution Credits to Settlement Class Members, and any  
6 Remainder Credits, shall be non-transferrable and not redeemable for cash.

7 f. The PLPCC will provide the Court with four quarterly reports beginning 13  
8 months after the Patronage Distribution Date providing data obtained directly from its point of sale  
9 system and tax filings stating: (1) the total amount of Patronage Distribution Credits distributed  
10 during the first 12 months after the Patronage Distribution Date, and (2) the total number of  
11 Remainder Credits distributed, during each reporting period, as applicable.

12 g. Within 30 days after the entire Settlement Fund is exhausted pursuant to  
13 Section 3.1.d above, a representative of the PLPCC will file with the Court a declaration under  
14 penalty of perjury confirming that the entire Settlement Fund was paid out in accordance with this  
15 Section 3.

#### 16 SECTION 4 – NOTICE AND REQUESTS FOR EXCLUSION

##### 17 1. Provision of Class Notice

18 Notice to the Class Members shall be provided in the forms approved by the Court in the  
19 Preliminary Approval Order, by those means set forth in the Preliminary Approval Order. The  
20 Notice shall be substantially in the same forms as the exemplars submitted as Exhibits A and B  
21 hereto, or as approved by the Court.

##### 22 a. Direct Notice.

23 Within 7 days after entry of the Preliminary Approval Order, Defendants shall provide a  
24 list to the Administrator of the Class Members. Within twenty-one (21) days after entry of the  
25 Preliminary Approval Order, the Administrator shall mail or email the Short-Form Notice (in the  
26 form attached to the Agreement as Exhibit B) to the identified Class Members. The Administrator  
27 shall utilize the national change of address database to update the mailing list of Class Members  
28 prior to sending Short-Form Notice to any Class Members that will be contacted by mail, and

**Deleted:** revert back to the general fund of the PLPCC to be used for the "general welfare" of PLPCC patrons pursuant to Cal. Corp. Code § 12201.

**Formatted:** Underline

1 shall perform a single Skip Trace to conduct an address update for any Short-Form Notice  
2 returned to the Administrator using an industry accepted source such as Accurint.

3 In the event that a Short-Form Notice is returned as undeliverable with a forwarding  
4 address, the Administrator shall re-mail the Short-Form Notice to the indicated forwarding  
5 address within 5 business days from the date of the receipt of the forwarding address. The  
6 Administrator shall have no obligation to re-mail any Class Notice returned as undeliverable after  
7 30 days from the date on which it was originally mailed.

8 b. Internet Notice.

9 The Parties and the Administrator shall use best efforts to cause the Class Notice to  
10 commence online at the Settlement Website promptly after entry of the Preliminary Approval  
11 Order. The Settlement Website shall be administered by the Administrator. The Administrator  
12 shall cause the Long Form Notice to be posted to the Settlement Website no later than the date for  
13 dissemination of the Short-Form Notice. The Settlement Website shall also provide relevant  
14 information regarding the Settlement, including (a) how to file Exclusion Requests or object to  
15 the Settlement, (b) relevant dates and deadlines, including the Notice Response Deadline, Final  
16 Approval Hearing date, and the date that Patronage Distribution Credits will be available for  
17 redemption at the PLPCC if the Settlement becomes Final; and (c) copies of the following  
18 documents: Plaintiff's Complaint, Defendants' Answer, the Settlement Agreement, Plaintiff's  
19 Preliminary Approval Motion and supporting documents, the Preliminary Approval Order,  
20 Plaintiff's Fee and Cost Application and supporting documents (when filed), Motion for Final  
21 Approval and supporting documents (when filed), and Final Order and Judgment (when filed).

22 2. Declarations of Compliance

23 The Administrator shall prepare declarations attesting to compliance with the notice  
24 requirements set forth above. Such declarations shall be provided to Class Counsel and  
25 Defendants' Counsel and filed with the Court when required by the Preliminary Approval Order.

26 3. Best Notice Practicable

27 The Parties agree that compliance with the procedures described in this section is the best  
28 notice practicable under the circumstances and shall constitute due and sufficient notice to the

1 Class Members (and resulting Settlement Class) of the pendency of the Action, certification of the  
2 Class Members, the terms of the Settlement Agreement, and the Final Approval Hearing, and  
3 shall satisfy the requirements of the California Rules of Court, the Code of Civil Procedure, the  
4 California Constitution, the United States Constitution, and any other applicable law.

5 4. Report On Requests For Exclusion

6 Not later than the date provided in the Preliminary Approval Order, the Administrator  
7 shall prepare and deliver to Class Counsel, who shall file it with the Court and provide it to  
8 Defendant's Counsel, a report stating: the total number of Persons that have submitted timely and  
9 valid Requests for Exclusion from the Class Members, and the names of such Persons. Any  
10 Person that has submitted a timely and valid Request for Exclusion will not be entitled to receive  
11 any relief under this Settlement Agreement.

12 5. Inquiries From Class Members

13 It shall be the responsibility of Class Counsel to establish procedures for receiving and  
14 responding to all inquiries from the Class Members with respect to this Settlement. Defendants'  
15 Counsel may respond, but are not required to respond, to such inquiries.

16 **SECTION 5 – COURT APPROVAL OF SETTLEMENT**

17 1. Preliminary Approval

18 As soon as practicable after the execution of this Settlement Agreement, Class Counsel  
19 shall apply for entry of Preliminary Approval Order in the form of Exhibit C, which Defendants  
20 shall not oppose. The Preliminary Approval Order proposed to the Court shall include provisions  
21 (a) preliminarily certifying the Class Members for settlement purposes only; (b) preliminarily  
22 approving this Settlement and finding this Settlement sufficiently fair, reasonable and adequate to  
23 allow Notice to be disseminated to the Class Members; (c) approving the form, content, and  
24 manner of the Notice; (d) setting a schedule for proceedings with respect to final approval of this  
25 Settlement; and (e) staying the Action, other than such proceedings as are related to this  
26 Settlement.

27 2. Objections To Settlement

28 Any Class Member wishing to object to or to oppose the approval of this Settlement

1 and/or the Fee and Cost Application and Fee and Expense Award shall file a written objection  
2 (with a statement of reasons) with the Court and serve it on the Parties no later than forty-five  
3 (45) days following initial dissemination of Notice. Any Class Member making an objection  
4 must include the following information: (a) the Class Member's name, address, telephone  
5 number and, if represented by counsel, the name, address, and telephone number of counsel; (b) a  
6 statement whether the Class Member intends to appear at the Final Approval Hearing, either in  
7 person or through counsel; (c) all grounds for the objection, accompanied by any legal support for  
8 the objection; (d) a list of all previous class action objections made by the objecting Class  
9 Member and/or Class Member's counsel, if any; and (e) the Class Member's handwritten  
10 signature, or shall comply with any objection procedures as ordered by the Court. Any Class  
11 Member that fails to file a timely written objection shall have no right to file an appeal relating to  
12 the approval of this Settlement.

13 3. Final Approval Hearing

14 The Parties shall request that the Court, on the date set forth in the Preliminary Approval  
15 Order, or on such other date that the Court may set, conduct a Final Approval Hearing to: (a)  
16 determine whether to grant final approval to this Settlement Agreement and to certify the  
17 Settlement Class; (b) consider any timely objections to this Settlement and the Parties' responses  
18 to such objections; and (c) rule on the Fee and Cost Application. At the Final Approval Hearing,  
19 the Parties shall ask the Court to give final approval to this Settlement Agreement, then the  
20 Parties shall ask the Court to enter a Final Approval Order which approves this Settlement,  
21 certifies the Settlement Class, and authorizes entry of a final judgment.

22 4. Disapproval, Cancellation, Termination, Or Nullification Of Settlement

23 a. This Settlement Agreement shall terminate automatically if either (i) the  
24 Court denies preliminary approval or final approval to this Settlement Agreement, or (ii) the Final  
25 Approval Order does not become Final.

26 b. If this Settlement Agreement is terminated pursuant to its terms, then : (i)  
27 this Settlement Agreement shall be rendered null and void; (ii) this Settlement Agreement and all  
28 negotiations and proceedings relating hereto shall be of no force or effect, and without prejudice

1 to the rights of the Parties; and (iii) all Parties shall be deemed to have reverted to their respective  
2 status in the Action, as of the date and time immediately preceding the execution of this  
3 Settlement Agreement and, except as otherwise expressly provided, the Parties shall stand in the  
4 same position and shall proceed in all respects as if this Settlement Agreement and any related  
5 orders had never been executed, entered into, or filed, except that the Parties shall not seek to  
6 recover from one another any costs incurred in connection with this Settlement.

7 5. Termination Based On Exclusion Requests

8 Defendants, in their sole and absolute discretion, may elect to terminate this Agreement if  
9 exclusion requests as provided for in the Preliminary Approval Order exceeds 1% of the Class  
10 members. Defendants may terminate under this Paragraph by providing written notice of  
11 termination to Class Counsel no later than seven (7) calendar days before the Final Approval  
12 Hearing.

13 **SECTION 6 – ADMINISTRATIVE EXPENSES, ATTORNEYS’ FEES, COSTS**

14 1. Costs Of Notice

15 All costs of providing the Notice as provided herein, including the costs of Direct notice  
16 and Internet notice, shall be paid from the Class Settlement Fund.

17 2. Costs Of Administering Settlement

18 All costs of administering this Settlement, including all fees of the Administrator, shall be  
19 paid from the Class Settlement Fund. In the event that this Settlement Agreement is terminated  
20 pursuant to its terms, Defendants shall bear any costs of administering this Settlement already  
21 incurred.

22 3. Attorneys’ Fees And Costs

23 Plaintiff and/or Class Counsel may make a Fee and Cost Application, to be heard at the  
24 Final Approval Hearing, seeking an award of attorneys’ fees and costs in an amount not to exceed  
25 \$200,000, inclusive of documented costs. Defendants have agreed not to oppose such application  
26 by Class Counsel, and to affirmatively express their non-opposition to Class Counsel’s Fee and  
27 Cost Application provided that Class Counsel’s Fee and Cost Application shall not collectively  
28 exceed \$200,000. No later than the date set in the Preliminary Approval Order, Class Counsel



1 shall file a motion requesting the Court's approval of attorneys' fees and costs. Defendants shall  
2 pay all attorneys' fees and costs up to \$200,000 that are approved by the Court, and only in the  
3 event that the Effective Date occurs. [Any portion of the \\$200,000 sought by Class Counsel in its](#)  
4 [Fee and Cost Application that is not awarded by the Court will be credited toward the Settlement](#)  
5 [Fund for the benefit of the Settlement Class.](#)

6 Defendants shall make one payment of [up to](#) \$100,000 no later three (3) days after the  
7 Effective Date, and any remainder no later than ninety (90) days from the Effective Date. Any  
8 payments made under this provision will be exclusive of the Class Settlement Fund. Payments  
9 under this provision shall be made to The Restis Law Firm. Class Counsel shall be solely  
10 responsible for further distributing any payments made under this provision.

11 4. Incentive Award

12 Plaintiff and/or Class Counsel on his behalf may make an application to be heard at the  
13 Final Approval Hearing for an incentive award to be paid from the Class Settlement Fund in an  
14 amount not to exceed five thousand dollars (\$5,000). Defendants have agreed not to oppose such  
15 a request. Class Counsel shall file a motion requesting the Court's approval for any incentive  
16 award no later than the date set forth in the Preliminary Approval Order. Such incentive award, if  
17 approved by the Court, shall be paid from the Class Settlement Fund no later than fifteen (15)  
18 days after the Effective Date, and only in the event that the Effective Date occurs. Such payment  
19 shall be compensation and consideration for the efforts of Plaintiff as the Class Representative in  
20 the Action.

21 5. Defendants' Legal Fees and Expenses

22 Defendants own legal fees, costs, and expenses incurred in the Action or related to this  
23 Settlement shall be borne exclusively by Defendants.

24 6. Effect On Settlement

25 The Parties agree that the rulings of the Court regarding the amount of attorneys' fees or  
26 costs and any incentive award, and any claim or dispute relating thereto, will be considered by the  
27 Court separately from the remaining matters to be considered at the Final Approval Hearing as  
28 provided for in this Settlement Agreement and any determinations in that regard will be embodied

1 in a separate order. Any order or proceedings relating to the amount of attorneys' fees or  
2 incentive award, including any appeals from or modifications or reversals of any order related  
3 thereto, shall not operate to modify, reverse, terminate, or cancel the Settlement Agreement,  
4 affect the releases provided for in the Settlement Agreement, or affect whether the Final Approval  
5 Order becomes Final as defined herein.

6 **SECTION 7 – RELEASES UPON EFFECTIVE DATE**

7 1. Binding And Exclusive Nature Of Settlement Agreement

8 On the Effective Date, if it occurs, the Parties and each and every Settlement Class  
9 Member shall be bound by this Settlement Agreement and shall have recourse exclusively to the  
10 benefits, rights, and remedies provided hereunder. No other action, demand, suit or other claim  
11 may be pursued against the Released Parties with respect to the Class Released Claims.

12 2. Class Releases

13 On the Effective Date, if it occurs, the Settlement Class Members shall be deemed to  
14 have, and by operation of this Settlement Agreement shall have fully, finally and forever released,  
15 relinquished and discharged the Released Parties from any and all of the Class Released Claims.

16 3. Class Representative's Individual Releases

17 On the Effective date, if it occurs, the Class Representative shall be deemed to have, and  
18 by operation of this Settlement Agreement shall have fully, finally and forever released,  
19 relinquished and discharged the Released Parties from any and all of the Class Representative's  
20 Individual Released Claims.

21 The Class Representative shall further be deemed to have waived the provisions of Civil  
22 Code section 1542 (or any like or similar state or federal statute or common law doctrine) and  
23 does so understanding the significance of that waiver. Section 1542 provides:

24 **A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS  
25 WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT  
26 TO EXIST IN HER OR HER FAVOR AT THE TIME OF  
27 EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM  
28 OR HER MUST HAVE MATERIALLY AFFECTED HIS OR  
HER SETTLEMENT WITH THE DEBTOR**

4. Stay Of The Action

1 The Parties agree to request that the Court, in connection with Preliminary Approval of  
2 the Class Action Settlement, issue an immediate stay of the Action.

3 5. Assumption Of The Risk

4 In entering into this Settlement Agreement, each of the Parties assumes the risk of any  
5 mistake of fact or law. If either Party should later discover that any fact which the Party relied  
6 upon in entering this Settlement Agreement is not true, or that the Party's understanding of the  
7 facts or law was incorrect, the Party shall not be entitled to modify, reform, or set aside this  
8 Settlement Agreement, in whole or in part, by reason thereof. The Parties agree that at the time  
9 this Settlement Agreement was executed, there were unsettled issues of law, and the Parties agree  
10 to honor this Agreement regardless of developments in the law after execution; specifically, the  
11 Class Representative and Class Counsel recognize and agree that, given these uncertainties in the  
12 law, the Class Representative and Class Counsel are receiving valuable consideration for the  
13 settlement of the Action at this time and per the terms of this Agreement. The Parties will  
14 advocate for Court approval of this Settlement Agreement.

15 **SECTION 8 – LIMITATIONS ON USE OF SETTLEMENT AGREEMENT**

16 1. No Admission

17 Neither the acceptance by Defendants of the terms of this Settlement Agreement nor any  
18 of the related negotiations or proceedings constitutes an admission with respect to the merits of  
19 the claims alleged in the Action, the validity of any claims that could have been asserted by any  
20 of the Class Members in the Action, or the liability of the Defendants in the Action. Defendants  
21 specifically deny any liability or wrongdoing of any kind associated with the claims alleged in the  
22 Action. Neither the acceptance by Plaintiff of the terms of the Settlement Agreement, nor any of  
23 the related negotiations or proceedings constitutes an admission with respect to the merits of the  
24 claims alleged in the Action.

25 2. Limitations On Use

26 This Settlement Agreement shall not be used, offered, or received into evidence in the  
27 Action for any purpose other than to enforce, to construe, or to finalize the terms of the Settlement  
28 Agreement or to obtain the preliminary and final approval by the Court of the terms of the

1 Settlement Agreement. Neither this Agreement nor any of its terms shall be offered or received  
2 into evidence in any other action or proceeding except that Defendants may file this Settlement  
3 Agreement in any action that may be brought against a Released Party in order to support a defense  
4 or counterclaim based on principles of res judicata, collateral estoppel, release, good faith  
5 settlement, judgment bar, reduction, or any other theory of claim preclusion or issue preclusion or  
6 similar defense or counterclaim.

7 3. No Public Statements Without Agreement Of The Parties

8 Class Counsel will remove all information on the website www.restislaw.com that  
9 references this Action either expressly or impliedly. The Parties and their counsel agree that no  
10 Party or counsel who is a signatory to this Settlement Agreement will comment publicly in any  
11 form regarding this Settlement or litigation without prior approval of all Parties and counsel. Any  
12 disputes among the Parties regarding publicity associated with this Settlement shall be submitted  
13 to this Court for expedited review and determination.

14 **SECTION 9 – MISCELLANEOUS PROVISIONS**

15 1. No Assignment.

16 Each Party represents, covenants, and warrants that he or it has not directly or indirectly  
17 assigned, transferred, encumbered, or purported to assign, transfer, or encumber any portion of  
18 any liability, claim, demand, cause of action, or rights that he or it herein releases.

19 2. Binding On Assigns.

20 This Settlement Agreement shall be binding upon and inure to the benefit of the Parties  
21 and their respective heirs, trustees, executors, successors, and assigns.

22 3. Captions.

23 Titles or captions contained herein are inserted as a matter of convenience and for  
24 reference, and in no way define, limit, extend, or describe the scope of this Settlement Agreement  
25 or any provision hereof. Each term of this Settlement Agreement is contractual and not merely a  
26 recital.

27 4. Settlement Class Member Signatures.

28 It is agreed that, because the Settlement Class Members are so numerous, it is impractical

1 to have each Settlement Class Member execute this Settlement Agreement. The Notice will  
2 advise all Settlement Class Members of the binding nature of the Releases and of the remainder  
3 of this Settlement Agreement, and in the absence of a valid and timely Request for Exclusion,  
4 such Notice shall have the same force and effect as if each Settlement Class Member executed  
5 this Settlement Agreement.

6 5. Construction.

7 The Parties agree that the terms and conditions of this Settlement Agreement are the result  
8 of arms-length negotiations between the Parties and that this Settlement Agreement shall not be  
9 construed in favor of or against any Party by reason of the extent to which any Party, or his or its  
10 counsel, participated in the drafting of this Settlement Agreement.

11 6. Counterparts.

12 This Settlement Agreement and any amendments hereto may be executed in one or more  
13 counterparts, and either Party may execute any such counterpart, each of which when executed  
14 and delivered shall be deemed to be an original and both of which counterparts taken together  
15 shall constitute but one and the same instrument. A facsimile or portable data file (PDF)  
16 signature shall be deemed an original for all purposes.

17 7. Governing Law.

18 Construction and interpretation of the Settlement Agreement shall be determined in  
19 accordance with California state law without regard to choice of law principles.

20 8. Integration Clause.

21 This Settlement Agreement, including the exhibits referred to herein, which form an  
22 integral part hereof, contains the entire understanding of the Parties with respect to the subject  
23 matter contained herein. There are no promises, representations, warranties, covenants, or  
24 undertakings governing the subject matter of this Settlement Agreement other than those  
25 expressly set forth in this Settlement Agreement. This Settlement Agreement supersedes all prior  
26 agreements and understandings among the Parties with respect to the settlement of the Action.

27 This Settlement Agreement may not be changed, altered, or modified, except in a writing signed  
28 by the Parties and approved by the Court. This Settlement Agreement may not be discharged

1 except by performance in accordance with its terms or by a writing signed by the Parties.

2 9. Jurisdiction.

3 The Final Approval Order proposed to the Court shall provide that the Court retain  
4 jurisdiction, after entry of the Final Approval Order, with respect to enforcement of the terms of  
5 this Settlement, and all Parties and Settlement Class (and their counsel) submit to the exclusive  
6 jurisdiction of the Court with respect to the enforcement of this Settlement and any dispute arising  
7 out of, related to, or with respect to this Settlement.

8 10. No Collateral Attack.

9 This Settlement Agreement shall not be subject to collateral attack by any member of the  
10 Settlement Class at any time on or after the Effective Date related to the calculation of Patronage  
11 Distribution Credits.

12 11. Parties' Authority.

13 The signatories hereto represent that they are fully authorized to enter into this Settlement  
14 Agreement, have received legal advice with respect to the advisability of entering into this  
15 Settlement Agreement, and fully understand its legal effect.

16 12. Receipt Of Advice Of Counsel.

17 The Parties acknowledge, agree, and specifically warrant to each other that they have read  
18 this Settlement Agreement, have received legal advice with respect to the advisability of entering  
19 into this Settlement, and fully understand its legal effect.

20 13. Waiver Of Compliance.

21 Any failure of any Party to comply with any obligation, covenant, agreement, or condition  
22 herein may be expressly waived in writing, to the extent permitted under applicable law, by the  
23 Party or Parties entitled to the benefit of such obligation, covenant, agreement, or condition. A  
24 waiver or failure to insist upon compliance with any representation, warranty, covenant,  
25 agreement, or condition shall not operate as a waiver of, or estoppel with respect to, any  
26 subsequent or other failure.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: \_\_\_\_\_, 2018

\_\_\_\_\_  
KARL BECK, individually and on behalf of  
all other similarly situated California  
residents

Dated: \_\_\_\_\_, 2018

POINT LOMA PATIENTS CONSUMER  
COOPERATIVE CORPORATION, a California  
corporation

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

\_\_\_\_\_  
ADAM KNOPF, an individual

Dated: \_\_\_\_\_, 2018

\_\_\_\_\_  
JUSTUS H. HENKES IV, an individual

Dated: \_\_\_\_\_, 2018

419 CONSULTING INC., a California corporation

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

GOLDEN STATE GREENS LLC, a California  
LLC

By: \_\_\_\_\_

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: \_\_\_\_\_, 2018

FAR WEST MANAGEMENT LLC, a California LLC

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

FAR WEST OPERATING, LLC, a California LLC

By: \_\_\_\_\_

Dated: \_\_\_\_\_, 2018

FAR WEST STAFFING LLC, a California LLC

By: \_\_\_\_\_

Approved as to form by:

Dated: \_\_\_\_\_, 2018

AUSTIN LEGAL GROUP, APC

By: \_\_\_\_\_

Gina M. Austin/Tamara Leetham,  
Attorneys for Point Loma Patients  
Consumer Cooperative Corporation,  
Golden State Greens, LLC, Far West  
Management, LLC, Far West Operating,  
LLC, and Far West Staffing, LLC



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

Dated: \_\_\_\_\_, 2018

DART LAW

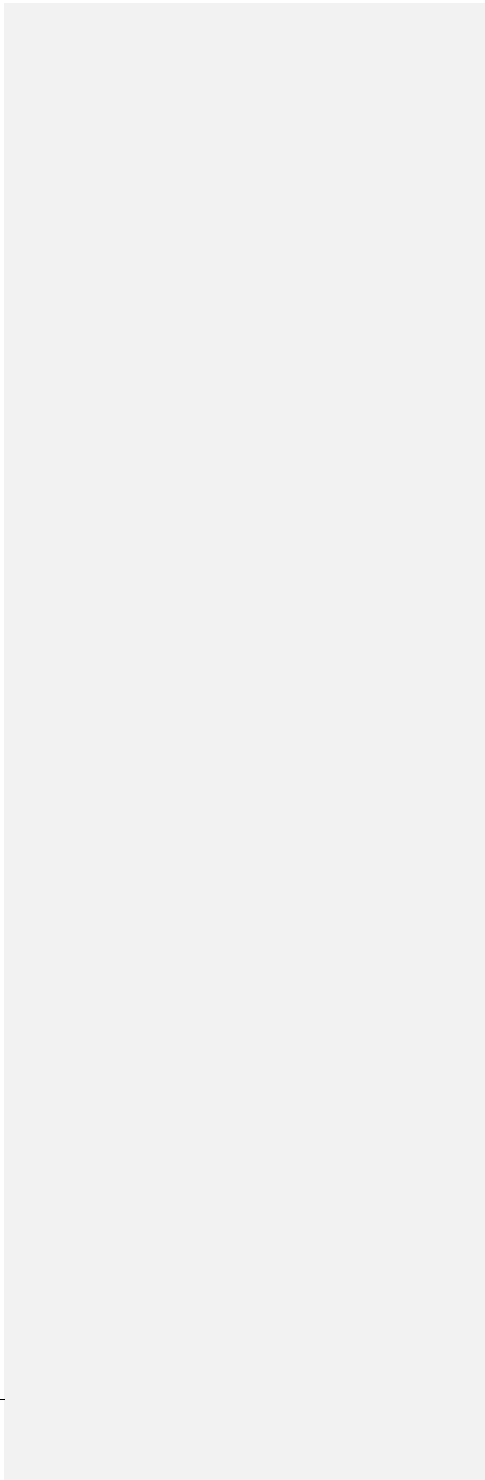
By: \_\_\_\_\_  
MATTHEW B. DART  
Attorney for Defendants 419 Consulting,  
Inc., Adam Knopf and Justus Henkes

THE RESTIS LAW FIRM, P.C.

Dated: \_\_\_\_\_, 2018

THE RESTIS LAW FIRM, P.C.

By: \_\_\_\_\_  
WILLIAM R. RESTIS  
Attorney for Plaintiff Karl Beck,  
individually and on behalf of all other  
similarly situated California residents.



# EXHIBIT C

1 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 IN AND FOR THE COUNTY OF SAN DIEGO

3 DEPARTMENT 73 HONORABLE JOEL R. WOHLFEIL

4 KARL BECK, INDIVIDUALLY AND ON )  
5 BEHALF OF OTHER SIMILARLY )  
6 SITUATED CALIFORNIA RESIDENTS, )

7 PLAINTIFFS, )

8 VS. )

9 POINT LOMA PATIENTS CONSUMER )  
10 COOPERATIVE CORPORATION, ET )  
11 AL., )

12 DEFENDANTS. )

CASE NO. :  
37-2017-00037524-CU-BT  
-CTL

MOTION HEARING

13 REPORTER'S TRANSCRIPT

14 JANUARY 4, 2019

15 APPEARANCES:

16 FOR PLAINTIFFS:

17 RESTIS LAW FIRM  
18 BY: WILLIAM R. RESTIS, ESQ.  
402 WEST BROADWAY, SUITE 1520  
19 SAN DIEGO, CALIFORNIA 92101  
619.270.8383

20 FOR DEFENDANTS:

21 DART LAW  
22 BY: MATTHEW B. DART, ESQ.  
12526 HIGH BLUFF DRIVE, SUITE 300  
23 SAN DIEGO, CALIFORNIA 92130  
858.792.3616

24 AUSTIN LEGAL GROUP  
25 BY: TAMARA M. LEETHAM, ESQ.  
3990 OLD TOWN AVENUE, SUITE A-112  
26 SAN DIEGO, CALIFORNIA 92110  
619.924.9600

27 KASEY MOBLEY, CSR NO. 13407  
28 PRO TEMPORE REPORTER  
SUPERIOR COURT OF SAN DIEGO

1 SAN DIEGO, CALIFORNIA; FRIDAY, JANUARY 4, 2019

2 9:37 A.M.

3 -oOo-

4 THE COURT: Item No. 7, Beck versus Point Loma  
5 Patients Consumer Cooperative, case number ending  
6 -35724.

7 MR. RESTIS: Good morning, your Honor. William  
8 Restis on behalf of Restis Law Firm for plaintiff Beck  
9 and the class.

10 MR. DART: Good morning, your Honor. Matt Dart  
11 on behalf of defendant Justus Henkes, Adam Knopf and 419  
12 Consulting.

13 MS. LEETHAM: Good morning, your Honor. Tamara  
14 Leetham for defendant Point Loma Consumer Cooperative,  
15 Golden State Greens, Far West Management, Far West  
16 Operating and Far West Staffing.

17 THE COURT: Did all of you get the Court's  
18 tentative?

19 MR. DART: Yes, your Honor.

20 MR. RESTIS: We did, your Honor. We have  
21 discussed it, and I believe that defendants have some  
22 points they'd like to address with the Court. And from  
23 the plaintiffs' perspective, your Honor, I don't  
24 disagree with what the defendants will be advocating on  
25 behalf of settlement. However, as an advocate of the  
26 class, to the extent your Honor wants us to go back and  
27 get a better settlement for the class, I have no problem  
28 with that. But I would reserve a little bit of time

1 depending on what the defendants have to say.

2 MS. LEETHAM: We were a little surprised  
3 because we put a lot of contentious thought into this  
4 and spent some time with Judge Pressman trying to craft  
5 it in a way that would be appropriate for the class  
6 members and also give them the benefit of what we're  
7 intending to do.

8 In the Court's tentative ruling, I don't know  
9 if the focus was on the word "revert." What we were  
10 intending on doing is not reverting, it's not going back  
11 to my client. What the funds are intended to do is  
12 compensate class members, but obviously because they're  
13 transitory and some percentage -- we don't know how much  
14 -- will not ever claim that pro rata distribution, so  
15 the intent was to capture whatever is left over and  
16 comply with the plain language of the Corporations Code,  
17 which says that earnings, savings or benefits shall be  
18 used for the general welfare, and it will be equitably  
19 distributed at the end of it.

20 We were trying to take that remainder -- it  
21 won't revert back to the defendants. We were trying to  
22 create a circumstance where those individuals are --  
23 wherever they are, they'll never claim -- give that  
24 benefit back to the members that are still there, which  
25 is why we created that language for the general welfare  
26 or the general fund. So what I'm curious about, is it  
27 the nomenclature that's causing the problem rather than  
28 the intent of what we're trying to do, if that makes

1 sense?

2 THE COURT: Well, I certainly saw the reference  
3 to reversionary.

4 MS. LEETHAM: Right.

5 THE COURT: And I recognize that there may be  
6 judges who will approve those; I tend not to be one of  
7 them. But let me try to retrieve the specific  
8 language -- the agreement was attached to which  
9 declaration?

10 MS. LEETHAM: It's Exhibit 1 to Mr. Restis's  
11 declaration, and the language I have in front of me --  
12 let me direct you to that.

13 THE COURT: Let me go to Mr. Restis's  
14 declaration, Exhibit 1, entitled Stipulation and  
15 Agreement of Settlement.

16 MS. LEETHAM: Correct. And I think the  
17 language the Court takes issue with is on page 8 -- I'm  
18 sorry. Page 9, your Honor. And it's little "d" right  
19 at the top of page 9, Exhibit 1.

20 THE COURT: Remind me, the gross amount of the  
21 settlement is 630-?

22 MS. LEETHAM: Correct, your Honor. Correct.

23 THE COURT: The requested fees and costs are  
24 200-.

25 MS. LEETHAM: Correct.

26 THE COURT: A little less than a third.

27 MS. LEETHAM: Correct.

28 THE COURT: Let me scroll to page 8 and 9.

1 Counsel, I'm sorry. I'm not seeing the language. I  
2 clearly had seen it before, but where on page 8 or 9?

3 MS. LEETHAM: Page 9, little "d," right at the  
4 top of the page, it starts "Patronage distribution  
5 credits not redeemed by settlement class members within  
6 18 months shall revert back to the general fund," and  
7 that's where the Court has highlighted its concern.

8 THE COURT: Little "b," entitled "Internet  
9 Notice"?

10 MS. LEETHAM: Little "d," page 9.

11 MR. RESTIS: Line 1, your Honor.

12 THE COURT: I'm looking at the stipulation and  
13 settlement agreement.

14 MS. LEETHAM: Correct, and it's page 9.

15 THE COURT: I got you. There we go. All  
16 right. So "The funds not paid out to members of the  
17 class shall revert back to the general fund of the named  
18 defendant." What does that -- how do you propose the  
19 Court interpret that?

20 MR. DART: The rest of the clause is to be  
21 spent for the, quote, general welfare of the members,  
22 which is the exact language from the corporate -- this  
23 is a consumer cooperative corporation. There are  
24 members. If there's any earnings, they have to be  
25 distributed out to the members or spent for the general  
26 welfare of the members. We're trying to give an  
27 automatic credit -- there's no claims-based profits here  
28 -- automatic credit to 35,000 members that ever bought a

1 product at this dispensary between this  
2 two-and-a-half-year period. But we know there is some  
3 percentage of folks that are not going to come in and  
4 claim their credit.

5 THE COURT: Right.

6 MR. DART: So with that leftover, what do you  
7 do with that? Not a dollar of it is going to go back to  
8 the defendants for their own pocket, not a dollar of it.  
9 What it does, it has to be spent for the general welfare  
10 of the members --

11 THE COURT: Who exercises the discretion of how  
12 those funds are to be spent, purportedly for the general  
13 welfare of the --

14 MS. LEETHAM: It would be the defendant. I  
15 understand why the Court -- in taking the months we did  
16 to do this and reading the tentative, I do understand  
17 why the Court has concern, but again, to me the  
18 nomenclature, if we were to somehow clean up that  
19 language, whether it's identifying what --

20 THE COURT: I think that's what the Court is  
21 really telling you. You're assuring me, in so many  
22 words, that all the funds are going to be paid out, and  
23 some fraction of it is not going to come back to be  
24 spent how the defendant itself thinks it should be  
25 spent, which, on occasion, goes to the benefit of the  
26 directors office and managing agents.

27 Now, here's what I have tended to see in the  
28 past: There's a gross settlement amount defined in the



1 settlement agreement, and then there's a net settlement  
2 amount which, oftentimes, it's based upon the gross, and  
3 it's all based upon the claims made. The difference  
4 between the gross and the net reverts back to the  
5 defendant. And, ultimately, the real value of the  
6 settlement is the net settlement amount, notwithstanding  
7 that the attorneys' fees and costs being requested by  
8 people, not the least of which is plaintiffs' counsel,  
9 is measured against the gross settlement amount. It's a  
10 fiction.

11 So there's no question that any claims made --  
12 and this is a claims made, you're proposing that people  
13 have to do something to get some benefit from the  
14 settlement -- that some fraction will revert back to the  
15 named defendant. And there's sophisticated people --  
16 you're pretty sophisticated, but sophisticated people  
17 can measure or predict almost to the penny how much is  
18 going to go back to the defendant. I don't tend to  
19 approve those. Those are not fair, reasonable and in  
20 the best interest of the class members who are supposed  
21 to benefit.

22 So if you want a chance to retool it, to make  
23 clear, maybe in limine the reference to reversion --

24 MS. LEETHAM: We were going to do that if the  
25 Court was okay with the concept to rewrite the  
26 mechanics.

27 THE COURT: Counsel, it's not my prerogative to  
28 tell you how to retool it, but I am concerned about the

1 reference to reversion. If I'm assured by the language  
2 in the agreement that all the funds purportedly at issue  
3 in this settlement will be remitted to members of the  
4 class, absent things like, for example, attorneys' fees  
5 to counsel, I can live with that. But I'm just not --  
6 I'm just not convinced that what you're saying in the  
7 agreement assures that the Court's concerns have been  
8 addressed. And counsel this is not about you at all.

9 MS. LEETHAM: I don't think it is.

10 THE COURT: So what we can do is confirm the  
11 Court's tentative as modified -- as modified, to deny  
12 without prejudice, retool the language, bring it back to  
13 me. You can get back on my calendar within a very brief  
14 period of time. Let me also add I think the world of  
15 Judge Pressman. This is not about the mediator you all  
16 wisely chose to facilitate the resolution of this. I'm  
17 just struggling with some of the language.

18 MS. LEETHAM: Okay. And a couple of  
19 housekeeping questions.

20 THE COURT: Sure.

21 MR. RESTIS: Yes, your Honor. I am thankful  
22 the Court is an advocate for the class. Sometimes we do  
23 the best we can, and we need the Court to push the ball  
24 over the edge and negotiate things that we are not able  
25 to get. So with that comment, I'd like to ask the Court  
26 if you had any other concerns with the settlement.

27 THE COURT: I didn't.

28 MR. RESTIS: Okay. What I might propose, your

1 Honor, the parties have discussed ways to address the  
2 Court's concerns and make the entire settlement amount  
3 paid out to the class members --

4 THE COURT: You're beginning to ask me for some  
5 preliminary rulings of how I might -- some guidance.  
6 I'm not inclined to go there. I've given you the idea  
7 of how I'm looking at things. I'm confident you all can  
8 clean the language up.

9 MS. LEETHAM: The housekeeping is -- the Court,  
10 I'm sure, doesn't remember we set a placeholder trial  
11 date on March 1st. We can come in and ask for the Court  
12 to vacate dates. This has just taken a long time --

13 THE COURT: Are you all confident that the case  
14 is going to resolve itself short of a trial?

15 MR. RESTIS: Plaintiffs are, your Honor, yes.

16 MR. DART: Defendants are, as well.

17 THE COURT: And I have counsel for everybody in  
18 the case here?

19 MS. LEETHAM: Yes.

20 THE COURT: Is there an oral stipulation that  
21 the Court continue the dates for some period of time to  
22 give you some additional time to resolve the language in  
23 the settlement agreement?

24 MR. RESTIS: Yes, your Honor.

25 THE COURT: How far do you propose?

26 MS. LEETHAM: 90 days.

27 MR. RESTIS: That should be sufficient, your  
28 Honor.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

THE COURT: All right. The Court grants the oral request, finds good cause, and will continue the pretrial dates to the extent they've not yet come and gone.

MR. RESTIS: Your Honor --

THE COURT: The Court will continue the trial call to June 7th 2019 at 8:30 a.m., the trial readiness conference to May 24th at 10:45 a.m. and the law and motion and discovery cutoff date, including the completion of expert discovery to May 10th. The Court will direct plaintiffs' counsel to serve notice of those dates. Anything else, counsel, this morning?

MR. RESTIS: No, your Honor.

THE COURT: As to the Court's ruling, denied without prejudice. Do one of you want to serve notice or do you waive notice?

MR. RESTIS: Notice is waived.

MS. LEETHAM: Notice is waived, your Honor.

THE COURT: Thank you all very much.

(Proceedings concluded at 9:51 a.m.)

1 REPORTER'S CERTIFICATE

2  
3 I, the undersigned, a Certified Shorthand  
4 Reporter of the State of California, do hereby certify:

5 That the foregoing proceedings were taken  
6 before me at the time and place herein set forth; that  
7 any witnesses in the foregoing proceedings, prior to  
8 testifying, were placed under oath; that a verbatim  
9 record of the proceedings was made by me using machine  
10 shorthand which was thereafter transcribed under my  
11 direction; further, that the foregoing is an accurate  
12 transcription thereof.

13 I further certify that I am neither financially  
14 interested in the action nor a relative or employee of  
15 any attorney of any of the parties.

16 IN WITNESS WHEREOF, I have this date subscribed  
17 my name.

18  
19 Dated: \_\_\_\_\_  
20

21  
22 \_\_\_\_\_  
KASEY L. MOBLEY  
MCSR NO. 13407  
23  
24  
25  
26  
27  
28

# EXHIBIT D

## NOTICE OF CLASS ACTION SETTLEMENT

**You have been identified as a member of a class action lawsuit due to your purchase of product from Point Loma Patient Consumer Cooperative Cooperation d/b/a Golden State Greens (“PLPCC”).**

**This notice explains your rights and options and the deadlines to exercise them.**

*A California court authorized this Notice. This is not a solicitation from a lawyer.*

### SUMMARY OF THE LAWSUIT AND SETTLEMENT

- A member patron of PLPCC claims that the PLPCC cooperative was operated as a for-profit business in violation of California law, which requires cooperative profits to be distributed to cooperative patrons. The lawsuit alleges that defendants diverted revenue to themselves rather than distribute profits to patrons of PLPCC.
- PLPCC, along with 419 Consulting, Inc., Golden State Greens LLC, Far West Management, LLC, Far West Operating, LLC, Far West Staffing, LLC, Adam Knopf and Justus Henkes IV (collectively, the “Defendants”) deny any wrongdoing and have strongly defended against the lawsuit.
- Plaintiff, on behalf of himself and all class members, and Defendants have agreed to settle the litigation on the terms explained in this Notice. Defendants contest liability with respect to all facts and claims alleged in the lawsuit. Nevertheless, Defendants are entering into this settlement to avoid further expense and burden of litigation. Plaintiff, and the attorneys appointed for you and all class members (“Class Counsel”), believe this Settlement is fair, reasonable, adequate, and in the best interests of Plaintiff and the Class.
- This Notice is being sent to you to inform you about your rights and options under the proposed Settlement and your deadlines to exercise them.

	<b>YOUR LEGAL RIGHTS AND OPTIONS</b>
<b>DO NOTHING AND GET BENEFITS</b>	The Settlement provides class members (who do not exclude themselves) with account credits for free or discounted products at the PLPCC, located at 3452 Hancock Street, San Diego, CA 92110. If you wish to remain in the Settlement and receive these benefits, simply do nothing. See FAQ 7-8 below.
<b>EXCLUDE YOURSELF</b>	Get no credit at the PLPCC. This is the only option that allows you to ever be part of any other lawsuit against Defendants about the legal claims in this case. See FAQ 9-10 below. To exclude yourself, send a letter that states you want to be excluded from the settlement in “ <i>Beck. v. PLPCC</i> .” Include your name, address, and signature. <b>You must mail your exclusion request letter so that it is postmarked by MONTH xx, 2019.</b>
<b>OBJECT</b>	Write to the Court about why you don’t like the settlement. To object, you must file with the Court and serve on Class Counsel and Defendants’ Counsel your objection in writing no later than MONTH xx, <del>2019</del> . See FAQ 13 below.
<b>GO TO A HEARING</b>	Ask to speak in Court about the fairness of the settlement. See FAQ 14-16 below.

Deleted: 2018

## BASIC INFORMATION

### 1. Why did I receive this notice?

This notice was issued because a Court has preliminarily approved a class action settlement of this litigation.

**You have been identified as a class member because you purchased product from PLPCC between August 1, 2015 and December 31, 2017. As a class member, your rights may be affected. This notice explains all of these things.**

Honorable Judge Joel Wohlfeil of the Superior Court of California, County of San Diego, is overseeing this class action. The case is known as *Beck v. Point Loma Patient Consumer Cooperative Corp., et al.* Case No. 37-2017-00037524-CU-BC-CTL. The person who sued is called the Plaintiff. The companies and people he sued are called the Defendants. The Defendants include PLPCC, 419 Consulting, Inc., Golden State Greens LLC, Far West Management, LLC, Far West Operating, LLC, Far West Staffing, LLC, Adam Knopf and Justus Henkes IV.

### 2. What is a class action?

In a class action, one or more people, called Class representatives (in this case Karl Beck), sue on behalf of all others who have similar claims. Together, these people make up the Class and are called class members. One court resolves the issues for all Class members, except for those who exclude themselves from the Class.

### 3. Why is this lawsuit a class action?

The Court decided that this lawsuit could proceed as a class action because the Class Members are so numerous that that joining them in one lawsuit is impracticable; (b) there are questions of law and fact common to the Class Members; (c) Class Representative Beck's claims are typical of the claims of the Class Members; (d) Class Representative and Class Counsel are able to adequately represent the Class Members; and (e) class-wide treatment of the disputes raised in the lawsuit is superior to individual cases

## THE CLAIMS IN THE LAWSUIT

### 4. What is the lawsuit about?

The lawsuit claims that Defendants operated PLPCC as a for-profit business in violation of California law, including the law governing cooperative corporations, and California's medical marijuana laws. The lawsuit claims that Defendants diverted revenue to themselves rather than distribute profits to members of PLPCC. Plaintiff claims those laws require cooperative profits to be distributed to cooperative member-patrons.

Defendants vehemently deny that they have done anything wrong, or owe the Class any money.

For more information about the allegations in the case, including Court documents, see [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com).

### 5. Has the Court decided who is right?

The Court has made no determinations of the merits of the lawsuit.

## THE SETTLEMENT

### 6. Why is there a settlement?

The parties attended two mediation sessions before retired Superior Court Judge Hon. Joel Pressman, and at mediation both sides agreed to settle the litigation on the terms described herein. That way, they avoid the cost of a trial, and the people affected will get compensation. The Class Representative and Class Counsel believe the Settlement is in the best interest of the class members.

QUESTIONS? VISIT [WWW.PLPCCSETTLEMENT.COM](http://WWW.PLPCCSETTLEMENT.COM)



## SETTLEMENT BENEFITS AND OPTIONS

### 7. Benefits of the Settlement

The Settlement relieves the need for the Class to prove their claims at trial and eliminates the uncertainty of the results of a trial. The Settlement also allows class members to receive benefits faster and without the expense of bringing their own lawsuit.

Deleted: expensive

If the Settlement is approved by the Court, Defendants will create a Settlement Fund of \$630,000 (plus any portion of \$200,000 not awarded to Class Counsel as fees and costs) that will pay for credits to the Class for free or discounted product at the PLPCC. The Settlement Fund will also pay for settlement administrative costs, and possibly an incentive award to the class representative (if awarded by the Court). These payments will reduce the funds available for account credits to Class members that do not exclude themselves from the Settlement

Deleted: fund

Deleted: fund

Deleted: ) and

If you purchased any product from PLPCC between August 1, 2015 and December 31, 2017, and do not exclude yourself from the Settlement, you will receive a credit for free or discounted products to redeem at the PLPCC, 3452 Hancock Street, San Diego, CA 92110. The credits will be distributed *pro rata* based on your patronage at PLPCC. In other words, Class members that purchased more from the PLPCC will receive more credits than Class members that purchased less.

Deleted: that

**You can redeem your credits for free or discounted products from PLPCC for 12 months after the Settlement is finally approved by the Court. The settlement website [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) and dispensary website [www.goldenstategreens.com](http://www.goldenstategreens.com) will have details about when your credits will be available to redeem.**

Formatted: Font: Bold

Deleted: 18

Formatted: Font: Bold

Deleted: ¶

¶

Deleted: 18 months, they will revert back to the general fund of PLPCC to be used for the "general welfare" of PLPCC patrons...

Credits are non-transferable and not redeemable for cash.

### 8. How can I get those benefits?

If you wish to stay a member of the Class and receive credits to redeem for free or discounted products at the PLPCC, simply do nothing. You will automatically receive these credits if the Settlement is approved. If you do nothing, you will be considered a member of the Class, and will waive your right to sue Defendants (and other Released Parties) based on, or arising out of, the facts alleged in the lawsuit.

The Court must also issue a final ruling approving the Settlement. The Court has preliminarily approved the Settlement, but will hold a hearing on at to decide whether to issue final approval of the Settlement. The hearing may be changed by the Court, and you should check [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) for any updates. If the Court approves the Settlement, there may be appeals. Benefits are contingent on final approval of the Court, including the determination of any appeal or other challenge. We do not know how long this will take, but check [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) for any updates.

### 9. What am I giving up in exchange for the settlement benefits?

Unless you exclude yourself, you are staying in the Class, and that means that you can't sue, continue to sue, or be part of any other lawsuit against the Defendants about the legal issues in this case. It also means that all of the Court's orders will apply to you and legally bind you.

### 10. Can I exclude myself from the Settlement?

Yes. If you don't want to receive PLPCC credits from this settlement, or want keep the right to sue or continue to sue Defendants on your own about the legal issues in this case, then you must take steps to get out. This is called excluding yourself, or "opting-out" of the settlement Class.

QUESTIONS? VISIT [WWW.PLPCCSETTLEMENT.COM](http://WWW.PLPCCSETTLEMENT.COM)

If you exclude yourself: (1) you will not receive any Settlement benefits; (2) you will not be legally bound the Settlement; and (3) you will keep any rights you may have to sue Defendants for the legal claims included in this lawsuit, so long as suit is filed before the relevant statutes of limitation expire.

You cannot exclude yourself on the phone or by e-mail. To exclude yourself, send a letter that states you want to be excluded from the "Beck. v. PLPCC Settlement". Include your name, address, and signature. **You must mail your exclusion request letter so that it is postmarked by MONTH XX, 2019 to: Beck v PLPCC - Settlement Administrator c/o The Notice Company, Inc., P.O. Box 778, Hingham, MA 02043.** As a reminder, before making a decision to exclude yourself, you should consult a lawyer.

## THE LAWYERS REPRESENTING YOU

### 11. Do I have a lawyer in this case?

Yes. The Court has appointed William R. Restis of The Restis Law Firm, P.C. as Class Counsel, and he represents you and other Class members in this case. You will not be charged for Class Counsel's fees. If you want to be represented by your own lawyer, you may hire one at your own expense.

### 12. How will the lawyers be paid?

Class Counsel will ask the Court for attorneys' fees and reimbursement of litigation expenses up to \$200,000, Defendants have agreed not to oppose these fees and expenses, but the Court may award less than these amounts. Defendants will separately pay the attorneys fees and expenses that the Court awards. These amounts will not come out of the funds for payments to the Class. Any portion of the \$200,000 designated for attorneys' fees and litigation expenses that is not awarded by the Court will be added to the Settlement Fund to be distributed as credits to Class members and future PLPCC patrons.

### 12. Does The Class Representative Get Special Treatment?

Under the Settlement, the Class Representative will receive his same *pro rata* share of the Settlement Fund as every other Class member, based on how much product he purchased at the PLPCC.

Deleted: fund

But as part of the Settlement, Defendants have agreed not to object to a request by Class Counsel for an incentive award up to \$5,000 to Mr. Beck in recognition for his efforts as Class Representative. Mr. Beck's support for the Settlement is not contingent on payment of the incentive award, which must be approved by the Court. The Court may award Mr. Beck less than \$5,000, or nothing at all.

Any incentive fee awarded to Mr. Beck as Class Representative will be paid out of the \$630,000 Settlement fund and reduce the funds available for account credits to Class members that do not exclude themselves from the Settlement.

## OBJECTING TO THE SETTLEMENT

### 13. How do I tell the Court I don't like the Settlement?

You can object to the Settlement if you do not like it or any part of it. To object, you must file with the Court and serve on Class Counsel and Defendants' Counsel your objection in writing.

The objection must include the following information:

- (a) your name, address, telephone number and, if represented by counsel, the name, address, and telephone number of your counsel as well;
- (b) a statement whether you intend to appear at the Final Approval Hearing, either in person or through counsel;
- (c) all grounds for your objection, accompanied by any legal support for the objection known to you or your counsel;

QUESTIONS? VISIT [WWW.PLPCCSETTLEMENT.COM](http://WWW.PLPCCSETTLEMENT.COM)

(d) a list of all previous objections you or your counsel have made to any other class action settlement, if any; and  
(e) your handwritten signature.

**Your written objection must be served on and actually received by the Court and counsel, at the following addresses, no later than MONTH xx, 2019:**

Class Counsel:	San Diego Superior Court
William Restis, Esq. THE RESTIS FIRM, P.C. 402 W. Broadway, Suite 1520 San Diego, California 92101	Hon. Joel Wohlfeil, Dept. C-73 San Diego Superior Court 330 W. Broadway San Diego, California 92101

Defendants' Counsel:	Defendants' Counsel:
Tamara Leetham Gina Austin Austin Legal Group 3990 Old Town Ave, Ste A-112 San Diego, CA 92110	Matthew B. Dart Dart Law 12526 High Bluff Drive, Ste 300 San Diego, CA 92130

## FINAL APPROVAL HEARING

### 14. When and where will the Court decide final approval of the settlement?

The Court will hold a hearing to consider whether to finally approve the Settlement on MONTH xx, 2019 at \_\_:\_\_ a.m./p.m. at:

Hon. Joel Wohlfeil, Dept. C-73  
San Diego Superior Court  
330 W. Broadway  
San Diego, California 92101

The hearing date may be changed by the Court. You can check [www.PLPCCSettlement.com](http://www.PLPCCSettlement.com) for updates. At the hearing, the Court will consider whether the Settlement is fair, reasonable, and adequate and capable of approval. The court will consider any objections. The Court will decide whether to approve the Settlement at or after the hearing.

### 15. Do I have to come to Court?

No. Class Counsel will present the Settlement, answer any questions, and respond to any objections. You may, however, attend the hearing at your own expense.

### 16. May I speak at the hearing?

The Court must grant you permission to speak at the hearing. If you want to speak at the hearing, you must file a Notice of Intention to Appear with the Court and send a copy to Class Counsel and Defendants' counsel at the addresses listed above no later than MONTH xx, 2019. You may also be required to provide proof that you are a class member.

QUESTIONS? VISIT [WWW.PLPCCSSETTLEMENT.COM](http://WWW.PLPCCSSETTLEMENT.COM)

## IF YOU DO NOTHING

### 17. What if I do nothing?

You will be included in the Settlement. However, you will release your claims against Defendants.

DATE: Month 00, 0000

QUESTIONS? VISIT [WWW.PLPCSETTLEMENT.COM](http://WWW.PLPCSETTLEMENT.COM)

# EXHIBIT E

**ATTENTION CUSTOMERS OF POINT LOMA PATIENTS CONSUMER COOPERATIVE  
A CLASS ACTION SETTLEMENT AFFECTS YOUR RIGHTS  
The Court ordered this notice so that you may decide what to do.**

A proposed class Settlement has been reached in *Beck v. PLPCC et al.*, No. 37-2017-00037524-CU-BT-CTL. This lawsuit alleges that the PLPCC cooperative was operated as a for-profit business in violation of California law, which requires cooperative profits to be distributed to patrons. The lawsuit further alleges that defendants improperly diverted revenue to themselves. Defendants strongly deny any wrongdoing.

If the Court approves the Settlement, Defendants will create a \$630,000 fund for (1) credits to the Class for free or discounted product at the PLPCC, (2) settlement administrative costs, and (3) a potential class representative incentive award. **If you purchased any product from PLPCC between August 1, 2015 and December 31, 2017, you will receive a credit at PLPCC d/b/a Golden State Greens, 3452 Hancock Street, San Diego, CA 92110.** The credits will be distributed *pro rata* based on your patronage at PLPCC. The Court may award attorneys' fees and costs up to \$200,000, which will be paid separately from the \$630,000 fund. Attorneys' fees not awarded by the Court will be added to the Settlement Fund and distributed as credits.

**If you wish to stay a member of the class and receive PLPCC credit, simply do nothing. You may also exclude yourself from or object to the Settlement with the option to appear at the final approval hearing on \_\_\_\_\_, 2019.** If you do nothing, or object to the Settlement, you will be bound by its terms and cannot later sue on your own behalf. If you exclude yourself, you will not receive anything, but will retain your right to sue. **Exclusion requests and objections to the Settlement must be submitted by \_\_\_\_\_, 2019.**

**To find out how to exclude yourself from the Settlement, or object to any part of it, visit [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com).** The website also contains more information about the lawsuit and the Settlement. Continue to check for updates. **If the Court approves the Settlement, [www.PLPCCsettlement.com](http://www.PLPCCsettlement.com) will tell you when PLPCC credits will be available to redeem.** PLEASE DO NOT CONTACT DEFENDANTS OR THE COURT FOR INFORMATION. **Questions? Contact us at [ask@PLPCCsettlement.com](mailto:ask@PLPCCsettlement.com).**

Joseph Fisher 2/16/2019 5:58 PM

Deleted: attorneys

Joseph Fisher 2/16/2019 5:58 PM

Deleted: Requests to be excluded

Beck v PLPCC  
Settlement Administrator c/o  
The Notice Company, Inc.  
P.O. Box 778  
Hingham, MA 02043

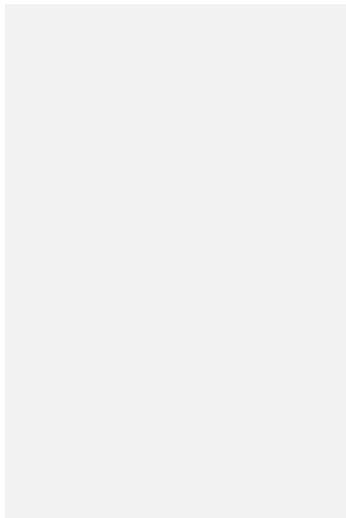
**NOTICE OF PROPOSED CLASS  
ACTION SETTLEMENT**

This Notice Affects Your  
Legal Rights

Please read it carefully

**[www.PLPCCsettlement.com](http://www.PLPCCsettlement.com)  
FOR MORE INFORMATION**

<<FName>> <<LName>>  
<<Addr1>> <<Addr2>>  
<<City>>, <<State>> <<Zip>>



# EXHIBIT F





## William R. Restis

### EDUCATION

- ❖ *U. San Diego School of Law*, J.D., 2006
- ❖ *James Madison College*, Michigan State University, B.A. 2002 (*Dean's List*)

### BAR ADMISSIONS

- ❖ California 2006

### COURT ADMISSIONS

- ❖ Southern District of California
- ❖ Northern District of California
- ❖ Central District of California
- ❖ Eastern District of California
- ❖ Ninth Circuit Court of Appeals
- ❖ California Fourth District Court of Appeals
- ❖ California Supreme Court

For over a decade, I have been litigating complex, multi-district, and multi-party class actions. I have recovered over two hundred million dollars in value for class members and clients, and changed the law to help protect them.

I founded The Restis Law Firm, P.C. in 2017. Prior to founding RLF, I represented investors and consumers at San Diego's oldest class action law firm, Finkelstein & Krinsk LLP.

In addition to class actions, I also practice other forms of complex litigation. This includes representing whistleblowers before the Department of Justice and Securities and Exchange Commission.

I also served as general counsel for two technology start-ups, and am a longtime board member of a highly successful non-profit.

I am currently Lead Counsel or co-counsel to Lead Counsel in the following cases:

✚ *In re Tezos Securities Litigation*, No. 3:17-cv-06779-RS (N.D. Cal.) (challenging whether "Initial Coin Offering" of cryptocurrency was an illegal offer and sale of securities in violation of the Securities Act of 1933) (Co-Counsel to Court appointed Lead Counsel)

✚ *Faasse et al. v. Coinbase, Inc.*, No. 3:18-cv-01382-JD (N.D. Cal.) (challenging Coinbase's ability to keep Bitcoin that was sent from Coinbase users to third parties but was never claimed) (Lead Counsel)

Notable past cases that I was either lead attorney or had significant involvement include:

✚ *Blevins v. Capital Alliance Group*, No. 2:18-cv-364-EAS-KAJ (S.D. Ohio) (won dismissal of TCPA class action within 4 months) (Lead Counsel for defendant)

A handwritten signature in black ink, appearing to read 'The Restis Law Firm, P.C.', is positioned above a horizontal line.

🚩 *Northrup v. Capital Alliance Group*, No. 8:18-cv-23-JLS-DFM (C.D. Cal.) (won dismissal of TCPA class action within 8 months) (Lead Counsel for defendant)

🚩 *Hahn v. Massage Envy Franchising LLC*, No. 3:12-cv-000153 (S.D. Cal.) (nationwide settlement with 75% restitution of class members' lost prepaid massages valued by experts between \$179-\$225 million). In *Massage Envy*, I won every motion, and established complete liability to the class on *plaintiff's* motion for summary judgment. 2014 WL 5100220 (S.D. Cal. Sept. 25, 2014). In doing so, the Court adopted my proposed extension of California's doctrines on unconscionability, liquidated damages and franchisor liability that have since been relied upon by several courts.

🚩 *Sanai v. BMW of North America*, No. 2:12-cv-06105 (D.N.J.) (nationwide settlement recovering lost warranty and 100% reimbursement of repair costs valued by expert at \$12.8 million)

🚩 *Derry v. Jackson Nat'l Insurance Co.*, No. 4:12-cv-1380 (N.D. Cal.) (California settlement recovering \$11.2 million in annuity surrender charges, and reducing future surrender charges)

🚩 *Klien v. Walgreen Company et al.*, No. GIC 795254 (S.D. Sup. Ct.) (California class settlement prohibiting pharmacies from using medical information for marketing)

🚩 *Utility Consumers Action Network v. Albertsons, Inc. et al.*, No. GIC830069 (S.D. Sup. Ct.) (California class settlement prohibiting pharmacies from using medical information for marketing)

🚩 *Scherer v. Tiffany and Company, Co.*, 3:11-cv-00532 (S.D. Cal.) (class action settlement providing free Tiffany's merchandise)

🚩 *Austin v. Michaels Stores Inc.*, No. 37-2011-00085906 (S.D. Sup. Ct.) (class action settlement providing free merchandise)

🚩 *Saratoga Advantage Trust v. ICG, Inc. et al.*, No. 2:08-cv-00011 (S.D.W. Va.) (\$1.4 million securities class action settlement)

---

