

IN THE CIRCUIT COURT OF THE SECOND JUDICIAL CIRCUIT
GADSDEN COUNTY, FLORIDA

TRULIEVE INC.,
TRULIEVE CANNABIS CORP.,
and KIM RIVERS,

Plaintiffs,

v.

Case No.:

GRIZZLY RESEARCH LLC, GEOINVESTING, LLC,
SIEGFRIED "SIGGY" EGGERT, SCOTT A. ST. JOHN, and
JEAN-JOSEPH W. LINDOR, JR.,

Defendants.

COMPLAINT

Plaintiffs Trulieve Inc., Trulieve Cannabis Corp. (collectively, "Trulieve") and Kim Rivers sue Grizzly Research LLC, GeoInvesting, LLC, Siegfried "Siggy" Eggert, Scott A. St. John, and Jean-Joseph W. Lindor, Jr., and allege:

PARTIES

1. Plaintiff Trulieve Inc. ("Trulieve Inc.") is a Florida corporation with its principal address, as well as facilities, in Gadsden County. Many of Trulieve Inc.'s shareholders are Florida residents. Trulieve Inc. relies on the financial strength and good name of its parent company (Plaintiff Trulieve Cannabis Corp.) such that injury to the parent's reputation would likewise injure Trulieve Inc., and vice versa. At times in this Complaint Trulieve Inc. and Trulieve Corp. are collectively referred to as "Trulieve."

2. Plaintiff Trulieve Cannabis Corp. (“Trulieve Corp.”) is a holding company formed in British Columbia, Canada whose only assets are subsidiaries, which subsidiaries include Trulieve Inc. Trulieve Corp. owns no properties – its registered office in the United States is a facility owned by Trulieve Inc. in Gadsden County, Florida. Trulieve Corp. has no employees and instead acts through agents, most of whom are Florida residents employed by and paid through Trulieve Inc. Trulieve Corp. is publicly traded on the Canadian Stock Exchange under the symbol TRUL and over the counter under the symbol TCNNF.

3. Plaintiff Kim Rivers is a resident of Florida, the CEO of Trulieve Inc. and Trulieve Corp., and sues in her official and individual capacities.

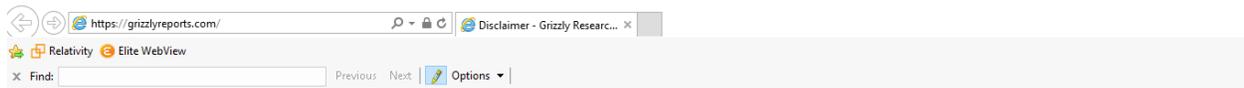
4. Defendant Grizzly Research LLC (“Grizzly”) is a Delaware limited liability company who published false and defamatory statements about Plaintiffs and used agents in Florida to trespass on Trulieve Inc. property in order to obtain information and images used to defame Plaintiffs.

5. Grizzly represents itself as being “focused on producing differentiated research insights on publicly traded companies through in-depth due diligence.” *See* Grizzly’s Twitter Page, attached as Exhibit A.

6. However, Grizzly admits on its website that it may have “short positions in the companies covered,” such as Trulieve, and states: “We are **biased in our views**, just as investors, the company we publish on, the investment banks, and almost any stakeholder.” *See* Grizzly’s “About” Page attached as Exhibit B.¹ Grizzly further admits: “You should assume that as of the publication date of the reports found on this website, GRIZZLY RESEARCH LLC **stands to**

¹ All emphasis in quotations is added unless otherwise noted.

profit in the event the issuer’s stock declines.” See Grizzly’s “Disclaimer” Page, available at <https://grizzlyreports.com/> (last accessed January 10, 2020), excerpted below.



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You agree to do your own research and due diligence before making any investment decision with respect to securities discussed herein. You represent to GRIZZLY RESEARCH LLC that you have sufficient investment sophistication to critically assess the information, analysis and opinions in this report. You further agree that you will not communicate the contents of this report to any other person unless that person has agreed to be bound by these same terms of service.

You should assume that as of the publication date of the reports found on this website, GRIZZLY RESEARCH LLC stands to profit in the event the issuer's stock declines. We may buy, sell, cover or otherwise change the form or substance of its position in the issuer. GRIZZLY RESEARCH LLC disclaims any obligation to notify the market of any such changes.

7. Defendant GeoInvesting, LLC (“GeoInvesting”) is a financial research and investment firm with an office located at 4440 Township Line Road, Skippack, PA, 19474 and is a Pennsylvania limited liability company. GeoInvesting appears to have an emphasis on “short selling,” which is the practice of borrowing shares of a stock to sell, then purchasing the shares later to return to the lender. If the share price decreases in the interim time period, the short seller makes a profit; conversely, if the share price increases, the short seller loses money.

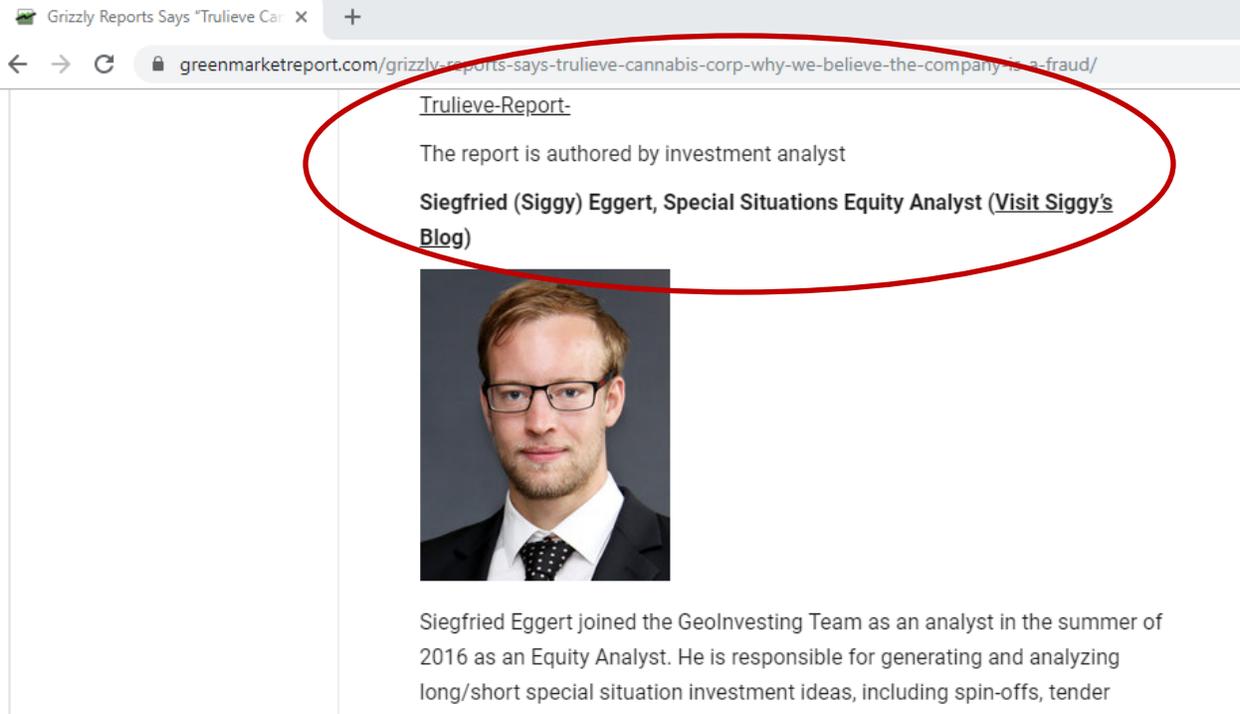
8. As noted on GeoInvesting’s website, short selling “allows people to benefit from a stock price going down.” See *Why Short Selling is Important*, GeoInvesting, available at <https://geoinvesting.com/short-selling-important/> (last accessed January 10, 2020). GeoInvesting understands that mere allegations of misdoing and fraud at a company can cause that company’s stock price to decrease, thereby benefiting short sellers. *Id.*

9. Defendant Siegfried “Siggy” Eggert is a Pennsylvania resident and employee or agent of Defendant GeoInvesting, where, as a “Special Situations Equity Analyst,” he is

“charged with generating and analyzing long/short special situation investment ideas.”² See GeoInvesting, *Meet the GeoInvesting Team*, available at <https://geoinvesting.com/meet-geoinvesting-team/> (last accessed January 10, 2020), attached as Exhibit C.

10. Defendant Eggert, upon information and belief, is an author and a publisher of the false and defamatory statements at issue made on behalf of Defendant GeoInvesting and others contained in a “report” entitled: “Trulieve Cannabis Corp: Why we believe the Company is a Fraud” (attached as Exhibit D, the “Report”). See Green Market Report, *Grizzly Report Says “Trulieve Cannabis Corp: Why we believe the Company is a Fraud,”* available at <https://www.greenmarketreport.com/grizzly-reports-says-trulieve-cannabis-corp-why-we-believe-the-company-is-a-fraud/> (last accessed January 10, 2020), attached as Exhibit E (“Published by Siegfried Eggert of GeoInvesting the report alleges a **list of wrongdoings so egregious** that it’s impossible to know where to start;” and “The report is authored by investment analyst Siegfried Eggert”). Following is a screenshot of the Green Market article:

² Eggert appears to have an identical role with a Delaware limited liability company: Leonite Capital LLC (see Leonite Capital, *Our Team*, available at <http://leonitecap.com/team> (last accessed January 10, 2020)). Leonite, like GeoInvesting, appears to focus on short selling.



11. At all relevant times with respect to preparing and publishing the Report, Eggert was an employee and/or agent acting within the scope of his employment and/or agency for Grizzly and/or GeoInvesting.

12. At all relevant times, upon information and belief, Defendants Grizzly, GeoInvesting, and Eggert, acted in coordination and concert to create and publish the false and defamatory statements contained in the Report for the purpose of launching a “short sale attack” on Trulieve Corp.’s stock; *i.e.*, causing a decrease in the price of the stock so they, their affiliates, and/or others with whom or on whose behalf they were working, could profit. Grizzly, GeoInvesting, and Eggert are collectively referred to as the “Short Sale Defendants.”

13. Defendant Scott A. St. John is a Florida resident who was acting as an agent for defendants Grizzly, GeoInvesting, and Eggert when he trespassed on Trulieve Inc.’s property on or about November 25-26, 2019.

14. Defendant Jean-Joseph W. Lindor, Jr., is a Florida resident who was acting as an agent for defendants Grizzly, GeoInvesting, and Eggert when he trespassed on Trulieve Inc.'s property on or about November 25-26, 2019.

JURISDICTION AND VENUE

15. The Court has jurisdiction pursuant to Article V, Section 5(b) of the Florida Constitution and Section 26.012(2), (3), Florida Statutes.

16. The Court has personal jurisdiction over defendants St. John and Lindor because they are Florida residents that committed trespass and violated Section 934.50, Florida Statutes, in Gadsden County. The Court has personal jurisdiction over the Short Sale Defendants pursuant to Section 48.193(1)(a)2. because they committed tortious acts within Florida, causing Plaintiffs' injuries.

17. The claims at issue exceed \$30,000, exclusive of interest, costs and attorney fees.

18. Venue is proper in this county pursuant to Sections 47.011, 47.041, and 770.05, Florida Statutes, because the causes of action accrued in Gadsden County.

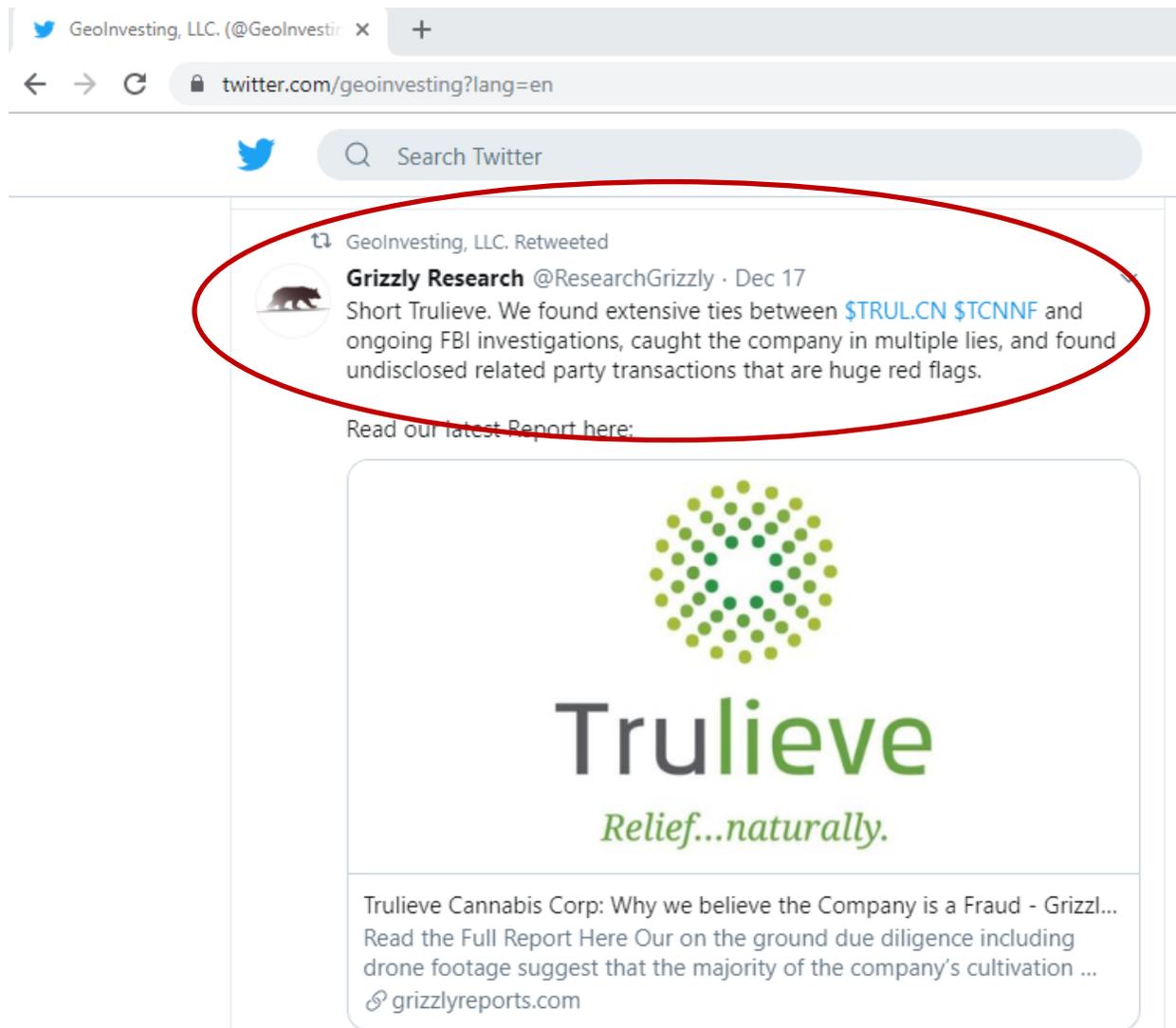
THE INTENTIONALLY FALSE AND DEFAMATORY STATEMENTS

19. Defendant Eggert authored the Report as agent or on behalf of, or otherwise in concert with, Grizzly and GeoInvesting.

20. Upon information and belief, Eggert authored the report as the agent, under the direction and control, or otherwise on behalf of Grizzly and GeoInvesting.

21. On or about December 17, 2019, the Short Sale Defendants published, or caused the publication of, the Report, including making the Report available on Grizzly's website at <https://grizzlyreports.com/trulieve-cannabis-corp-why-we-believe-the-company-is-a-fraud/> (last accessed January 10, 2020), Exhibit F, as well as via Tweets on Grizzly's Twitter account at

<https://twitter.com/ResearchGrizzly> (last accessed January 10, 2020), Exhibit A, and Geo Investing's Twitter account:



22. While the Report only names Trulieve Corp., it includes images and descriptions of Trulieve Inc.'s property without differentiating between the two companies and is defamatory and damaging to both.

23. "Report" is defined as "A formal oral or written presentation of **facts** or a recommendation for action." *See* REPORT, Black's Law Dictionary (11th ed. 2019). Upon

information and belief, the Short Sale Defendants mistitled the paper as a “report” to garner clout as an unbiased research paper containing unbiased objective facts.

24. The Report contains a watermark across the entire front page: “**Not For Distribution**”—yet, inexplicably, it has been distributed via the World Wide Web.

25. The Report contains numerous false statements of fact made for the sole purpose of harming Trulieve’s reputation and driving its stock price down so that Grizzly’s and GeoInvesting’s owners, officers, directors, employees, agents, and affiliates, as well as other co-conspirators believed to be individual investors and/or investment funds or firms engaged in short-selling Trulieve stock, can profit from the decline in share price caused by the false Report.

26. Grizzly’s intent to harm Trulieve is confirmed by its Tweets, which repeat and amplify the Report’s false and defamatory statements intended to induce investors to “**Short Trulieve Read our latest Report here:**”

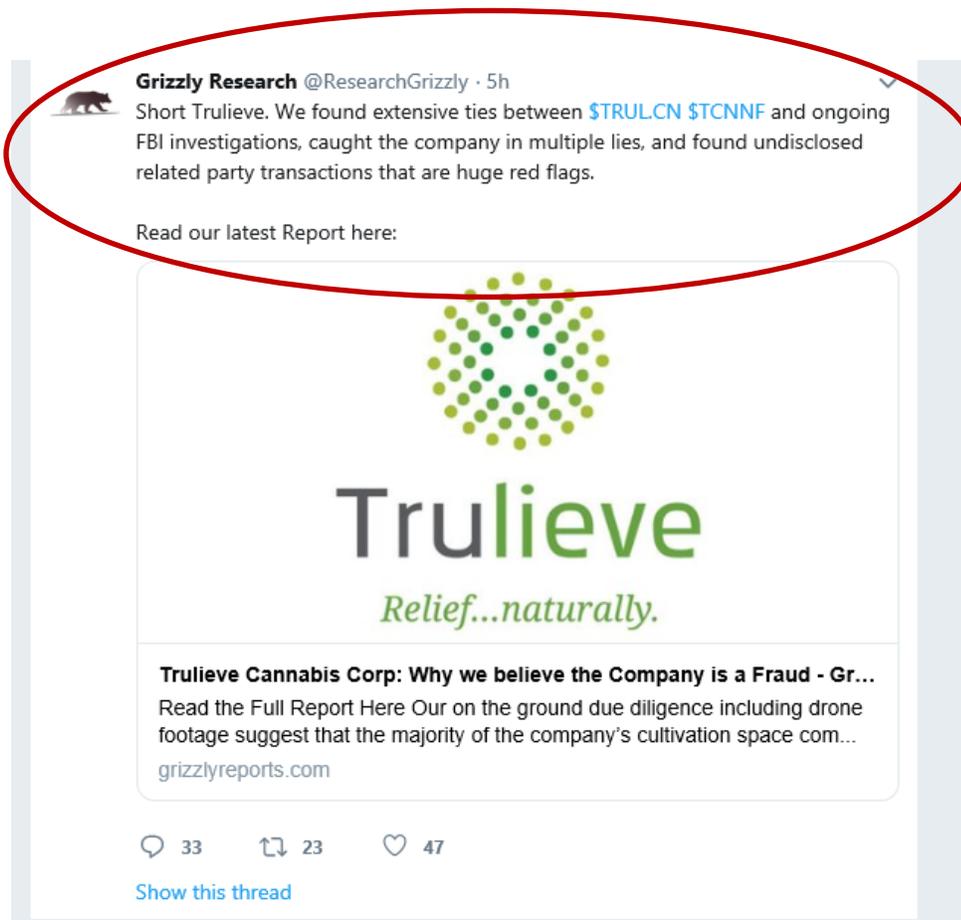


Exhibit A. Grizzly’s Tweets do not include a disclaimer even though the Tweets include financial advice.

27. Within five hours of the first Tweets, the Report – and Grizzly’s call to “Short Trulieve” – had been retweeted numerous times. GeoInvesting similarly makes “Calls toAction” for investors to take short positions on stocks. *See* GeoInvesting, “Calls to Action,” available at <https://geoinvesting.com/calls-to-action/> (last accessed January 10, 2020), attached as Exhibit G.

28. The Report makes misrepresentations to trick readers into believing the “research” was objective, extensive, reliable, and credible. For example, the Report claims: “We did extensive on-the-ground due diligence (otgdd), visited all warehousing and manufacturing facilities,” Report, p. 14; and “We went out and visited Trulieve’s growth and production facilities,” Report p. 2. The Report uses “visited” six times, insinuating the author(s) toured the

facilities and/or had greater access than merely trespassing for the purpose of illegally flying a drone. None of the defendants had access to, nor the ability to observe, Trulieve's interior cultivation and processing operations.

29. The Report points to no testing of any Trulieve products and, upon information and belief, no such testing was conducted in connection with the Report. As a result, there is no basis to support the false statements in the Report that Trulieve's products are "low quality" and/or have spider mites, white powdery mildew, root rot, nutrient burn, contamination, or other quality concerns. *See* Report, pp. 16-17.

30. The statements made in the Report are false and defamatory *per se* as they impute criminal conduct and/or conduct that is incompatible with the proper exercise of lawful business, including, but not limited to:

- a. "We expect serious consequences for CEO Kim Rivers and Trulieve. **They have been crooks then, and they are crooks now.**" Report, p. 26. This statement is false because—aside from the false and malicious allegations in the Report—neither Trulieve nor Ms. Rivers are or have been accused, let alone have been convicted, of any criminal activity.
- b. "The **company outright lied** in its disclosures about the nature of the lenders!" Report, p. 2.³ This statement is false as all loans and lenders have been accurately and appropriately disclosed in Trulieve's public filings.

³ The false statement that the company lied permeates the Report. *See, e.g.*, Report, p. 6 ("The **company lied** in its listing statement about this note not belonging to an unrelated party."); *id.* p. 26 ("**Trulieve lied** about being lenders being third parties, and failed to disclose real estate transactions with Insiders....").

- c. “The ‘advantage’ they purport comes from **accounting maneuvers** on the biological asset balance.” Report, p. 22; see also Report, p. 2 (“The company’s profitability is largely reliant on paper-gains, namely mark up on biological assets.”). These statements are false because Trulieve does not engage in any such improper “maneuvers,” all accounting for biological assets is in accordance with International Financial Reporting Standards (“IFRS”), and the company’s financials are routinely audited by independent reputable public accountants.
31. A significant portion of the Report is devoted to an FBI investigation unrelated to Trulieve Corp., as well as to entities or individuals outside of Trulieve’s organizational and operational structure, such as Solarsink LLC, J.T. Burnette, Shelton Dean Inc., IB Tallahassee LLC, and One More Wish.
32. Similarly, the Report improperly links Trulieve Corp. to entities or ventures that pre-dated or have no relation to Trulieve’s existence and operations as a licensed medical marijuana treatment center (“MMTC”). *See e.g.*, Report, pp. 4-6 (discussing Sunnyland Solar, Edison Restaurant, Hotel Duval, and DoubleTree Hotel).
33. The Report falsely implies that Trulieve Corp. and its CEO Ms. Rivers financed political contributions to Florida officeholders for the purpose of rigging the MMTC license approval process. *See* Report, pp. 8-9.
34. The Report further defames Trulieve by conspiratorially linking the company to the notorious “Lev Parnas and Igor Fruman, the two soviet born US citizens close to Rudy Guiliani [*sic*] and involved in campaign finance scandals” whom the FBI alleged in an indictment sought to buy the “political favor necessary to snag a lucrative medical marijuana license in Florida.” Report, p. 9.

35. The Report also implies that Trulieve’s products are unsafe, making repeated references to Trulieve Corp.’s “low-quality” products that allegedly somehow fail to satisfy “Trulieve’s government-mandated obligation to ... provide safe, clean, and efficacious offering of medical cannabis.” *See, e.g.*, Report, pp. 2, 14-16.⁴ First, as noted above, Defendants had no access to observe Trulieve’s indoor cultivation and processing operations, nor have Defendants provided any testing results to support such statements. Regardless, these statements are false and defamatory as Trulieve’s products are independently tested for compliance with all applicable regulations—a fact publicly posted and readily available on its website, as well as confirmed by numerous independent third parties.

36. Trulieve engaged the undersigned to address the Short Sale Defendants’ defamatory statements. On December 18, 2019, undersigned counsel served Grizzly’s registered agent with a letter demanding that Grizzly cease and desist publishing the Report. The letter was also served upon the address identified on Grizzly’s website.

37. On December 20, 2019 Trulieve issued a cease and desist letter to defendants GeoInvesting and Eggert.

38. None of the Short Sale Defendants have responded to the cease and desist letters, nor have they retracted the Report. As of this filing, the Report still appears on the Grizzly Reports Website and social media accounts.

39. Within hours of the Report’s publication plaintiffs’ class action firms began recruiting plaintiffs and indicated their intent to file suits against Trulieve based upon the contents of the Report.

⁴ The multiple references to “hoop houses” that purportedly produce “low quality” product is ill-informed and misleading as the crops cultivated therein are only used for the production of extracted cannabis oil and not flower for patient use.

40. On December 30, 2019, a class action lawsuit based entirely upon the false and defamatory Report was filed in the United States District Court for the Eastern District of New York. As a result, Trulieve has been forced to hire legal counsel—and has incurred and will continue to incur substantial legal fees to—defend the baseless claims therein.

DEFENDANTS’ ILLEGAL TRESPASS AND SURVEILLANCE

41. The Report states: “We went out and visited Trulieve’s growth and production facilities....” Report p. 2; *see also id.*, p. 14 (“We ... visited all warehousing and manufacturing facilities....”).

42. The Report also states: “We visited the Virginia Street Indoor Growth facilities on Monday November 25th in Quincy, Florida” and “We visited the head office and warehouse on Monday November 25th at 6749 Ben Bostic Rd Quincy, Florida.” *See* Report, p. 17-19.

43. The authors / publishers admit that “We ... flew drones over the areas we inspected...,” and the Report contains pictures of Trulieve’s facilities taken by drone and in person. *See* Report, pp. 14-16.

44. When Trulieve Inc. employees saw Defendants St. John and Lindor trespassing on Trulieve Inc.’s property to take these pictures, they called the Gadsden County Sheriff’s Office. *See* Trulieve Incident Report, attached as Exhibit H. The Gadsden County Sheriff’s Office dispatched deputies to the scene. *See* GCSO Trespass Report, attached as Exhibit I.

45. The deputies issued a trespass warning to Defendants St. John and Lindor for all Trulieve properties and stated they would be arrested if they returned. *See* Incident Report. Nonetheless, after this, the Report admits: “We visited Trulieve’s processing facility in Midway Florida on Tuesday November 26th.” Report, p. 17. In other words, Defendants – through St.

John and Lindor – intentionally again trespassed on Trulieve property the day after the Gadsden County Sheriff’s Office issued the trespass warning.

46. The information obtained by Defendants St. John and Lindor’s trespass on Trulieve Inc. property is included in the Report for purposes of inducing readers to short sell or otherwise decrease the value of Trulieve Corp. stock.

47. Plaintiffs have suffered damages as a result of Defendants’ conduct.

COUNT I – VIOLATION OF SECTION 934.50(3)(b) BY ALL DEFENDANTS

48. Plaintiffs reallege and incorporate paragraphs 1 - 47 as if set forth in full herein.

49. The Short Sale Defendants, via their agents Defendants St. John and Lindor, used one or more drones equipped with an imaging device to record images of Trulieve Inc.’s privately owned real property. Such drone use was done with the intent to conduct surveillance on said property in violation of Trulieve Inc.’s reasonable expectation of privacy and without Trulieve Inc.’s written consent in violation of Section 934.50(3)(b), Florida Statutes. At all relevant times, St. John and Lindor were acting within their capacity as agents, employees, or contractors of the Short Sale Defendants.

50. The images obtained from this illegal use of a drone were included in the Report. These images are of Trulieve Inc. property that cannot be seen from the public right-of-way at ground level, as recognized in the Report. *See, e.g.*, Report, p. 2 (“Our drone footage reveals stunning insights.”).

51. Use of the images in the Report caused compensatory damages for which Trulieve Inc. is entitled to seek relief and attorneys’ fees.

52. Trulieve Inc. is also entitled to injunctive relief to prevent future violations of Section 934.50(3)(b), Florida Statutes.

53. Trulieve Inc. provides notice that it intends to seek punitive damages in accordance with Section 768.72 as permitted by Section 934.50(3)(c), Florida Statutes.

COUNT II – TRESPASS BY ALL DEFENDANTS

54. Plaintiffs reallege and incorporate paragraphs 1 - 47 as if set forth in full herein.

55. Defendants lacked authority to enter Trulieve Inc.'s property.

56. The Short Sale Defendants, by and through their agents St. John and Lindor, wrongfully invaded Trulieve Inc.'s property.

57. Defendants injured Trulieve Inc.'s use and enjoyment of its property via their trespass.

**COUNT III – DEFAMATION OF TRULIEVE BY DEFENDANTS
EGGERT, GRIZZLY, GEOINVESTING**

58. Plaintiffs reallege and incorporate paragraphs 1 – 47 as if set forth in full herein.

59. The Short Sale Defendants authored and published the Report.

60. The written statements made by Eggert in the Report, tweeted by Grizzly, and retweeted by GeoInvesting are false and defamatory.

61. The Short Sale Defendants negligently published the false statements; alternatively, the false statements were made with actual malice because they were made with actual knowledge of their falsity or with reckless disregard as to their falsity.

62. The defamatory statements prejudiced Trulieve in the conduct of its business, deterred third persons from dealing with it, impugned its methods of doing business, imputed criminal conduct, and injured its business.

63. Trulieve suffered monetary damages, including special damages in the nature of legal fees required to defend against baseless claims arising from the Report, as a result.

**COUNT IV – DEFAMATION PER SE OF TRULIEVE BY
DEFENDANTS EGGERT, GRIZZLY, AND GEOINVESTING**

64. Plaintiffs reallege and incorporate paragraphs 1 – 47 as if set forth in full herein.

65. The Short Sale Defendants published false and defamatory statements about Trulieve Corp. and Trulieve Inc.’s facilities, operations, management, and products.

66. The defamatory statements published to third parties, when considered alone, tended to subject Trulieve to distrust, ridicule, contempt, and/or disgrace; and/or attributed to them criminal conduct and/or conduct or characteristics incompatible with the proper exercise of a lawful business. Trulieve has suffered damages as a result.

**COUNT V – DEFAMATION PER SE OF KIM RIVERS BY
DEFENDANTS EGGERT, GRIZZLY, AND GEOINVESTING**

67. Plaintiffs reallege and incorporate paragraphs 1 – 47 as if set forth in full herein.

68. The Short Sale Defendants published false and defamatory statements about Ms. Rivers.

69. The defamatory statements published to third parties, when considered alone, tended to subject Ms. Rivers to distrust, ridicule, contempt, and/or disgrace; and/or attributed to her criminal conduct and/or conduct or characteristics incompatible with the proper exercise of a lawful business. Ms. Rivers has suffered damages as a result.

**COUNT VI – VIOLATION OF FLORIDA DECEPTIVE AND UNFAIR
TRADE PRACTICES ACT BY ALL DEFENDANTS**

70. Plaintiffs reallege and incorporate paragraphs 1 – 47 as if set forth in full herein.

71. Under Florida’s Deceptive and Unfair Trade Practices Act (“FDUTPA”), § 501.201, et seq., Florida Statutes, “Unfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce” are declared unlawful.

72. “In any action brought by a person who has suffered a loss as a result of a violation of this part, such person may recover actual damages, plus attorney’s fees and court costs as provided in s. 501.2105.” *See* § 501.211(2) (emphasis added); *see also* § 501.211(1) (providing that “anyone aggrieved by a violation of this part may bring an action to obtain a declaratory judgment that an act or practice violates this part and to enjoin a person who has violated, is violating, or is otherwise likely to violate this part.”) (emphasis added). “Violation of this part” is defined to include “any violation of . . . [a]ny law, statute, rule, regulation, or ordinance which proscribes unfair methods of competition, or unfair, deceptive, or unconscionable acts or practices.” *See* § 501.203(3)(c), Florida Statutes.

73. Section 934.50, Florida Statutes, proscribes unfair, deceptive or unconscionable acts, to wit: using a drone to take images of otherwise not visible private property for the purpose of financial gain.

74. Defendants’ use of a drone to invade Trulieve Inc.’s privacy was unfair, unconscionable, and otherwise violated FDUTPA. Without the illegal use of a drone, Defendants would not have been able to peer into Trulieve Inc.’s property and facilities, nor include images in the Report.

75. Because Trulieve was damaged as a result of this violation, Trulieve hired the undersigned to file this action.

76. Trulieve is entitled to recover actual damages, plus attorney’s fees and court costs. *See* § 501.211(2), Florida Statutes.

RELIEF REQUESTED

WHEREFORE, Plaintiffs seek a judgment of this Court:

- (a) Awarding Plaintiffs damages, including special damages, in an amount to be determined at trial;
- (b) Awarding Trulieve Inc.'s reasonable attorney fees pursuant to Section 934.50(5)(b), Florida Statutes;
- (c) Requiring Grizzly to issue a public retraction of the Report and remove all copies of the Report from public view and enjoining Grizzly, Eggert and GeoInvesting, including their affiliates and agents, from further publishing the Report, Tweets and any other false and defamatory statements concerning Plaintiffs;
- (d) Awarding Trulieve's reasonable attorney's fees and costs pursuant to Section 501.2105, Florida Statutes; and
- (e) Awarding such other just and/or equitable relief as this Court deems necessary.

DEMAND FOR JURY TRIAL

Plaintiffs demand a trial by jury on all issues so triable.

NOTICE OF INTENT TO SEEK PUNITIVE DAMAGES

Plaintiffs provide notice of their intent to seek punitive damages in accordance with Section 768.72, Florida.

Dated: January 10, 2020

Respectfully submitted,

s/ Glenn Burhans, Jr.

GLENN BURHANS, JR.

Florida Bar No. 605867

BRIDGET K. SMITHA

Florida Bar No. 709581

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Counsel for Plaintiffs

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Grizzly Research

@ResearchGrizzly

Grizzly Research LLC is focused on producing differentiated research insights on publicly traded companies through in-depth due diligence.

[grizzlyreports.com](#)

Joined April 2019

[Photos and videos](#)



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Worldwide trends

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Tweets Tweets & replies Media

 **Grizzly Research** @ResearchGrizzly · 17 Dec 2019
Shout-out to the Tallahassee Democrat [@TDOOnline](#) and especially Jeff Schweers [@jeffschweers](#) for excellent coverage of the FBI investigation over the years and calling out corruption consistently. Top-notch journalism!

10
[Show this thread](#) 

 **Grizzly Research** @ResearchGrizzly · 17 Dec 2019
Trulieve lies about the nature of its lenders and depicts some of them as third parties that we could trace back to insiders. Also, all but one lender used shell entities that show no other activities. We ask: What (or who) is the company hiding with that opaque structure?

[@FBI](#)
 3 **1** **12**
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 **Grizzly Research** @ResearchGrizzly · 17 Dec 2019
We also found out that Burnette's construction company, which is mention in an FBI subpoena related to corruption in North Florida, is Trulieve's key construction partner. [@CitronResearch](#) [@BreakoutPoint](#) [@HindenburgRes](#) [@ContrarianShort](#)

4 **1** **12**
[Show this thread](#) 

 **Grizzly Research** @ResearchGrizzly · 17 Dec 2019
Trulieve has multiple undisclosed related party transactions that are huge red flags. One More Wish LLC, a company controlled by Kim Rivers' husband Burnette, flipped real estate to Trulieve for handsome profits. [\\$TRUL.CN](#) [\\$TCNNF](#) [@AlderLaneeggs](#) [@QCMFunds](#) [@DonutShorts](#)

Exhibit A

7,082 Tweets

[#FridayFeeling](#)

73.5K Tweets

[#FridayThoughts](#)

55.3K Tweets

[#FridayMotivation](#)

40.2K Tweets

[#AnimeAwards](#)

9,406 Tweets

[Life is Good](#)

173K Tweets

[The Dow](#)

26.6K Tweets

[Deadspin](#)

1,230 Tweets

[Torreón](#)

44K Tweets

[Mnuchin](#)

45.2K Tweets

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2



14



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Grizzly Research @ResearchGrizzly · 17 Dec 2019

We conducted extensive on-the-ground due diligence; Our drone footage reveals that most of Trulieve's cultivation space comes from hoop houses that produce low quality output that is prone to infestation and weather damage. [\\$TRUL.CN](#) [\\$TCNNF](#)



10



15



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Grizzly Research @ResearchGrizzly · 17 Dec 2019

Short Trulieve. We found extensive ties between [\\$TRUL.CN](#) [\\$TCNNF](#) and ongoing FBI investigations, caught the company in multiple lies, and found undisclosed related party transactions that are huge red flags.

Read our latest Report here:



Trulieve
Relief...naturally.

Trulieve Cannabis Corp: Why we believe the Company is a Fraud - Gr...
Read the Full Report Here Our on the ground due diligence including drone footage suggest that the majority of the company's cultivation space com...
grizzlyreports.com

41



69



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Grizzly Research @ResearchGrizzly · 27 Jun 2019

We believe that issues with the Morinda transaction will become very apparent soon. The company is simply not what it was portrayed to US investors to be.

[\\$NBEV](#)

Read our report and damning evidence here: grizzlyreports.com/nbev-sharehold...

2 8



Grizzly Research @ResearchGrizzly · 27 Jun 2019

Chinese regulators are increasingly targeting MLMs such as Morinda's, and we believe that Morinda's actions will invite legal trouble with the authorities in China. Btw, shout out to [@unemon1](#) for great coverage on [\\$NHTC](#)

[\\$NBEV](#)

[@muddywatersre](#) [@AlderLaneeggs](#) [@AureliusValue](#)

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Significant hidden liabilities north of \$50m came with the Morinda acquisition, which [\\$NBEV](#) failed to mention on it's conference call.

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Morinda has a demonstrably ineffective business model, having been forced to previously close down all European operations in September 2018. Is this the next MLM to go bust? [\\$NBEV](#) [\\$NHTC](#) [@unemon1](#)

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We deployed investigators to China to conduct on-the-ground due diligence. We found that Morinda is operating illegally in 6 out of 10 provinces. [\\$NBEV](#) [\\$NHTC](#)

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We believe Morinda's financials can simply not be relied upon: SAIC filings show Chinese revenue is only a fraction of what was reported to the SEC! [\\$NBEV](#)

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"NBEV Shareholder got Duped in the Morinda Transaction" We believe Morinda is falsifying financials and operating illegally in several jurisdictions in China.

Read our latest report here:

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Grizzly Research LLC is focused on producing differentiated research insights on publicly traded companies through in-depth due diligence.

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Grizzly Research 17 Dec

Short Trulieve. We found extensive ties between \$TRUL.CN \$TCNNF and ongoing FBI investigations, caught the company in multiple lies, and found undisclosed related party transactions that are huge red flags.

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Grizzly Research 30 May

In our first report we have uncovered material undisclosed related party transactions at \$INS that make the stock uninvestable. View our report here: <https://grizzlyreports.com/research/>

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Trulieve Cannabis Corp: Why we believe the Company is a Fraud

□ December 17, 2019



NBEV Shareholders got Duped in the Morinda Acquisition

□ June 27, 2019

Meet The GeoInvesting Team

The GeoInvesting team is comprised of full-time investors, researchers, writers and traders, spanning diverse professional and educational backgrounds. Led by Maj Soueidan, the team is charged with finding underfollowed and undervalued stocks that are on the cusp of growth. GeoInvesting is proud to consider itself an example of how a group of individuals can come together to cultivate a community in which investors of any creed can take advantage of a unique approach to investing.

Meet The GeoInvesting Team



Maj Soueidan, President & Co-founder ([Visit Maj's Blog](#))

Maj Soueidan is a full-time investor of 30 years. He co-founded GeoInvesting to bring institutional quality investment research to the individual investor and help broaden the awareness of the opportunities that exist in the inefficient micro-cap universe. In addition to educating investors on winning equity strategies, Mr. Soueidan has been on a mission to protect investors from fraud and pump and dump schemes. He introduced the “China fraud” to Geoinvesting and through his research process, identified dozens of U.S. listed China stocks he concluded were frauds, so that the Geoinvesting team could perform exhaustive on-the-ground due diligence research on them, including Puda Coal and Yuhe Intl.

Maj works with and manages the GeoInvesting Team on a daily basis to increase its investment opportunity pipeline and heighten GeoInvesting’s awareness in the financial markets to intensify its market influence. He stresses the concept of “information arbitrage” in an era where information overload has actually made it more difficult for investors to locate profitable information. An information arbitrage exists when a disconnect between stock prices and available public information on a company is noticeable, and monetarily worth pursuing. [More on Maj...](#)

Manny Stoupakis, Trader/Research Analyst

Exhibit C



Manny Stoupakis joined GeoInvesting in 2012 as a full time investor after working as a trader and equity analyst apprentice studying under GeoInvesting Co-founder Maj Soueidan since 2010. Before Manny joined GeoInvesting he worked in the sports athletic training field and had little to no finance background. Manny is a great example of the unique blend of people that make up our team, combining the everyday investor with Wall Street.

His responsibilities at GeoInvesting include using financial platforms to research and build valuation models, interacting with management and investment professionals, and assisting in article generation for both bullish and bearish research reports. He is proficient in numerous trading platforms including Interactive Brokers, Redi, Convergenx, Knight Direct, TD Ameritrade, and e-Trade. He has a comprehensive understanding of all SEC filings and also has experience in hedge fund investor relations. Manny holds a Bachelor's Degree from Temple University and is fluent in both English and Greek.



Chris Jacobs, Equity Analyst

Chris Jacobs joined GeoInvesting in January 2014 as an equity analyst. His responsibilities include fundamental equity research and generating long/short investment ideas. Mr. Jacobs led the research efforts into Tech Pro Technology (3823.HK), a \$2B market cap company which dropped ~95% in the months following release of the research report. Prior to GeoInvesting, Mr. Jacobs held internships at investment banking and equity research firms. Mr. Jacobs is currently a CFA Level III candidate and is fluent in both English and Mandarin. We have omitted Mr. Jacobs' background and the universities he attended for safety reasons, and because he is one of our leading due diligence analysts for our China research.



Zou Soueidan, Content Management/Equity Research

Zou Soueidan joined the GeoInvesting Team in 2008. He holds a degree in Engineering from The Pennsylvania State University. In addition to performing public company due diligence, his primary contributions to the company include ensuring the integrity of GeoInvesting's website infrastructure and security, and the daily management of website and investment product development. Mr. Soueidan's career in Engineering spanned 1996 to 2007. He served as lead task manager for several multi-million dollar, federally funded projects. Requirements for this role included mastering software programs that facilitated the various aspects of engineering design. At GeoInvesting, Mr. Soueidan also uses his technical background for downstream report editing prior to publications.

Siegfried (Siggy) Eggert, Special Situations Equity Analyst ([Visit Siggy's](#))



Blog)

Siegfried Eggert joined the GeoInvesting Team as an analyst in the summer of 2016 as an Equity Analyst. He is responsible for generating and analyzing long/short special situation investment ideas, including spin-offs, tender offers, M&A, and bankruptcy proceedings. Siegfried has over five years of practical experience investing in small- and micro-cap companies and managing

portfolios.

Before coming to the United States, Siggy was born and raised in Germany, and studied International Business in the Netherlands, Hanze University of Groningen, where he received his Bachelor of Arts with Honors, majoring in Finance and Accounting. Siegfried also spent seven months studying in Beijing at Beijing Technology and Business University, after which he received a minor in Asian Business.

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@Jesse_Livermore pic.twitter.com/TkpHymwxUU

— Maj Soueidan (@majgeoinvesting) February 6, 2016

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Trulieve Cannabis Corp: Why we believe the Company is a Fraud

- Our on the ground due diligence including drone footage suggest that the majority of the company's cultivation space comes from hoop houses that produce low quality output that is prone to infestation and weather damage.
- We found extensive ties between Trulieve and ongoing FBI investigations into corruption in North Florida.
- Trulieve's initial license approval stinks of corruption and involved multiple undisclosed conflicts of interest.
- CEO Kim Rivers' husband, JT Burnette is at the very center of the FBI probe, he is the right-hand man of disgraced politician Scott Maddox, and an integral part to the criminal enterprise accused of charges ranging from racketeering to falsifying statements.
- Our research indicates that Burnette is Trulieve's key construction partner. Burnette's construction firms were also called out in the subpoena and are involved in scandals involving public funds in North Florida.
- There are several undisclosed related party transactions, where Burnette affiliated companies sold real estate to Trulieve at a huge profit.
- Trulieve lies about the nature of its lenders, and depicts some of them as third parties that we could trace back to insiders. Also, all but one lender used shell entities that show no other activities.
- Given the opaque set up and lies Trulieve told about its financing sources we are deeply worried what Trulieve is hiding. Inkbridge, a lender of Trulieve that is controlled by Kim Rivers, is known for using government funds to finance ventures. There are also reports of shady foreign individuals trying to get a foothold in Florida's medical marijuana industry. We ask: Where did the money really come from?
- The company's portrayed profitability relies on mark-ups on their grown product, which we believe to be highly suspect in-light of our findings. Also, the company takes out tiny loans from insiders when it is supposedly swimming in cash.
- Trulieve is facing several economic headwinds, such as increasing competition. With the low-quality production facilities we uncovered, we believe Trulieve will not be able to compete.



1. Introduction

Trulieve is portrayed as the rising star in the Cannabis space. Since the company came public in late 2018, it has posted spectacular numbers, far outpacing peers. Trulieve is also the only publicly traded Cannabis company that reports profitability. It is almost too good to be true...

Our investigations revealed a different side of the company. Trulieve and its insiders are deeply involved in ongoing FBI investigations. CEO Kim Rivers and companies affiliated with her are mentioned in FBI subpoenas. Kim River's husband, JT Burnette, is currently indicted for serious charges such as racketeering. Kim and her husband seem to be at the very center of a political crime ring in North Florida, that dealt in political favors and allegedly obfuscated government funds.

We found out that Burnette construction company, which is also mentioned in the subpoena, is the key construction partner of Trulieve. Burnette's financial engineering company is also involved as a direct lender and the pattern alleged in previous busted deals shows up at Trulieve.

The shell companies that financed Trulieve before it went public are deeply suspicious, show no other operations and its unclear where funds really came from. We were able to link lenders that Trulieve disclosed as third parties back to insiders. The company outright lied in its disclosure about the nature of the lenders! Trulieve also fails to disclose several related party transactions with particular names such as "One More Wish LLC" and "Big Wish LLC" that can be linked back to Burnette.

CEO Kim Rivers is alleged to be central in financial engineering schemes that potentially obfuscated state funds, and we are deeply worried about the source of Trulieve's funds and the nature of the lenders. We want to remind you that cannabis businesses still don't have access to legal banking. Kim Rivers and her husband have access to a political network that specializes in accessing government grants and loans. Does anybody feel reminded of the movie "[The Irishman](#)"?

We went out and visited Trulieve's growth and production facilities, interviewed locals, and employees. Our drone footage reveals stunning insights. Trulieve operates approximately 1.4million square feet of outdoor hoop houses, that produce low quality product prone to infestation and weather damage. Trulieve claims to operate 1.7million square feet of cultivation space in total. Any company claims of wanting to "deliver the highest quality flower possible" falter in light of our findings.

The company's profitability is largely reliant on paper-gains, namely mark up on biological assets. Real cash flow has been in fact negative. We saw the company's low-quality production, which makes us highly suspicious of the mark-ups that are far bigger than in for any other peer. The company had to borrow tiny amounts from insiders when it was supposedly swimming in cash.



2. Brief History of Trulieve

Trulieve Inc. was founded in 1990 as George Hackney Inc. and renamed in July 2018 just prior to the becoming public. Trulieve completed a [reverse merger](#) with Canada listed shell company Schyan Exploration and started trading under the symbol TRUL on the Canadian Securities Exchange in September 2018. As part of the reverse merger Trulieve issued 11m shares at C\$6 per share.

Trulieve CEO Kim Rivers moved to Tallahassee from Atlanta shortly before the 2008 housing crash. She soon started companies to buy and renovate properties. She also founded consulting companies to help others seek local and state tax [incentives](#) and has worked extensively with John Thomas Burnette, a local business man. In a 2013 interview with [850 magazine](#) Kim talks about Burnette's business acumen, and how she hungered for a "big deal high".

In spring of 2014, Gov. Rick Scott signed off on the Compassionate Medical Cannabis Act. The legislation divided the state into five regions with one license each to cultivate low-THC marijuana and process its oil into medicine to treat children afflicted with a severe form of epilepsy and cancer patients. At the same time Rivers teamed up with Jason Pernell, a medical marijuana dispensary owner who has stores in California and Oregon, to form pursue a cannabis venture. They quickly partnered with Hackney Nursery, Simpson Nursery, and May Nursery, two North Florida growers located about 30 minutes from Tallahassee, to obtain a medical marijuana [license](#).

In November 2015 Hackney/Trulieve was [awarded](#) one of the five licenses the state handed out. There were 28 applicants in total, each one of five regions were supposed to get a license to grow low THC medical cannabis and Hackney was one of four applicants for the Northwest Florida license. The licensing process was very shady, and involved multiple undisclosed conflicts of interest.

By the time of the public listing Trulieve had achieved leadership status in Florida's nascent cannabis industry. Trulieve reported that it operates 507,100 square feet of cultivation facilities across three sites as of October 2018. Trulieve has also been the leader in Florida in dispensary openings. At the time of the public listing Trulieve had 16 dispensaries and has continued to grow the dispensary location count rapidly.



3. Suspicious Funding Sources

The company's cannabis ventures were financed mostly by related party notes and show several red flags. According to county real estate records George Hackney Inc. aka Trulieve, transferred most of the real estate it possessed out of the company into newly formed Hackney Nursery Inc. but left the company a few parcels to pursue its cannabis venture.

In April 2016 George Hackney personally lent \$1million to the company to obtain a medical cannabis license. Consequentially the company took multiple notes from related parties, and a few from unrelated investor groups. Just before the public offering Trulieve recorded over \$20million in related party debt, which is the majority of capital that went into the company at that point.

As part of its reverse merger in September 2018, Trulieve issued equity capital in the form of 11m shares priced at C\$6 per share. About \$12million of the total \$64million in proceeds were used to reduce outstanding notes.

The structure for the financings is very peculiar. All entities were formed just prior, and in case of Track V apparently even after granting the loan to Trulieve. All but one lender links back to insiders. The lenders also show no other activities, websites, EIN number, despite having millions to invest. We are also suspect how these entities were funded, especially since this murky structure gives plenty of opportunities to hide the participation of unknown parties.

There were several related party groups that funded the company that investors should be very uncomfortable with.

3.1 The Presence of Inkbridge, LLC is deeply worrying

Inkbridge, LLC lent \$1.8m to Trulieve in November 2017, the note was rolled into a subsequent note Trulieve calls the Rivers Note. Inkbridge is mentioned in the FBI subpoena and links to Scott Maddox, and it certainly fits into the picture. Inkbridge is financial engineering firm, that Rivers and Burnette ran even prior to Trulieve. The company specialized in getting access to government grants, and preferential financing options. How this has led potentially to embezzlement of funds can be seen in our case studies. Kim was also taking a prominent role in the community and has been involved with the Leon County Sales Tax Committee and the Downtown Improvement Authority.

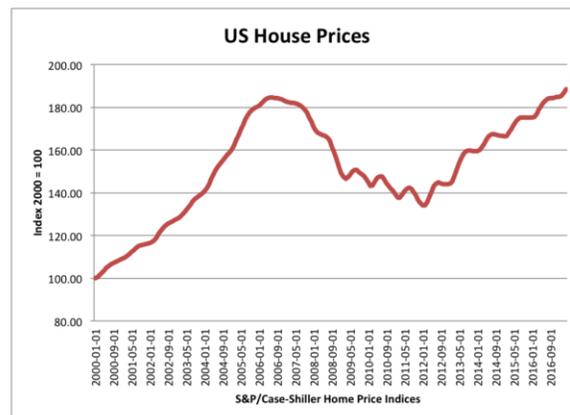
3.1.1 Sunnyland Solar

Burnette created Sunnyland Solar and Kittrell created SolarSink to work on a solar energy startup. Solarsink, LLC received allotted FCLF NMTC financing (which is a branch of Community Redevelopment Agency (CRA)) of \$12.5m and \$11.9m Qualified Low-Income Community Investment money. In order to qualify for NMTC financing (as stipulated in [NMTC program overview](#)), some financing commitments have to be already in place.

The Solarsink LLC appears to have met this criteria through securing lending from Hunter & Harp Holdings, which according to a [Tallahassee Democrat article](#) was controlled by J.T. Burnette, Chad Kittrel and Frank Whitley. Basically, J.T. Burnette lent itself money to secure the NMTC loan.

The project was undertaken by Solarsink and Sunnyland Solar LLC, another firm controlled by Burnette and his partner (soon to be his wife, and CEO of Trulieve) Kim Rivers. If things were not fishy enough, the project later was defunct, after spending in far less than the amount that they supposedly received. A storm supposedly destroyed the project (Shoutout to Crazy Eddie). It brings into the question if this venture was set up for the sole purpose of extracting the NMTC financing.

What was even more bizarre was Sunnyland actually purchased a warehouse from [2830 Plant Street](#), a limited liability company owned by Burnette, for \$1.6M. The clerk's official record site shows no mortgage recorded. According to [RealtyTrac](#), this property has been sold two times. The first time in 2007 at a price of \$12 per sq.ft, totaling \$325,000. The second time in 2011, corresponding to the Sunnyland sale, at a price of \$60 per sq.ft, totaling \$1.6M. Considering that the US housing market peaked around 2006-2007 and crashed at all time low at 2011, it is a miracle that the Sunnyland real estate quadrupled in value during the exact same period. It would almost seem like Burnette bought the company at \$325,000, used government money and flipped into an instant 4x profit. This looks like a scam transaction to us. There is no trace of the unspent funds of this solar project.



We are not the only ones suspecting criminal activity here. Sunnyland Solar was mentioned in an FBI [subpoena](#) that demanded records on the CRA and related projects.

3.1.2 Edison Restaurant

Edison restaurant was another case with a similar pattern of obfuscating CRA/public funding. Nick Larossi used to be the lobbyist for Trulieve, and has been involved in many of J.T. Burnette's projects. The Edison restaurant investment was led by Adam Corey through Cascades Holdings. Adam Corey, [who was named in an FBI subpoenas](#) alongside Kim Rivers, was also involved in the medical marijuana business in Florida. Despite not disclosing Larossi as an investor in the Edison project, [he was a key investor](#). The Edison restaurant received over \$2.1M in public money, including CRA funds. The FBI seems to be going concretely after the Edison project, as they requested information directly related to this project in a [subpoena](#).

Hence, we are seeing another case where an early insider of Trulieve is related to questionable companies that acquired financing from CRA.

3.1.3 Hotel Duval

Hotel Duval was purchased by J.T. Burnette and a company called [SheltonDean Inc.](#) The company was ran as an interior design company by Burnette's ex-wife, Catherine Baker. Burnette paid \$4.75m in 2007 and allegedly spent \$10 million renovating it through Hunter & Harp, the same company that provided financing for Sunnyland Solar. They received \$5.25m small business loan from the federal government. Four years later, they sold the hotel for \$23m, a net gain of more than \$8m. It is worth noting that Burnette controls a construction and roofing company. Though not disclosed which construction party Hotel Duval used, we have reasons to believe that perhaps the \$10m spent renovating went into the Burnette's pockets. The FBI also mentioned Duval Partners and SheltonDean Inc and affiliated parties in the subpoena.

3.1.4 DoubleTree Hotel

Burnette and Kim Rivers purchased DoubleTree Hotel in 2014 for \$21m through a company [called IB Tallahassee LLC](#). He received \$50,000 from the CRA and approval of \$883,000 granted by CRA for sidewalk improvements. Once again, the FBI is going after IB Tallahassee in the subpoena.

The indictment against Burnette [alleges](#) that he caused a company to pay \$110,000 in exchange for Maddox declaring a conflict and not voting on a matter in 2014 involving a rival hotel project.

"The hotel developer's proposed project would have created competition with Burnette's real estate interests, including a nearby commercial real estate building and the planned purchase of a nearby hotel," the indictment states.

3.2 Hiding the Related Party Nature of Lenders

It is noteworthy that the company lies about, or at least obfuscates the nature of certain lenders. **Track V LLC** issued a \$6m loan in January 2018 to Trulieve, but this loan is listed as belonging to an unrelated party per Note 5 in the 2018 third quarter financial statements.

Track V, LLC lists Anna Bruno and Virginia Hines as directors and agent. Virginia Hines is closely related to Ben Aktins, and was actually the In-House Counsel for Trulieve from May 2017 to May 2019. We see that this company was incorporated days before the loan was issued, on Jan 9, 2018. Trulieve also discloses the relationship between Track V and Atkins in the annual report ownership table.

The company lied in its listing statement about this note belonging to an unrelated party.

Another lender, called **Vandagraff One LLC**, is consistently disclosed as a third party, but traces back to Trulieve insiders. Vandagraff provided \$2M loan in December 7, 2017. The loan became due on demand following the SR offering. The pattern we see once again is that the company was founded once again just days prior to the loan being issued, on November 13, 2017. Vandagraff can't be traced back to an investor group, doesn't show a website, or a parent company. Vandagraff lists it's address as 24671 US HWY 19 N, CLEARWATER, FL, 33763, which is the property directly next to Trulieve Clearwater. This is also in fact the same exact address related party Track V uses. We don't believe this to be a coincident and think that Trulieve has on purpose disguised a related party loan as coming from a third party.



In fact, the only investor/lender who seems to be truly an outsider is New York based investment firm Shelter Rock capital.

3.3 Borrowing Small amount despite Supposedly Swimming in Cash

We find it noteworthy that the company borrows relatively small amounts at times when it should be supposedly swimming in cash.

In February 2019, the Company entered into a 24-month unsecured loan with an 8% annual interest rate with a former director and shareholder for \$257,337. The loan was issued in March 2019. Trulieve reported that as of March 31st (end Q1) it was swimming in cash with a balance of over \$20m, having just generated \$14m in net income and operating cash flow of \$10m.

4. Shady Approval Process

It has been a bumpy ride for legal cannabis in Florida since Governor Rick Scott signed the so-called Charlotte's web medical marijuana bill into legislation 2014. We would argue that the Tallahassee political mafia has done everything it could to skew the process so that they can reap the greatest benefits, the while hurting consumers and producers.

As the Florida house was about to pass legal guidelines for growing medical marijuana, a last-minute amendment dramatically reduced the number of eligible growers. As part of the amendment, only five licenses were to be issued to nurseries, one in each of five defined regions in the state. Also, the amendment installed seemingly arbitrary criteria such as being in business for 30 contiguous years, being able to maintain 400,000 plants, and a bunch of qualitative variables. This amendment limited the pool of applications drastically.

[News report](#) speculated that the amendment was pushed by lobbying efforts of the Florida Nursery, Growers and Landscape Association, essentially a lobbying organization that represents private growers. The Association acknowledges that it had a hand in the amendment but refutes claims that the amendment was drafted by them.

“The association did not help write the amendment. What (the association) did was throughout the session was to emphasize to legislators that if it was going to move forward on any type of medical marijuana bill, what they needed to do was ensure Florida agriculture, and especially nurseries that have greenhouse infrastructure, are not left on the cutting room floor.” - Ben Bolusky, association CEO.

One of the state representatives who voted on the bill is Halsey Beshears, whose campaign treasurer is the lobbyist for the Florida Nursery Growers Landscape Association. Halsey himself used to be president of this very association. Rep. Halsey Beshears [grew up](#) with J.T. Burnette and is the brother of Trulieve director Thad Beshears.

The Simpson nursery is a Beshears family business. When Halsey Beshears first ran for the House he was chief financial officer of Simpson Nurseries. Additionally, Beshears' cousin is Adam Hollingsworth, Gov. Scott's chief of staff. The Tampa Bay times called out a conflict of interest as [early as 2014](#). Thad Beshears had already been working with Hackney nursery. JT Burnette and the law firm that helped Trulieve filed the application, Dunlap & Shipman, are frequent [donors](#) to Beshears political campaigns.

It even goes further. Burnette, Kim Rivers, and several associates and their businesses are [reported](#) to have set up loopholes to finance Halsey Beshears political progress. The same people mentioned in relationship to the campaign financing issue appear also on the FBI subpoena: Frank Whitley, Chad Kittrell, and Kim Rivers.

Obviously, there were multiple strong conflicts of interest that were blatantly ignored.

The amendment destroyed the competition for licenses. According to the Department of Agriculture and Consumer Services only five nurseries that met those minimum requirements at the time in the Northwest region.

- Clinton Nurseries of Florida, Gadsden County
- Hackney Nursery, Gadsden County
- May Nursery Inc., Gadsden County
- Oglesby Plants International, Calhoun County
- Simpson Nurseries, Jefferson County

We note that Oglesby Plants might be connected to Melissa Oglesby, a local businesswoman, who is close to JT Burnette. She was named in the [subpoena](#) the FBI issued in 2017 to seek CRA records.

Kim Rivers admitted that Trulieve insiders had had [known each other](#) in some form or fashion for years prior to medical marijuana laws being passed in Florida. The amendment resulted in almost all eligible applicants linking back to the same insider network. This is a text-book perfect example of rigging the political system for the benefit of insiders to the detriment of the public.

A three person committee ultimately decided on the first recipients of marijuana licenses and unsurprisingly, Hackney who filed combined with May nursery and Simpson nursery won the bid for the Northwest license. Many people were outraged by the [procedure](#), as it limited the pool of potential applicants drastically, and led to oligopoly like structures rather than a competitive market.

One of the competing bidders, Alpha Foliage which is associated with the Surterra brand, [challenged](#) Trulieve's application directly.

Even though there were more licenses granted, the result of the limiting amendment is that the value of Florida cannabis licenses ended up being vastly inflated.

The political inside game of Florida medical marijuana licenses has attracted shady investors who are trying to secure their piece of the pie. Remember Lev Parnas and Igor Fruman, the two soviet born US citizens close to Rudy Guiliani and involved in campaign financing scandals? [Recently](#), the FBI alleged in an indictment that Parnas, Fruman with a couple California co-conspirators, were planning to donate \$2 million of questionable provenance. The money was supposed to buy the political favor necessary to snag a lucrative medical marijuana license in Florida.



The charges are very serious, and allege the individuals involved ran a bribery and extortion ring out of their Governance consulting firm and committed bank fraud in real-estate deals. Racketeering, falsified statements, if true there seems to be tremendous criminal energy behind these activities bordering on organized crime. Burnette is a key partner of the criminal “Enterprise” the individuals ran, and other individuals that were part of this enterprise, known and unknown, are also part of the scheme. The FBI used several undercover agents and set up at least one fake medical marijuana company. The indictment describes how Brunette bragged about him ripping off people and throwing threats around. Quotes by individuals like “Maddox only goes through Burnette”, and “Burnette is my guy” indicate that Burnette was central to this scheme.

In August 2019 Maddox and Carter-Smith plead guilty to three of the 42 charges and could be looking combined at as much as 45 years in prison.

Burnette’s trial is currently ongoing but delayed because the extensive and newly discovered evidence.

Kim Rivers and JT Burnette married just before the indictment was handed down. Spouses can’t be compelled to testify against each other, so the timing looks suspicious.

Trulieve discloses in its filings the fact that Kim and her husband were subpoenaed, but also note that so far these investigations don’t involve Trulieve. But we believe they soon will.

The FBI has repeatedly stressed how its cracking down on [corruption](#) in North Florida. Maddox and Carter-Paige were the first dominos to fall, and the corruption network extends to Trulieve.

5.1 Other Shady Characters

Another prominent Capitol player, Nick Larossi, is also indirectly caught up in the probe. He put money into the Edison restaurant and is involved in many of JT Burnette’s projects.

Nick Larossi used to be a [lobbyist](#) for Trulieve.

Kayvan Khalatbari was an advisor to Trulieve and involved in the early beginnings. He has gotten in contact to the company [through](#) Burnette and Rivers. At the time Kayvan was the CEO of Denver Relief, and would later be involved in possible medical marijuana [antitrust violations](#). Kayvan has since sold his dispensaries in Denver.

The presence of more legally suspicious individuals who are also involved with Trulieve and Burnette, should be troubling to investors.



6. More Undisclosed related Party Dealings

We established before that Trulieve is lying about the related party nature of certain lenders. But these are not the only shady undisclosed related party dealings we found.

6.1 One More Wish

One More Wish is like most of the companies in Kim Rivers' and Burnette's network: A murky company without business website, any kind of description about what it does, and a weird name. Trulieve doesn't disclose its existence.

The Principal address of One More Wish, LLC is 178 May Nursery Rd, Havana, FL 32333, which is the address of the May Nursery, and was changed in February 2018. [Warranty records](#) show that previously One More Wish's address was 3919 W Millers Bridge Road, Tallahassee, FL 32312, which is Kim Rivers and Burnette's home address.

Florida county records show that One More Wish bought a property at Blue Star Highway in Quincy in June 2018 and [sold it to Trulieve](#) in August 2018 for a 42% gain which translates to over 800% annualized return. The timing of this transaction was also very suspicious, as it must have become clear to insiders that with the upcoming offering funds would come available to the firm. Why not flip some land for a nice gain into the own pockets. The letter of intent to reverse merge Trulieve into a public shell was signed in June 2018.

This exact property was sold in a sale leaseback commitment to IIPR for \$1,700,000, which is very weird because our otgdd indicates that this is not the property described in the press release by IIPR. Our on the ground research showed that [this](#) parcel has the warehouses described in the PR, which Trulieve also happened to have acquired from One More Wish. In fact, One More Wish sold two more properties to Trulieve for spectacular gains. One more Wish bought [this property](#) in December 2017 for \$20,000 and [this property](#) in April 2017 for \$1,200,000. Both were sold together to Trulieve in June 2018 for \$2,170,000.

We also note that One More Wish buys properties from an entity with the peculiar name Big Wish LLC. We were able to link Big Wish to the very same network. Records don't show any registered agents or addresses for Big Wish that have anything to do with insiders, but we found an easement from 2017 where JT Burnette signed as the representative of both One More Wish LLC and Big Wish LLC.

	Prepared by and return to: Mark N. Taylor	OFFICIAL RECORDS: 1 of 3	Recording Fee: \$27.00
	Talquin Electric Cooperative, Inc.	Book: 841 Page: 1571	Doc Stamps: \$0.70
	P.O. Box 1679: Quincy, Florida 32353	TALQUIN ELECTRIC COOPERATIVE INC.	
UTILITY EASEMENT			
KNOW	ALL	MEN	BY
	<u>JT Burnette</u>		
THESE PRESENT, that I/we, the undersigned,			
as personal representative or			
authorized agent for One More Wish, LLC & Big Wish, LLC , (hereinafter referred to as GRANTOR), and			
whose address is, 6749 Ben Bostlick Road, Quincy, Florida 32353 , for good and valuable consideration, the			



There seems to be a pattern where Big Wish LLC purchases properties at distressed prices, sells them to One More Wish, which then sells them on. This pattern reminds us of the property short sale scheme that Maddox and Carter Paige orchestrated, but is impossible to prove without inside records.

6.2 Extensive Dealings with Burnette's Real Estate Company

Burnette is obviously in trouble for serious charges, and we expect further investigations into his and Kim River's activities when it comes to raising money from the CRA and how these funds are used. Trulieve discloses that a spouse of an officer and director is a minority owner of a company that provides construction services to Trulieve. In 2018 that construction company received payments of \$8.7million and in the first three quarters of 2019 the construction company was already paid almost \$28 million. We are talking about meaningful amounts.

Florida county records show that the unnamed construction company is no other than Burnette Construction and Development, Inc. This exact company was also mentioned in the FBI subpoena and deeply involved in the projects where we speculate money was siphoned off.

Our research identified three notices of commencement, one dated April 2018 between Trulieve and Burnette Contracting for storm water drain improvements at 816 Commerce Blvd, one dated September 2018 with Burnette Construction for the improvements to 130 North Virginia Street, and one between Trulieve Capps Highway LLC and Burnette Construction.

7. On the Ground Due Diligence

We did extensive on-the-ground due diligence (otgdd), visited all warehousing and manufacturing facilities, and flew drones over the areas we inspected to get the most accurate picture. We found a few things that were huge red flags.

Trulieve disclosed in its Listing Statement form that it operates approximately 468,000 square feet of total cultivation facilities across three sites, and has grown this to 1,684,408 square feet of cultivation facilities across five sites. We believe the vast majority consists of low-quality hoop houses that are prone to infestations and weather damage.

7.1 Trulieve produces mostly with Hoop Houses

Our research of county records indicates that Trulieve is producing marijuana outdoors in two locations in Quincy.



When we visited, we found a huge row facility with 9 foot chain linked fences with barbed wire at the top, security cameras and armed guards. Hackney nursery is in Quincy, we were told by locals that Trulieve has hired about half of the small town. All the facilities have just gone up in the past year, and they flew a grow expert in from California to oversee the operation.



We estimate this area of hoop houses to cover at least 430,000 and 1,010,000 square feet per location, which would combined make up the vast majority of Trulieve's cultivation surface. We believe that Trulieve has been supplementing if not getting most of their marijuana supply from these low-quality outdoor production hubs.



Florida is the most humid state in the U.S. Tallahassee has an average humidity level of 75% which is too high for every step of cannabis growth. While cannabis plants don't usually die from the heat, too hot temps will cause plants to grow much more slowly.

Trulieve's government-mandated obligation to the medical patients of Florida is to provide a safe, clean, and efficacious offering of medical cannabis treatment options. Cultivation of safe and high-quality cannabis in a humid, equatorial microclimate such as Florida requires careful selection of genetics, environmental controls, IPM (integrated pest management), and harvesting practices. The aforementioned variables are critically interconnected whether you are cultivating indoors in an enclosed warehouse, in an enclosed greenhouse, or in Trulieve's case, a large trench of open hoophouses.

As Florida is the most humid state in the U.S. it is a geographical outlier within the greater United States. If one is to cultivate cannabis exposed to the local environment, careful care must be taken to cultivate cannabis genetics that are acclimated to the local microclimate and to provide specialized, vigilant protection to plants throughout the growth cycle. If hoop house cultivation is quickly and reactively implemented to supplement low performance at existing warehouse facilities, the outcome will most likely be a low quality and in this case, dangerous end product.

Many plant diseases conducive to Florida's humid environment greatly increase health risks to humans when consumed, namely *Botrytis cinerea* (grey mold). Combusting and/or inhaling grey mold can worsen symptoms of asthma and induce lung infections along with multiple autoimmune diseases (of which many are qualifying conditions to become a Florida medical cannabis patient, in a bit of tragic irony).

As shown below, a picture taken of Trulieve's "Dutch Hawaiian" cultivar by a Florida medical patient shows that contaminated flower has been sold as-is to Florida patients.



In the heat, cannabis is also more susceptible to many problems, including [spider mites](#), [white powdery mildew](#) (especially if it gets humid, too), [root rot](#), [nutrient burn](#) (from increased water transpiration), increased stretching, wilting due to root oxygen deprivation, and reduced “smelliness” of buds (as [terpenes](#) can burn away at higher temps). High Humidity can lead to slow growth, mold and bud rot.

7.2 The Other Facilities

We confirmed the existence and location of other facilities. We also visited Simpson Nursery and May Nursery, which both don't show any signs of marijuana production, but are still ordinary nurseries. We believe Simpson Nursery and May Nursery were only involved to help Trulieve get it's license, and show no signs of operational contributions to Trulieve. We can understand how other applications and potential applications felt mistreated in the licensing process.

We visited Trulieve's processing facility in Midway Florida on Tuesday November 26th. It was a large building roughly 100,000 square feet with armed guards, a guard booth and a 9 foot chain linked fence with barbed wire and security cameras. As we approached we could smell marijuana from about 200 feet away. There was a huge parking lot across the street packed with dozens of cars of employees.

We visited the Virginia Street Indoor Growth facilities on Monday November 25th in Quincy, Florida. The facility consisted of two large dark green buildings. The larger building was massive in size. The smaller of the two was easily 300 feet long by 80 feet wide. The entire facility was surrounded by a 9 foot chain linked fence with barbed wire, there was a security booth at the main gate and they had security cameras and a hummer driving security personnel. We moved freely outside this facility, it was located in a residential neighborhood of modest homes. We were told by a local source that this building was less than a year old and all facilities had been constructed very quickly.



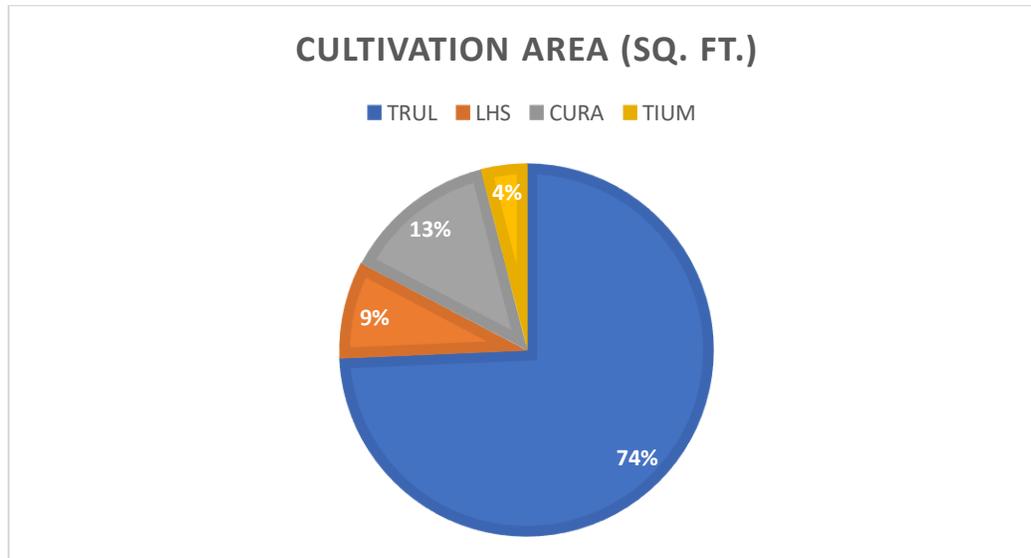
We visited the head office and warehouse on Monday November 25th at 6749 Ben Bostic Rd Quincy, Florida. The facility consisted of 5 to 6 massive warehouse buildings where workers wore what looked like hazmat suits. The facility was heavily fortified with 9 foot chain link fencing with barbed wire on top. Security cameras and as you know very aggressive security guards who were off duty Quincy Police. These building were not painted in the Trulieve dark green as the Indoor Grow facility and the Processing Plant.

8. Why we are Suspicious of Trulieve's Financials and Claims of Profitability

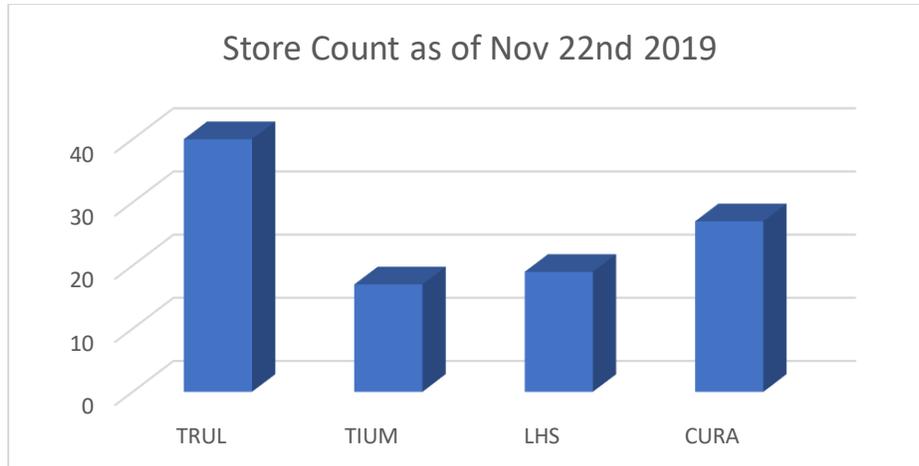
Trulieve has shown spectacular growth since going public. The company reported rapid increase of cultivation surface and store openings.

	Cultivation Area (sq.ft.)	Production Capacity (kg - annually)	Plant Yield (g per sq.ft. - annually)
Q3 2018	500,000	19,429	39
Q4 2018	638,000	29,235	46
Q1 2019	686,000	34,956	51
Q2 2019	1,612,408	54,609	34
Q3 2019	1,684,408	63,190	38
<i>Source: TRUL management discussions</i>			

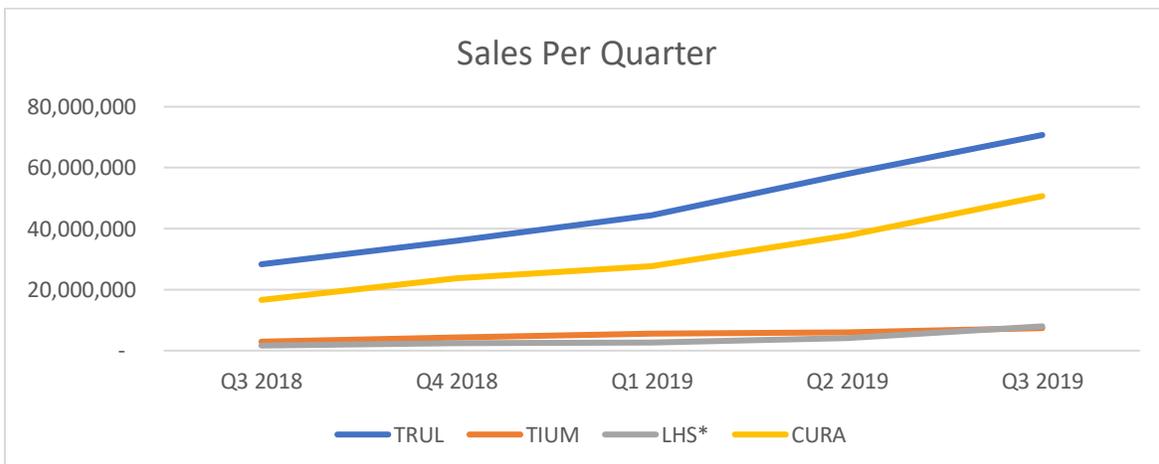
As we can observe, cultivation area has increased significantly in the past, especially from Q1 to Q2 2019. Meanwhile, plant yield has surprisingly been maintained at a relatively constant level. The rapid expansion and increase would require large capital investments and should substantially affect the cashflow statement. In addition, we question the quality of the cultivation facilities and products produced in such a rushed form. These suspicions are confirmed by our on the ground due diligence. As discussed before, we found approximately 1.4million sqft of hoop houses that might be quick an easy to set up, but won't produce the sought after quality flowers the market is really looking for. Building actual high quality production facilities will require a lot more capex.



Trulieve has well exceeded its peers in the firm's total cultivation area count. It has also exceeded competitors in stores (dispensary) counts.

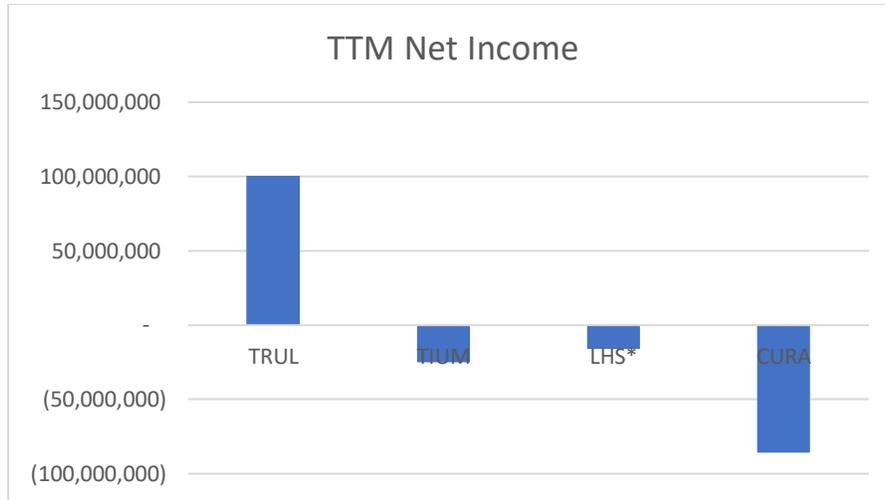


We see that Trulieve certainly has been very busy expanding in the past. Typically, with this rapid expansion, there are downward pressures on financial performance, as large amount of resources are diverted into investments. However, Trulieve has managed to surpass common sense and achieve profitability regardless despite virtually all its peers (who aren't expanding as fast) are showing losses and negative operating cashflows. In fact, they appear to be outperforming on every single metric.



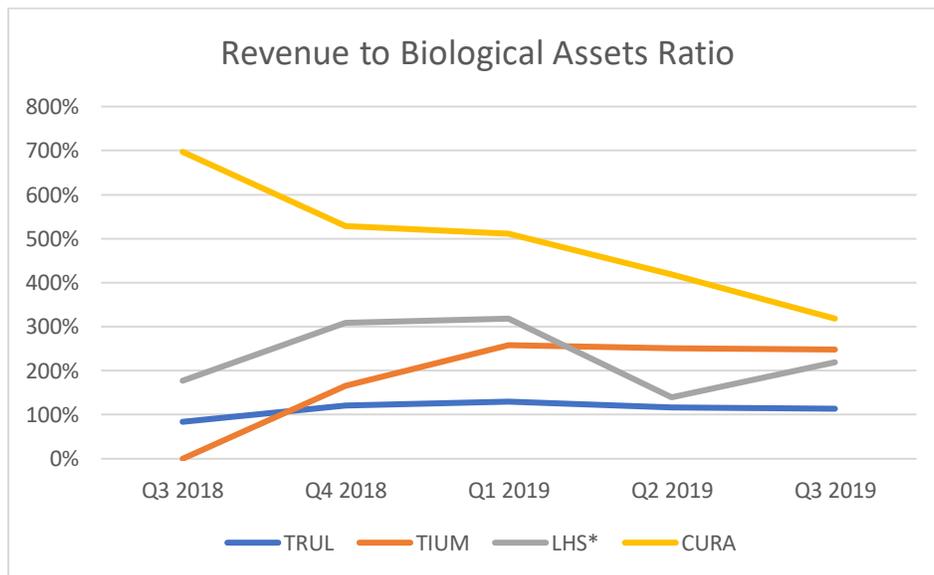
* LHS quarter ends one month prior to comps and is denominated in CND, which is converted to USD at 0.75USD/CND

Trulieve sports unbelievable gross margins of 130% on average. This is mainly due to the biological assets fair value adjustment that is widely adopted within the industry. However, Trulieve seems to be aggressively using this accounting method towards its benefit to inflate its gross profit and margins.

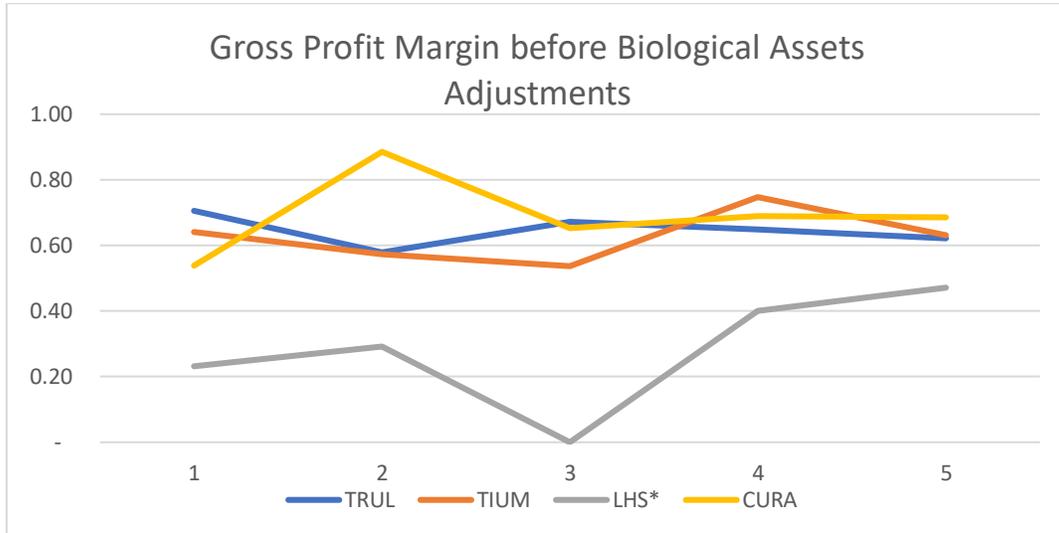


While almost all others are operating at a net loss during the examined horizon, Trulieve (using its biological assets mark-ups), was able to consistently achieve positive net income with an astounding net profit margin of as high as 99%.

Upon closer inspection we realize that at any given time, Trulieve holds an abnormally large amount of biological assets. Biological assets should typically be used to support revenue. However, we are seeing that Trulieve’s biological assets utilization efficiency is relatively low compared to peers. In other words, for every dollar in biological assets, Trulieve is able to generate the least amount of dollar sales. This strongly suggests that the mark-up on these assets is overstated.

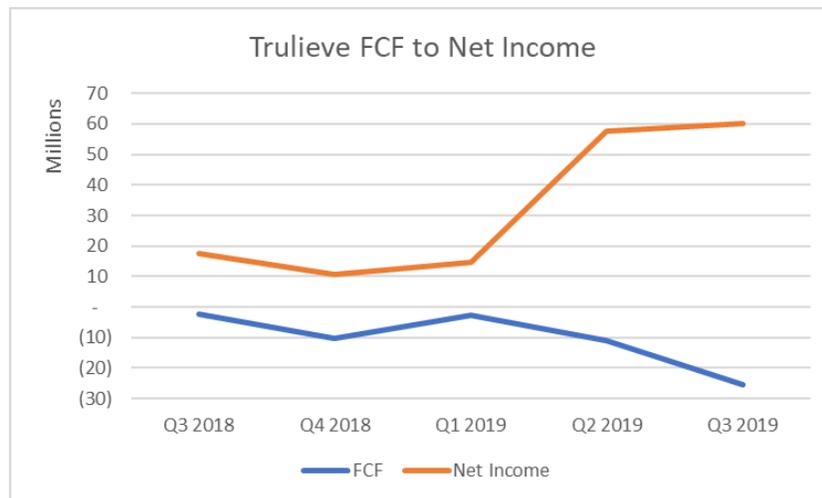


In addition, after removing the biological asset adjustment effects on gross profits, we see that there is actually nothing special about Trulieve’s operations. The “advantage” they purport comes from accounting maneuvers on the biological asset balance.



Biological assets valuations are very subjective and relies heavily on management input. It is a great way to boost P&L statements by artificially boosting gross profit and net income margins. We have seen before how paper accounts are abused to create the desired financial statements. Huishan Dairy used fake biological asset mark-ups to boost its financials, the company was exposed by Muddy Waters in December 2016.

Even though the company has portrayed it is profitable, we are highly suspicious. FCF is defined as operating cash flow minus capital expenditures. It is hard to tell from the outside how much of the company’s investment cash flow is attributable to maintenance capex and how much is growth capex. But we note that without outside financing the company couldn’t have sustained itself in a single quarter. We defined Free Cash flow as the sum of Operating Cash Flow and Financing Cash Flow.



We discovered Trulieve's cultivations to include large areas of hoop houses where low quality product is grown. This amongst the other lies the company told its investors makes us highly suspect of the big biological asset mark ups that occur every quarter.

Lastly, we are confused by Trulieve taking out small loans from insiders while sitting on a huge cash balance.

Trulieve Questionable Insider Loans

	Q3 2018	2018	Q1 2019
OCF	9,002,091	24,962,800	10,325,876
Cash at hand	42,137,751	24,430,108	20,578,567
Loans	262,000	895,775	257,337

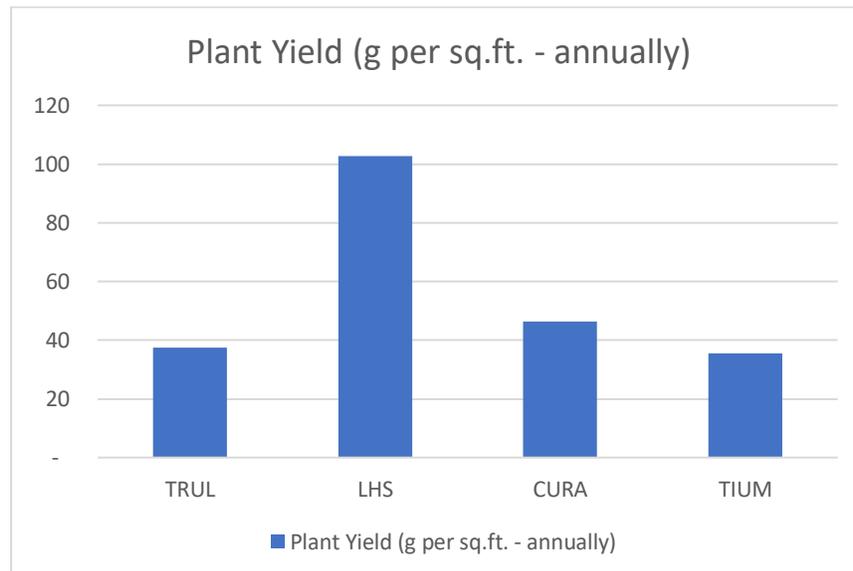
Source: TRUL financials

We ask, why take a less than \$250,000 8% interest rate loan from directors when you supposedly have at least 27x in both operating cash flow and cash at hand? This once again casts doubt on the validity of the operating wellness of the firm and the accuracy of its financial statements.

8.1 Trulieve faces Strong Economic Headwinds

On the production side, our OTGDD shows that large parts of Trulieve's outdoor cultivation areas are of hoop houses, which won't be able to produce the highly desired flower efficiently. The company needs to spend significantly more capex to catch up on supply for the already existing dispensaries.

Moreover, competitors are operating just as, if not more efficiently than Trulieve. LHS for example is able to achieve a combined cultivation yield of 103g/sqft. annually, which is vastly higher than the modest 38 g/sqft.. In addition, private players such as Surterra Wellness, AltMed and VidaCann are all growing more efficiently than Trulieve.





As for the company's plan to expand beyond Florida into Massachusetts, California and Connecticut. We are highly doubtful and don't believe the company has a competitive advantage in states where others fail to grow profitably.

8.2 Acquisitions won't Save the Company

The company has to keep growth excitement going, and announced has done several acquisitions that we don't have high hopes for. Besides the super competitive state of California, all other states Trulieve seeks to expand to are relatively small cannabis markets compared to Florida.

8.2.1 Life Essence

Life Essence LLC was acquired by Trulieve on December 13, 2018 for the purpose of acquiring licenses to operate three medical marijuana dispensaries and a marijuana cultivation and processing facility in Massachusetts. [Records](#) indicate that the acquisition actually happened on November 6th 2018. The acquisition was financed with \$4.4M cash on hand, of which constituted solely of dispensary license (valued at \$4.5M).

Later on May 31st, Trulieve Holyoke Holdings LLC was incorporated with the same resident agent address as Life Essence LLC at [84 State Street, Boston, MA, 02019](#). Shortly after, the holding company purchased a building at [56 Canal Street and 7 North Bridge Street](#), Massachusetts 01040 for a price of \$3.2M from Frankie Chips Assoc., Inc..

However, a partial sale of a part of the building was later sold to Trulieve on July 11th 2019 for \$300,000. Trulieve failed to disclose this. Later the property was sold to IIP for \$3.5M IIP is said to reimburse renovation costs for up to \$40M and the lease ends in 10-years. The building is over 150 years old. To achieve the purported "high quality production facility" story, Trulieve has to start investing heavily in the area.

8.2.2 Leef Industries LLC

Leef industries LLC was acquired on November 30th, 2018. The purpose of this acquisition was to acquire the recreational marijuana license in California. The acquisition was financed with \$4M in cash and included one dispensary. As of the date of this report, [records](#) indicate that the status of Leef Industries, LLC is actually FTB Suspended. [FTB suspended](#) typically relates to failure to meet tax requirements.

If your business is suspended

You cannot:

- Legally do business
- Sell, transfer, or exchange real property
- File with an automatic extension
- File a claim for refund
- Start or continue a protest
- Legally close or dissolve your business
- Bring an action or defend your business in court
- File or maintain an appeal before the Office of Tax Appeals
- Maintain the right to use your business name
 - Secretary of State (SOS) will deny your revivor request if the entity name is no longer available.
 - SOS will require your business to [choose a new name](#)
- Retain tax-exempt status.
 - We revoke an organization's tax-exempt status as of the suspension date.

Your business may be subject to a \$2,000 penalty per tax year for failure to file missing tax returns within 60 days after receiving a written demand to do so.

If your business cannot pay its taxes, we may make you personally responsible if you:

- Took assets out of your business
- Have unpaid loans to shareholders
- Paid excessive salaries to officers

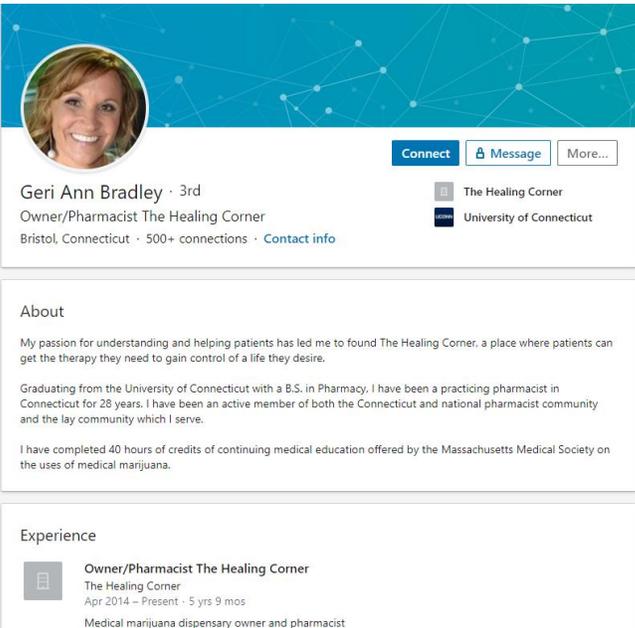
Leef Industries was purchased by Trulieve from Kort Potter, who has had fraud accusations against him related to a solar company he [owned](#). We couldn't link Kort Potter's solar projects to Kim Rivers' Sunnyland solar venture, but the parallels are almost comical.

8.3.3 The Healing Corner

On May 21, 2019, Trulieve acquired The Healing Corner, Inc. The purpose of this acquisition was to acquire the marijuana license in the State of Connecticut. The acquisition was financed with \$19.9m in cash. The main assets acquired included a dispensary license valued at \$14.3M and goodwill of \$8.67M. The Healing Corner was originally owned by Geri Ann Bradley. Supposedly, the ownership was completely transferred to Trulieve and she should have only stayed in the company as an employee, however, her [LinkedIn profile](#) and the [company's website](#) all disclosed her to be the owner.



Geri Ann Bradley
Owner &
Dispensary/Pharmacist



Geris Ann Bradley · 3rd
Owner/Pharmacist The Healing Corner
Bristol, Connecticut · 500+ connections · [Contact info](#)

About

My passion for understanding and helping patients has led me to found The Healing Corner, a place where patients can get the therapy they need to gain control of a life they desire.

Graduating from the University of Connecticut with a B.S. in Pharmacy, I have been a practicing pharmacist in Connecticut for 28 years. I have been an active member of both the Connecticut and national pharmacist community and the lay community which I serve.

I have completed 40 hours of credits of continuing medical education offered by the Massachusetts Medical Society on the uses of medical marijuana.

Experience

Owner/Pharmacist The Healing Corner
The Healing Corner
Apr 2014 – Present · 5 yrs 9 mos
Medical marijuana dispensary owner and pharmacist

We fail to understand why Trulieve paid \$9million in goodwill for the acquisitions, while the license was already valued at 3 times the price in previous acquisitions.

9. Conclusion – There ain't no such Thing as Halfway Crooks

We laid out our case why we believe the Trulieve cannot be trusted. We caught the company in a couple of outright lies: Trulieve lied about lenders being third parties, and failed to disclose real estate transactions with Insiders that led to insiders handsomely profiting. The company touts its high-quality indoor production, but we found roughly 1.4million sqft of low quality hoopouses (Trulieve discloses 1.7million sqft total). Claims of profitability rely entirely on what we believe to be inflated asset mark ups.

CEO Kim Rivers and her husband JT Burnette are at the very center of a political crime ring the FBI has subpoenaed, and we have shown the multiple previously unknown connections between Trulieve and Burnette. We expect serious consequences for CEO Kim Rivers and Trulieve. They have been crooks then, and they are crooks now. We think Trulieve is absolutely uninvestible.



Green Market Report
Cultivating the industry's financial news into one source.



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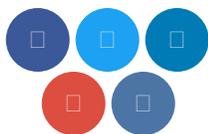
Grizzly Reports Says "Trulieve Cannabis Corp: Why we believe the Company is a Fraud"



Sean Hocking

December 17, 2019

16 min 1



Related Articles

Our Wall St contact tells us this report is a big topic of discussion on the street today. Published by Siegfried Eggert of Geoinvesting the report alleges a list of wrongdoings so egregious that it's impossible to know where to start. Suffice to say that the precis reads like a crime novel plot, "Trulieve and its insiders are deeply involved in ongoing FBI investigations. CEO Kim Rivers and companies affiliated with her are mentioned in FBI subpoenas. Kim River's husband, JT Burnette, is currently indicted for serious charges such as racketeering. Kim and her husband seem to be at the very center of a political crime ring in North Florida, that dealt in political favors and allegedly obfuscated government funds."

Here are the report's key points.

Our on the ground due diligence including drone

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Extracts

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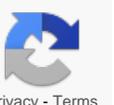


Exhibit E

BUSINESS

LEGAL

LEGAL

California Regulated Cannabis: R... 2020!!

BUSINESS

LEGAL

Crapo, Grinch Or Politician ?

footage suggest that the majority of the company's cultivation space comes from hoop houses that produce low quality output that is prone to infestation and weather damage.

- We found extensive ties between Trulieve and ongoing FBI investigations into corruption in North Florida.
- Trulieve's initial license approval stinks of corruption and involved multiple undisclosed conflicts of interest.
- CEO Kim Rivers' husband, JT Burnette is at the very center of the FBI probe, he is the right-hand man of disgraced politician Scott Maddox, and an integral part to the criminal enterprise accused of charges ranging from racketeering to falsifying statements.

More On Kim Rivers – Click on Image



And hubby JT Burnette at Reddit



- Our research indicates that Burnette is Trulieve's key construction partner. Burnette's construction firms were also called out in the subpoena and are involved in scandals involving public funds in North Florida.
- There are several undisclosed related party transactions, where Burnette affiliated

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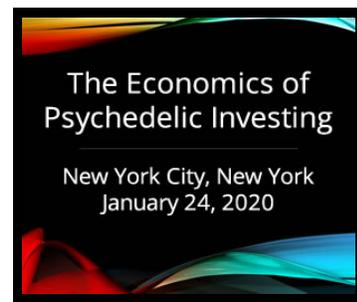
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□ January 10, 2020
Green Market Report's Marijuana Money January

companies sold real estate to Trulieve at a huge profit. • Trulieve lies about the nature of its lenders, and depicts some of them as third parties that we could trace back to insiders. Also, all but one lender used shell entities that show no other activities.

- Given the opaque set up and lies Trulieve told about its financing sources we are deeply worried what Trulieve is hiding. Inkbridge, a lender of Trulieve that is controlled by Kim Rivers, is known for using government funds to finance ventures. There are also reports of shady foreign individuals trying to get a foothold in Florida's medical marijuana industry. We ask: Where did the money really come from?

- The company's portrayed profitability relies on mark-ups on their grown product, which we believe to be highly suspect in-light of our findings. Also, the company takes out tiny loans from insiders when it is supposedly swimming in cash.

- Trulieve is facing several economic headwinds, such as increasing competition. With the low-quality production facilities we uncovered, we believe Trulieve will not be able to compete.

Trulieve-Report-

The report is authored by investment analyst

Siegfried (Siggy) Eggert, Special Situations Equity Analyst ([Visit Siggy's Blog](#))



Recent Comments

Up in Smoke on Doyen Elements Creates Confusion For Cannabis Investors

jack barrett on Trump Impeachment Trial Will Delay Cannabis Legislation

andy on How To Spot Fake CBD



Siegfried Eggert joined the GeoInvesting Team as an analyst in the summer of 2016 as an Equity Analyst. He is responsible for generating and analyzing long/short special situation investment ideas, including spin-offs, tender offers, M&A, and bankruptcy proceedings. Siegfried has over five years of practical experience investing in small- and micro-cap companies and managing portfolios.

Before coming to the United States, Siggy was born and raised in Germany, and studied International Business in the Netherlands, Hanze University of Groningen, where he received his Bachelor of Arts with Honors, majoring in Finance and Accounting. Siegfried also spent seven months studying in Beijing at Beijing Technology and Business University, after which he received a minor in Asian Business.

Meet The GeoInvesting
Team



**Trulieve have
already issued a**

press release

response

Trulieve Responds to Short-Seller Report

December 17, 2019 13:28 ET | **Source:** Trulieve Cannabis Corp.

TALLAHASSEE, Fla., Dec. 17, 2019 (GLOBE NEWSWIRE) — Trulieve Cannabis Corp. (“Trulieve” or the “Company”) (CSE: TRUL) (OTCQX: TCNNF), a leading and top-performing cannabis company in the United States, today announced that it is aware of a short-seller report (the “Report”) released earlier today which contains several false, slanderous and misleading statements about Trulieve. Trulieve’s successful and profitable business model is supported by several respected and reputable analyst firms, and as a publicly traded company its financial activity is communicated regularly and accurately to the investment community. The quality of Trulieve’s products and production facilities has never been in question, as evidenced by more than 230,000 satisfied customers in the Florida market. It appears today’s report is a disingenuous attempt to manipulate Trulieve’s stock price, and the Company is planning to pursue legal action against this outlet, which has no history or credibility in assessing cannabis companies.

Kim Rivers, the Chief Executive Officer of Trulieve, remarked, “We ask that our investors be aware that the Report reflects the opinions of an acknowledged short seller, whose sole interest is in profiting from a decline in the price of the Company’s shares. I have full confidence in our management team and their abilities to continue to serve our customers without being distracted by these baseless allegations. Trulieve reserves all of its rights to take appropriate legal action against those responsible for the Report.”

Rivers continued, “Trulieve sells high quality flower, cultivated in our indoor facilities, and was recently recognized by an award from the Cannabis Business Association of having the best flower in Florida. We stand behind the quality of our products and have a long-standing no-questions-asked return policy. Trulieve set a record for flower sales in Florida just last week, capturing over 51% of the market.”

About Trulieve

Trulieve is a vertically integrated “seed-to-sale” company and is the first and largest fully licensed medical cannabis company in the State of Florida. Trulieve cultivates and produces all of its products in-house and distributes those products to Trulieve-branded stores (dispensaries) throughout the State of Florida, as well as directly to patients via home delivery. Trulieve also operates in California, Massachusetts and Connecticut. Trulieve is listed on the Canadian Securities Exchange under the symbol TRUL and trades on the OTCQX Best Market under the symbol TCNNF.

Forward-Looking Statements

This news release includes forward-looking information and statements, which may include, but are not limited to, information and statements regarding or inferring the future business, operations, financial performance, prospects, and other plans, intentions, expectations, estimates, and beliefs of the Company and statements with regard to the Report and the Company’s response thereto. Words such as “expects”, “continue”, “will”, “anticipates” and “intends” or similar expressions are intended to identify forward-looking statements. These forward-looking statements are based on the Company’s current projections and expectations about future events and financial trends that management believes might affect its financial condition, results of operations, business strategy and financial needs, and on certain assumptions and

analysis made by the Company in light of the experience and perception of historical trends, current conditions and expected future developments and other factors management believes are appropriate. Forward-looking information and statements involve and are subject to assumptions and known and unknown risks, uncertainties, and other factors which may cause actual events, results, performance, or achievements of the Company to be materially different from future events, results, performance, and achievements expressed or implied by forward-looking information and statements herein. Although the Company believes that any forward-looking information and statements herein are reasonable, in light of the use of assumptions and the significant risks and uncertainties inherent in such information and statements, there can be no assurance that any such forward-looking information and statements will prove to be accurate, and accordingly readers are advised to rely on their own evaluation of such risks and uncertainties and should not place undue reliance upon such forward-looking information and statements. Any forward-looking information and statements herein are made as of the date hereof, and except as required by applicable laws, the Company assumes no obligation and disclaims any intention to update or revise any forward-looking information and statements herein or to update the reasons that actual events or results could or do differ from those projected in any forward looking information and statements herein, whether as a result of new information, future events or results, or otherwise, except as required by applicable laws.

The Canadian Securities Exchange has not reviewed, approved or disapproved the content of this news release.

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Director, Investor Relations & Corporate
Communications

850-480-7955

IR@trulieve.com

MEDIA CONTACT:

Ryan Ferguson

InkHouse

781-966-4100

trulieve@inkhouse.com



Sean Hocking

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January 24, 2020. New York City, New York

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One comment



Anon

December 18, 2019 at 2:38 pm

Having the "best flower in florida" is about the same as having the fastest car in the junk yard. 221000 patients? Since florida has more than 21mil people, and 70% of them

voted for medical cannabis... your 51% market share is a lie. Trulieve sells pot that is grown in poison and covered with bugs.

221000=51% of the medical cannabis market?meanwhile your friendly neighborhood hustler isnt poisoning you for a profit. Thanks FDOA for putting common hustlers in jail and allowing big business to poison people. You guys really are showing your true colors. Way to protect the citizens.

REPLY

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Your email address will not be published. Required fields are marked *

Comment *

Name *

Email *

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The Green Market Report focuses on the financial news of the rapidly growing cannabis industry. Our target approach filters out the daily noise and does a deep dive into the financial, business and economic side of the cannabis industry. Our team is cultivating the industry's

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Trulieve
Relief...naturally.

Trulieve Cannabis Corp: Why we believe the Company is a Fraud

□ Grizzly Research □ December 17, 2019

[Read the Full Report Here](#)

- Our on the ground due diligence including drone footage suggest that the majority of the company's cultivation space comes from hoop houses that produce low quality output that is prone to infestation and weather damage.

Exhibit F

- We found extensive ties between Trulieve and ongoing FBI investigations into corruption in North Florida.
- Trulieve's initial license approval stinks of corruption and involved multiple undisclosed conflicts of interest.
- CEO Kim Rivers' husband, JT Burnette is at the very center of the FBI probe, he is the right-hand man of disgraced politician Scott Maddox, and an integral part to the criminal enterprise accused of charges ranging from racketeering to falsifying statements.
- Our research indicates that Burnette is Trulieve's key construction partner.
- Burnette's construction firms were also called out in the subpoena and are involved in scandals involving public funds in North Florida.
- There are several undisclosed related party transactions, where Burnette affiliated companies sold real estate to Trulieve at a huge profit.
- Trulieve lies about the nature of its lenders, and depicts some of them as third parties that we could trace back to insiders. Also, all but one lender used shell entities that show no other activities.
- Given the opaque set up and lies Trulieve told about its financing sources we are deeply worried what Trulieve is hiding. Inkbridge, a lender of Trulieve that is controlled by Kim Rivers, is known for using government funds to finance ventures. There are also reports of shady foreign individuals trying to get a foothold in Florida's medical marijuana industry. We ask: Where did the money really come from?
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- Trulieve is facing several economic headwinds, such as increasing competition. With the low-quality production facilities we uncovered, we believe Trulieve will not be able to compete.

Read the Full Report Here

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Grizzly Research 17 Dec

Short Trulieve. We found extensive ties between \$TRUL.CN \$TCNNF and ongoing FBI investigations, caught the company in multiple lies, and found undisclosed related party transactions that are huge red flags.

Read our latest Report here: <https://grizzlyreports.com/trulieve-cannabis-corp-why-we-bel...>

23 69 Twitter



Grizzly Research 27 Jun

We believe that issues with the Morinda transaction will become very apparent soon. The company is simply not what it was portrayed to US investors to be.

\$NBEV

Read our report and damning evidence here: <https://grizzlyreports.com/nbev-shareholders-got-duped-in-th...> □

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 **Grizzly Research** 27 Jun

“NBEV Shareholder got Duped in the Morinda Transaction” We believe Morinda is falsifying financials and operating illegally in several jurisdictions in China.

Read our latest report here:

<https://grizzlyreports.com/nbev-shareholders-got-duped-in-th...>

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Breakout POINT 30 May

\$INS down 20% today after the report by a newcomer activist @ResearchGrizzly. \$INS is also last week's short of @AureliusValue <https://breakoutpoint.com/tweets/BreakoutPoint-KOVKY3UDDEI6T...>

5 5 Twitter

 **Grizzly Research** 30 May

Our and @AureliusValue findings cast substantial doubt on the integrity of \$INS financial statements. What is the purpose of the round-trip transactions we uncovered? @business

3 8 Twitter

 Grizzly Research Retweeted



Eric Wood 30 May

\$INS this is beautiful

1 5 Twitter

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WPWAM 30 May

Hot new #shortreport from @ResearchGrizzly "Intelligent Systems Corp: Material Undisclosed Related Party Transactions Cast Doubt on the Integrity of Financial Statements <https://bit.ly/30Sqx74> \$INS #shortseller" ATTN: @AureliusValue and #FF @ResearchGrizzly for #activistshorts

2 7 Twitter

 **Grizzly Research** 30 May

In our first report we have uncovered material undisclosed related party transactions at \$INS that make the stock

uninvestable. View our report here: <https://grizzlyreports.com/research/>

5 17 Twitter

 **Grizzly Research** 26 Apr

Check Our New Website for Latest Research <https://www.grizzlyresearch.com/>

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□ June 27, 2019

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Exhibit G

Hi, I have already taken some action and purchased some shares in [followed

I am glad that I was able to join GeoInvesting. Microcaps are one of the

Just subs



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@Jesse_Livermore pic.twitter.com/TkpHymwxUU

— Maj Soueidan (@majgeoinvesting) February 6, 2016

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January 6, 2020

[Origin Agritech Limited \(SEED\)](#)

December 30, 2019

[Mri Interventions, Inc. \(MRIC\)](#)

December 27, 2019

[Compumed Inc \(CMPD\)](#)

December 20, 2019

[Zagg Inc \(ZAGG\)](#)

December 20, 2019

[Addvantage Technologies Group, \(AEY\)](#)

December 18, 2019





TRULIEVE INCIDENT REPORT NARRATIVE

DATE: November 25, 2019

TIME: 0900

LOCATION: Higdon Facility
Ben Bostic Facility

SUSPECT: St John A. Scott
Jean-Joseph W. Lindor Jr.

INCIDENT: Suspicious Activity/Subjects

On the above date and time, I received a phone call from Gregor Berry an employee of Trulieve advising me of a suspicious vehicle described as a white in color Jeep Liberty occupied by a white male driver and a black male passenger. The vehicle was parked in front of the Higdon Facility. After observing the vehicle and occupants, Berry stated they were photographing the facility and flying a drone over the facility.

I started traveling towards Higdon Facility and as I'm driving down Interstate 10, Berry called and stated the vehicle is now leaving the Higdon Facility and traveling on Highway 90 towards Midway. Shortly, Berry called again stating they had lost sight of the vehicle after it made several furtive movements to elude them.

I turned around on the interstate and drove to the Midway Facility where I met with Berry. Berry texted me a video of the suspect vehicle and driver, he was able to capture on his phone when they were at the Higdon facility. I initiated a perimeter search of the Midway Facility looking for the vehicle in the surrounding streets. As I searched the area, I received a call from Theresa Tramel stating a vehicle matching the white Jeep is parked on our property at Ben Bostic Facility.

I drove to Ben Bostic Facility and contacted the vehicle parked in the driveway closest to the Piggly Wigley shopping plaza. As I pulled up behind the Jeep, a black male (later identified as Jean-Joseph W. Lindor Jr.) walking towards the Jeep's passenger door, tried walking in front of my vehicle to keep me from pulling directly behind the Jeep. As the passenger entered the Jeep, I exited my vehicle and approached the white Jeep. I asked why the two were parked on private property and the black male seemed angry stating I don't have to tell you a damn thing. I



requested their identification, and both refused, however, after understanding law enforcement was called and arriving in moments, both reluctantly provided their Florida driver license. Neither suspect would answer any questions as to the reason for them taking pictures or why they were flying a drone over our property. I did explain that Florida statutes prohibit the use of drones flying over private property and we do not allow drones at our facilities.

Deputies from the Gadsden County Sheriff Department arrived, and I handed them the driver license of the two suspects. The driver (identified as St John A. Scott) stated he just pulled off the interstate and wanted to catch a nap before continuing traveling home. Lindor Jr. still refused to answer questions stating he has nothing to say. After more questioning, Lindor Jr. stated to LEO he was taking pictures because he liked the "old" look of the buildings. Scott continued stating he was just tired.

I pulled the deputy aside and showed him the video in my phone proving the suspects were not telling the truth and proved that they were in fact at the Higdon Facility at approximately 0900 taking photos and flying the drone. The deputies approached the driver again and indicated they were not telling the truth. The deputies directed Lindor Jr. and Scott out of the vehicle and requested to search the vehicle. The deputies searched the vehicle, however, did not find any illegal contraband. Both Scott and Lindor Jr. driver license were suspended and the Jeep was rented by another person not in the vehicle. Inside the vehicle were cloths, snacks and drinks as if the two had been staying in the vehicle for a while.

After searching the vehicles, the deputies issued a trespass warning for all Trulieve properties and told the suspects if they return, they will be arrested. Both suspects left the area.

In closing this suspect vehicle matched the description of a vehicle reported at Higdon last Friday 11-15-2019. This vehicle was seen pulling up to the gate several times flashing a light towards the building and using a flashlight to look around the property. They also entered the fenced in area in front of building 01 and behind the church. Security officers reported the incident and I drove to Higdon to search the area. I was unable to locate the suspect vehicle, nor was I able to locate anyone in the area of the facility.



Florida

DRIVER LICENSE CLASS E

S325-781-59-267-0

SCOTT A

ST JOHN

3821 NE 16TH TER

OAKLAND PARK, FL 33334-8000

DOB: 07-27-1958 SEX: M

ISSUED: 10-08-2014 HGT: 6-01

EXPIRES: 07-27-2022

REST: A

ENDORSE:

REPLACED: 07-10-2017

Scott A. St John

Florida

DRIVER LICENSE



L536-439-92-141-0

CLASS E

16 DLN

LINDOR

JEAN-JOSEPH W. JR.

5215 SW 32ND ST

HOLLYWOOD, FL 33023-5353

DOB: 04/21/1992 SEX: M

EXP: 04/21/2022 HGT: 6-02"

REST: NONE END: NONE

ISS: 05/07/2014

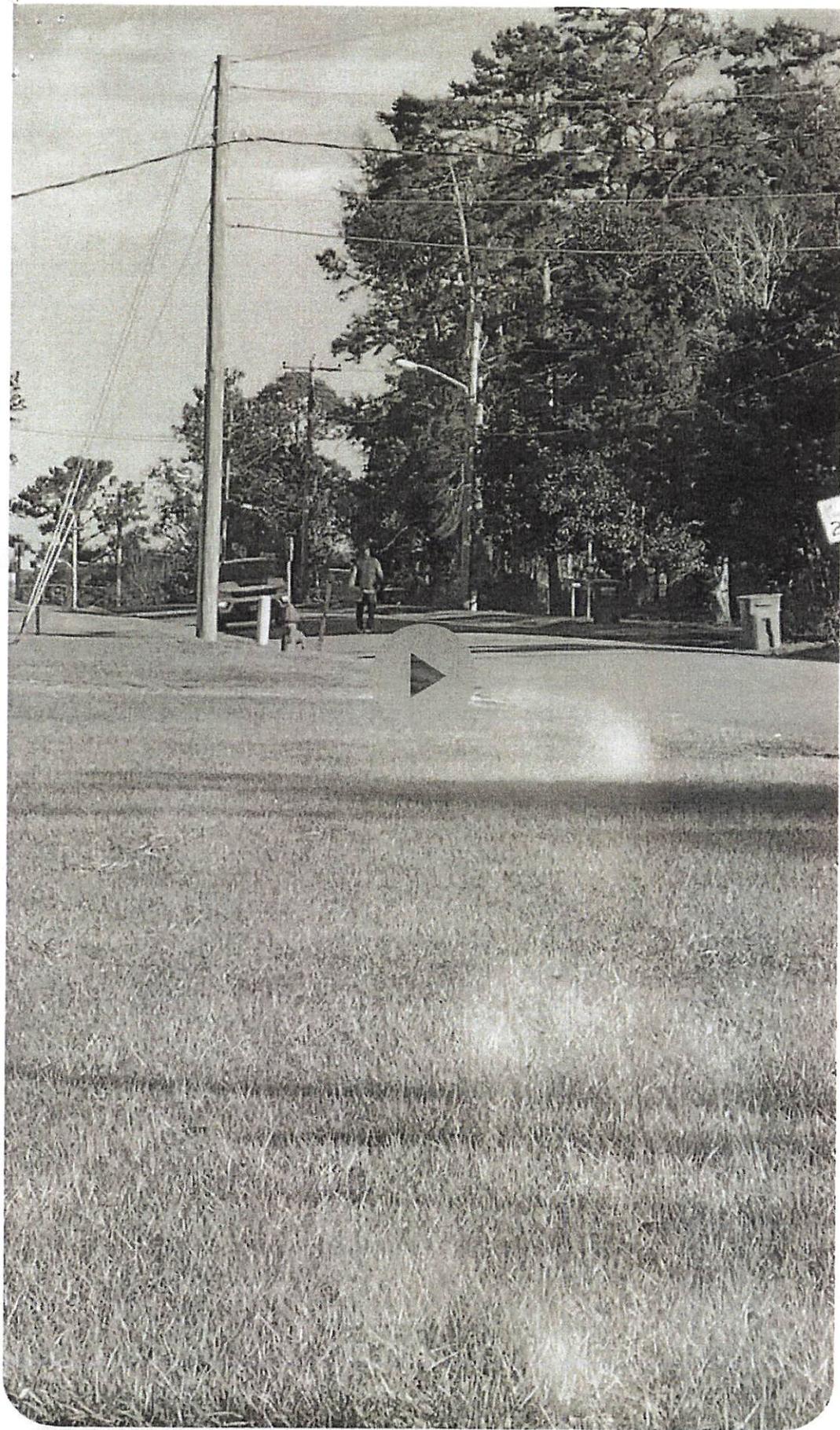
ID: 1631901023222

REPLACED: 01/02/2019



Operation of a motor vehicle constitutes consent to any sobriety test required by law.





Higdon

Outside Higdon

W H I C O N Y

iMessage
Yesterday 10:07



Ben Bostic

Yesterday 11:25

Use available for your model



GADSDEN COUNTY SHERIFF'S OFFICE

CALL HISTORY RECORD

DISPATCH TO LOCATION							
Address		Apt / Lot		Domicile Type			
6749 BEN BOSTICK RD							
TRULIEVE X2[BLUE STAR HWY]							
Cross Street		City		Incorporated?	State	County	Zip Code
MAINLINE DR		QUINCY		No	FL	GADSDEN	
Latitude	Longitude	National Grid					
30.58315	-84.61557						
ZONE	Zone	Grid	SubGrid	Box	RunArea	District	Wrecker
GCSO							

LOCATION OF OCCURRENCE							
Address		Apt / Lot		Domicile Type			
6749 BEN BOSTICK RD							
TRULIEVE X2[BLUE STAR HWY]							
Cross Street		City		Incorporated?	State	County	Zip Code
MAINLINE DR		QUINCY		No	FL	GADSDEN	
Latitude	Longitude	National Grid					
30.58315	-84.61557						
ZONE	Zone	Grid	SubGrid	Box	RunArea	District	Wrecker
GCSO							

Complaint Type / Call Nature	Priority	Additional Info	Weapon
TRESPASSING	2		

Complainant	Phone Number	Ext	Contact	911
HIGHTOWER, TIMOTHY	(850)597-3185		N	

Primary Unit	BackUp Units	Dispatcher	Disposition Codes
0042	0024 0048	LTREVINO	(1) 86-1 (4)
GCSO	GCSO GCSO	Call Taker	(2) K (5)
		LTREVINO	(3) (6)

Incident Number	CALL DATES & TIMES (Note: Individual Unit Times & Close/Code Times are listed after the Call Notes)					
Radio Channel	Received	Shipped	Dispatched	Enroute	Onscene	Closed
GCSO19CAD023453	11/25/2019	11/25/2019	11/25/2019	11/25/2019	11/25/2019	11/25/2019
	10:24:38	10:25:25	10:28:55	10:28:55	10:30:44	11:12:44

CALL STATISTICS	Create Time	Hold Time	Rollout Time	Enroute Time	Onscene Time
	00:00:47	00:03:29	00:00:00	00:01:48	00:41:59
		Dispatch Time	Response Time	Total Call Time	
		00:04:17	00:01:48	00:48:06	

Exhibit I



GADSDEN COUNTY SHERIFF'S OFFICE

CALL HISTORY RECORD

SUBJECT RECORD

Date Added 11/25/2019	Time Added 10:25:46	Added By LTREVINO	Subject Type COMPLAINANT				
Last Name HIGHTOWER	First Name TIMOTHY	Middle Name	Title (jr, sr, etc.)				
Race	Sex	DoB	Age 0	Hair	Eyes	Height	Weight 0
DL/ID Number		State					
Description/Comments							
Activity	<input type="checkbox"/> Drinking	<input type="checkbox"/> Drugs	<input type="checkbox"/> Weapon	Weapon Description			
Extent of Injuries	<input type="checkbox"/> Seat Belt Required?	<input type="checkbox"/> Airbag Installed?	<input type="checkbox"/> Childseat Used?				
	<input type="checkbox"/> Seat Belt Used?	<input type="checkbox"/> Airbag Deployed?	<input type="checkbox"/> Childseat Required?				
Next of Kin							
<input type="checkbox"/> Notified?	Notified by:						
<input type="checkbox"/> Allow Public Release of Information on this Subject?	Approved for Release By:						

CALL NOTES

Added By	Date	Time	CallNo	Note
LTREVINO	11/25/2019	10:26:27		CP ADV 2 MALE SUBJECTS IN A WHITE JEEP WITH NEW YORK PLATES HAVE PARKED THEIR VEHICLE IN THE MIDDLE OF THE DRIVEWAY
LTREVINO	11/25/2019	10:26:57		CP ADV THEY ARE TAKING PICTURES AND FLYING A DRONE SO HE WANTS THEM TO BE TRESPASSED FROM THE PROPERTY
LTREVINO	11/25/2019	10:48:37		NY TAG# HTL6645
LTREVINO	11/25/2019	10:49:15		FL 27 # S325781592670
LTREVINO	11/25/2019	10:49:56		FL 27 # L536439921410

UNIT / CALL TIMES

DATE	TIME	CALLNO	AGENCY	DESCRIPT	DISPATCHER	MILEAGE
11/25/2019	10:28:55	0042	GCSO	ENROUTE	LTREVINO	0
11/25/2019	10:30:44	0042	GCSO	REPORTING	LTREVINO	0
11/25/2019	10:30:44	0042	GCSO	ONSCENE	LTREVINO	0
11/25/2019	10:48:09	0048	GCSO	ENROUTE	LTREVINO	0
11/25/2019	10:48:12	0024	GCSO	ENROUTE	LTREVINO	0
11/25/2019	10:49:08	0024	GCSO	ONSCENE	CHILL	0
11/25/2019	10:56:34	0048	GCSO	ONSCENE	LTREVINO	0
11/25/2019	11:12:30	0048	GCSO	REMOVED	CHILL	0
11/25/2019	11:12:44			CLOSED	CHILL	
11/25/2019	11:13:03			CODED	CHILL	

Complaint History

Date/Time	Complaint	Priority	Complaint Addinfo	Status	Law	Fire	EMS	Weapon
11/25/2019 10:25:25	TRESPASSING	2			<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

END OF CALL HISTORY RECORD