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8 KYLE D. KAZAN, and GRAHAM FARRAR

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10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
11 **COUNTY OF LOS ANGELES, CENTRAL DISTRICT**

12 GLASS HOUSE BRANDS INC., a British
Columbia corporation; KYLE D. KAZAN,
13 an individual; and GRAHAM FARRAR, an
individual,

14 Plaintiffs,

15 v.

16 SOUTH CORD HOLDINGS LLC, a
California limited liability company;
17 SOUTH CORD MANAGEMENT LLC, a
California limited liability company;
18 ELLIOT LEWIS, an individual; DAMIAN
MARTIN, an individual; and DOES 1
19 through 100, inclusive,

20 Defendants.

CASE NO. 23STCV14403

COMPLAINT FOR:

1. **DEFAMATION *PER SE***
2. **DEFAMATION *PER QUOD***
3. **VIOLATION OF CALIFORNIA
BUSINESS & PROFESSIONS CODE
§ 17200**

DEMAND FOR JURY TRIAL

1 Plaintiffs GLASS HOUSE BRANDS INC. (“Glass House”), KYLE D. KAZAN (“Kazan”),
2 and GRAHAM FARRAR (“Farrar,” collectively, “Plaintiffs”), by and through their attorneys of
3 record, hereby submit this Complaint against Defendants SOUTH CORD HOLDINGS LLC,
4 SOUTH CORD MANAGEMENT LLC *dba* CATALYST CANNABIS (collectively, “Catalyst”),
5 ELLIOT LEWIS (“Lewis”), DAMIAN MARTIN (“Martin”), and DOES 1 through 100, inclusive
6 (collectively, “Defendants”), and each of them, as follows:

7 **INTRODUCTION**

8 1. This is a dispute between competitors arising out of Defendants’ outrageous,
9 baseless, defamatory statements falsely accusing Plaintiffs of illegally diverting and distributing
10 cannabis and cannabis products throughout California and the United States. Defendants Elliot
11 Lewis and Damian Martin, on behalf of Catalyst which they co-founded and operate, have launched
12 a misguided and systematic defamatory social media campaign falsely accusing Glass House and
13 its co-founders, Kyle Kazan and Graham Farrar, of being “the biggest black marketeer in the entire
14 American History,” likening Plaintiffs to a Mexican drug cartel. Nothing could be further from the
15 truth. Defendants made the statements without any evidence, knowing them to be false or, at the
16 very least, with reckless disregard for the truth. Relying on pure speculation, Defendants assert their
17 self-serving conclusion and then plead with governmental authorities and regulators at the California
18 Department of Cannabis Control (“DCC”) to investigate Glass House. Defendants then taunted
19 Plaintiffs by asserting that their defamatory statements must be true because Plaintiffs have not filed
20 a defamation lawsuit. Enough is enough. Plaintiffs therefore bring this lawsuit to defend their
21 reputations and establish that Defendants’ defamatory statements are demonstrably false. Plaintiffs
22 seek to enjoin Defendants from making any similar statements and recover substantial compensatory
23 and punitive damages.

24 2. Defendants launched their egregious attack on Plaintiffs based on misplaced anger
25 and hostility. Defendants’ social media rants make clear that they are enraged by the current state
26 of the cannabis industry and, in particular, their erroneous belief that Defendants are unfairly
27 shouldering the tax burden when it is actually shared by all legal commercial cannabis operators,

1 including Glass House. First, Defendants filed a lawsuit against the DCC seeking to compel it to
2 enforce its track and trace obligations to reduce illicit market activity. Having lost at the trial court
3 level, Defendants have now shifted their animus toward the passage and implementation of
4 Assembly Bill 195 (“AB 195”), a bill which benefited consumers by reducing the taxes paid on
5 cannabis and cannabis products. AB 195 shifted responsibility for collecting and paying
6 California’s cannabis excise tax from distributors to cannabis retailers and obligates retailers like
7 Catalyst and Glass House to pay taxes on the revenue collected from actual cannabis and cannabis
8 products sold at retail rather than based on wholesale estimates. Since Catalyst has focused its
9 operations on retail and has become one of the largest retail cannabis companies in California,
10 Defendants believe that Catalyst has been disproportionately impacted by AB 195. This time, rather
11 than initiate another failed litigation against the DCC or the California Department of Tax and Fee
12 Administration (“CDTFA”), Defendants have trained their anger and hostility on Glass House and
13 its co-founders even though Glass House similarly faces regular competition from illicit sales at
14 lower sales prices than the legal market can bear.

15 3. Glass House’s mission is to provide quality, sustainable cannabis products for the
16 benefit of all. To that end, Plaintiffs foresaw and adroitly prepared for the various challenges
17 currently facing California-based cannabis businesses by building a robust, vertically integrated
18 company, including, without limitation, cultivation, retail, and manufacturing of Glass House-
19 branded cannabis-focused consumer packaged goods (“CPG”). Glass House has sought to reduce
20 the cost of cannabis and to provide consistently high-quality products that fulfill the needs of many
21 brands, as well as retailers seeking supply for their in-house brands, to ultimately benefit the
22 consumers in the legal California cannabis marketplace. As a result, Glass House is positioned to
23 weather the current downturn in the cannabis industry and survive the many challenges that all
24 operators in the cannabis industry are facing. Glass House has a well-earned reputation for
25 compliance and has taken great strides to make sure that its cannabis and cannabis products are
26 appropriately tracked and traced and do not find their way into the illicit market. Glass House’s

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1 vertical integration and strict adherence to compliance has clearly drawn the misplaced ire of
2 Defendants.

3 4. Defendants have no viable defense for their misconduct. Their statements about
4 Glass House are provably false and therefore Defendants cannot rely on truth as a defense.
5 Defendants have tried to insulate themselves from liability by inserting the word “allegedly” in
6 connection with their statements, but that term does not magically make a false defamatory
7 statement non-actionable, and Defendants’ use of such term is nonsensical because Defendants are
8 quoting themselves, not some other source they reasonably believed to be true. Defendants are also
9 not insulated by the filing of subsequent litigation, ironically for unfair competition, which repeats
10 their false and defamatory accusations, because Defendants’ defamatory social media campaign
11 *predated* the filing of their lawsuit and was not in furtherance of the subsequently filed litigation,
12 and therefore falls outside of the litigation privilege. Defendants also have no First Amendment
13 defense because Defendants’ statements were made with actual malice motivated by animus towards
14 Plaintiffs. Although Defendant Lewis has previously boasted publicly about Catalyst’s use of
15 litigation as a competitive business tool, Defendants grossly miscalculated this time around, and
16 should be held fully responsible for their unprovoked social media campaign attacking the integrity
17 of Plaintiffs and the cannabis business they have worked so hard to build over the past seven years.

18 **PARTIES**

19 5. Plaintiff Glass House Brands Inc. is, and at all relevant times mentioned herein was,
20 a corporation incorporated in British Columbia, Canada and qualified to do business in the State of
21 California with its principal place of business at 3645 Long Beach Boulevard, California 90807.

22 6. Plaintiff Kyle D. Kazan is an individual, and is now and was at all relevant times
23 mentioned herein a resident of Los Angeles County, California.

24 7. Plaintiff Graham Farrar is an individual, and is now and was at all relevant times
25 mentioned herein a resident of Santa Barbara County, California.

26 8. Plaintiffs are informed and believe, and on that basis allege, that Defendant South
27 Cord Holdings LLC is, and at all relevant times mentioned herein was, a limited liability company

1 formed in the State of California with its principal place of business at 401 Pine Avenue, Long
2 Beach, California 90802. South Cord Holdings LLC is a holding company for various Catalyst
3 subsidiaries that hold commercial cannabis licenses and operate Catalyst-branded retail dispensaries
4 located in the State of California.

5 9. Plaintiffs are informed and believe, and on that basis allege, that Defendant South
6 Cord Management LLC is, and at all relevant times mentioned herein was, a limited liability
7 company formed in the State of California with its principal place of business at 401 Pine Avenue,
8 Long Beach, California 90802. South Cord Management LLC provides management services to
9 South Cord Holdings LLC and its various subsidiaries that operate Catalyst-branded retail
10 dispensaries in the State of California.

11 10. Plaintiffs are informed and believe, and on that basis allege, that Defendant Elliot
12 Lewis is an individual, and is now and was at all relevant times mentioned herein a resident of Los
13 Angeles County, California.

14 11. Plaintiffs are informed and believe, and on that basis allege, that Defendant Damian
15 Martin is an individual, and is now and was at all relevant times mentioned herein a resident of Los
16 Angeles County, California.

17 12. Plaintiffs are unaware of the true names and capacities of the defendants sued herein
18 as DOES 1 through 100, inclusive, and therefore sues these defendants by such fictitious names.
19 Plaintiffs are informed and believe, and on that basis allege, that each of the fictitiously named
20 defendants is liable to Plaintiffs in some manner for the causes of action alleged herein. Plaintiffs
21 will seek leave to amend this Complaint to allege the true names and capacities of the fictitiously
22 named defendants when their identities have been ascertained.

23 13. Plaintiffs are informed and believe, and based upon such information and belief
24 allege, that at all relevant times mentioned herein, Defendants, and each of them, together with each
25 of the Doe Defendants, acted as the agent, servant, employee, partner, member, associate,
26 representative, co-conspirator, or alter ego of each other Defendant, and in connection with the
27 conduct herein alleged, was acting within the course, scope, and authority of such relationship, and

1 that each Defendant ratified each and every act, omission and thing done by each and every other
2 Defendant.

3 **JURISDICTION AND VENUE**

4 14. Jurisdiction is proper in the Superior Court of the State of California for the County
5 of Los Angeles pursuant to California Code of Civil Procedure section 410.10.

6 15. Venue is proper in Los Angeles County, California pursuant to sections 392 *et seq.*
7 of the California Code of Civil Procedure because the conduct and events giving rise to the claims
8 described herein, as well as the injuries to Plaintiffs, occurred in Los Angeles County. Moreover, a
9 number of witnesses to the events in question reside or regularly transact business in Los Angeles
10 County, and relevant evidence is believed to be located in Los Angeles County.

11 **GENERAL ALLEGATIONS**

12 **A) Glass House Is A Fully Compliant Vertically Integrated Cannabis Business**

13 16. Plaintiff Glass House is a Canadian publicly-traded cannabis company that is
14 vertically integrated and operates exclusively in the State of California. Over more than seven years
15 of operations, it has built leading, lasting brands serving consumers of virtually all demographics.
16 Plaintiff Kazan is the Co-Founder, Chairman, and Chief Executive Officer of Glass House, and
17 Plaintiff Farrar is the company's other Co-Founder, President and Chief Cannabis Officer. Kazan
18 and Farrar have also been successful in multiple business endeavors outside of the cannabis industry
19 and they have worked for decades building impeccable reputations. Both Kazan and Farrar continue
20 to engage in many of these businesses, including, without limitation, commercial real estate.
21 Plaintiffs Kazan, Farrar, and Glass House have each earned the well-deserved reputation for strict
22 compliance in California with respect to legalized, adult-use and medicinal cannabis, and their
23 reputations in one field necessarily impact their standing in others.

24 17. Glass House and its co-founders have carefully built their company, brands and
25 reputations and positioned the company to weather today's very challenging legalized cannabis
26 industry. Glass House is currently operating in all major verticals including cultivation, retail, and
27 manufacturing of CPG.

1 18. The cannabis industry in California is heavily regulated. Glass House and its
2 founders have done things the right way, working hard to comply with all regulatory standards
3 established by the State of California and various local jurisdictions in which Glass House operates.
4 Indeed, since Glass House commenced operations, it has taken every effort to fully comply with all
5 applicable state and local laws, ordinances, rules and regulations pertaining to every aspect of its
6 commercial cannabis businesses. Glass House prides itself on being a transparent operator who
7 communicates openly with state regulators at the DCC (and its predecessor agencies the Bureau of
8 Cannabis Control, the California Department of Public Health, and the California Department of
9 Food and Agriculture) and local stakeholders in every jurisdiction in which it operates throughout
10 the State of California. To date, no state or local regulator has imposed any regulatory violations or
11 assessed any penalties relating to any alleged violations against Glass House. Plaintiffs run a
12 compliant business that closely monitors its business from cultivation to manufacturing, to
13 distribution to retail sales, and participates exclusively within the legal cannabis market in
14 California. Defendants' wild statements that Plaintiffs operate the largest illicit cannabis business
15 in United States history are completely and categorically false.

16 19. As part of Glass House's strict adherence to the myriad of rules and regulations
17 applicable to Glass House as a vertically integrated California cannabis business, Glass House
18 maintains a METRC account for every one of its individually licensed operations, with such track
19 and trace system recording all cannabis activity conducted by that licensee. *See* 4 CCR § 15047.2.
20 Glass House tags all cannabis and cannabis products with METRC tags, per state regulations, which
21 are utilized as the DCC's primary and preferred track and trace system. *See* 4 CCR §§ 15048.2-
22 15048.5. All cannabis and cannabis products on each and every one of Glass House's licensed
23 premises is assigned its own unique plant or package tag, which tag is entered into the METRC
24 system. *See* 4 CCR § 15049. This allows the DCC to track all cannabis "from seed to sale," that is,
25 from the moment cannabis is planted by Glass House for cultivation through its sale to a retail
26 customer or other end user. In other words, before cannabis leaves a Glass House facility, a record
27 is entered into METRC of the exact cannabis that is to be transferred, which facility it is leaving

1 from, and which facility it will be transported to. This information is available to the DCC (and
2 local regulatory agencies), and maintained separately by Glass House for the periods required under
3 the state regulations. *See* Cal. Bus. & Prof. Code § 26160. Glass House conducts a comprehensive
4 review and reconciliation of its METRC track and trace records on a monthly basis. *See* 4 CCR
5 § 15051.

6 20. Glass House is affirmatively obligated to account for all of its cannabis inventory at
7 all times. *See* 4 CCR § 15424. In the event that Glass House ever discovers diversion, theft, loss,
8 or any other unlicensed, illicit or criminal activity associated with one of its licenses (or has
9 knowledge of such activity by any licensee with whom Glass House transacts), it has an affirmative
10 duty to notify both the DCC and local law enforcement within 24 hours of discovery. *See* 4 CCR
11 § 15036. To date, there have been no known incidents of diversion of Glass House cannabis or
12 cannabis products. As a result, Glass House has never submitted any report of diversion to the DCC
13 or to local law enforcement. No regulator has ever notified Glass House of any potential diversion
14 from a Glass House facility, and no one has ever presented any evidence this has occurred. To Glass
15 House's knowledge, no distributor with whom it contracts has been accused of diverting cannabis
16 or cannabis products to the illicit market, much less has any action been taken by any regulators or
17 law enforcement to investigate or discipline any such licensee for an alleged or proven violation.

18 21. All of Glass House's METRC logs and tax filings are subject to audit by the DCC
19 and the CDTFA. *See* Cal. Bus. & Prof. Code § 26161. As a public company, Glass House is highly
20 regulated and required to make extensive periodic financial and regulatory-related reporting and
21 disclosures to U.S. and Canadian securities regulators, Cboe Canada (formally the Aequitas NEO
22 Exchange), the OTC broker-dealer financial markets, and to its investors. Furthermore, as a public
23 company, Glass House's financial statements are required to be audited annually by a certified
24 public accounting firm in compliance with generally accepted accounting principles in *two* different
25 countries. No regulator, securities exchange or auditor has *ever* alleged any discrepancies or
26 improprieties in Glass House's financial and regulatory disclosures or any oddities in Glass House's
27 reported commercial cannabis activities.

1 22. Glass House cultivates, manufactures, and distributes cannabis flower and trim to
2 wholesalers, and CPG to Glass House-owned and third-party retail stores in the State of California.
3 It generates revenue by selling its products in bulk at wholesale to distributors and at retail to its
4 own and third-party dispensaries in California, including both raw cannabis, cannabis extracts, and
5 cannabis edibles.

6 23. From a retail standpoint, as of December 2022, Glass House operated eight (8) retail
7 dispensaries across California with locations in Los Angeles, Santa Barbara, Santa Ana, Berkeley,
8 Isla Vista, Grover Beach, Lemoore, and Morro Bay. In January 2023, Glass House opened an
9 additional dispensary in Santa Ynez, California. Finally, in April 2023, Glass House opened a
10 dispensary in Turlock, California, bringing its current retail portfolio to ten (10) retail dispensaries.

11 **B) Catalyst Is A Direct Competitor Of Glass House**

12 24. Like Glass House, Catalyst also focuses its efforts on expanding its California market
13 presence and growing its brand across the state. Similar to the Glass House model, Catalyst is
14 primarily engaged in the business of selling cannabis and cannabis products including its own
15 branded products and third-party branded products. Catalyst currently owns and operates eighteen
16 (18) retail dispensaries throughout California. Unlike Glass House, Catalyst consolidated all its
17 efforts into acquiring retail licenses with the expressed goal of becoming “the premiere [sic] retailer
18 in the state [sic] of California.”¹ Catalyst’s gamble on retail paid off to a point. In fact, Catalyst
19 successfully grew its retail footprint into something nearly double that of Glass House. Catalyst is
20 now one of the largest retailers in the state and a direct competitor of Glass House. The primary
21 difference between the companies’ respective operations is that Glass House is vertically integrated
22 and therefore benefits from reduced taxes on cultivation (*i.e.*, the California state-level cultivation
23 tax was repealed in July 2022) and wholesale distribution.
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26 _____
27 ¹ See [http://www.forbes.com/sites/warrenbobrow/2020/07/27/5-quick-questions-with-elliott-lewis-
ownerfounder-catalyst-cannabis-co/](http://www.forbes.com/sites/warrenbobrow/2020/07/27/5-quick-questions-with-elliott-lewis-ownerfounder-catalyst-cannabis-co/)

1 25. In a wide-ranging podcast interview with *Ganjabpreneur* from February 26, 2021,²
2 Defendant Lewis stated, among other things, his belief that “at the end of the day, . . . whoever wins
3 California, that brand is going to be able to migrate.” In other words, by establishing a strong
4 foothold in California and growing within the state, the “winning” company will then be able to
5 expand its operations into other states that have legalized cannabis marketplaces. To that end, Lewis
6 stated, “we’re moving block by block, street by street, city by city, trying to open cities and acquire
7 these retail licenses.”

8 26. In discussing his goals for Catalyst’s future growth, Defendant Lewis provided a
9 profane analogy: “Not that it’s a great analogy, but when Cortes showed up, not that he was a good
10 guy, he’s an evil guy, I don’t want to get in trouble, but he burned the fucking ships, right, and 500
11 dudes. I’m not justifying the atrocities, but the analogy carries. 500 Spaniards took on a million
12 Mayans. Why? Because there wasn’t no fucking way home. So that’s just the mentality that we’ve
13 kind of taken and we keep pushing, pushing, pushing.” Defendant Lewis sums up his personal ethos
14 succinctly, “maybe I don’t even like winning as much as I hate losing.”

15 27. In that same interview (*see* Fn. 2), Defendant Lewis acknowledges part of Defendant
16 Catalyst’s strategy to “win California” and establish the company’s foothold in the U.S. commercial
17 cannabis marketplace by relying on litigation. Specifically, Defendant Lewis stated, “Sometimes
18 we lose, but we’ve been very thorough in the litigation process. . . . And we’ve litigated against
19 cities. It has been a fairly successful strategy as well.” Not only has Catalyst sued to obtain licenses
20 for its operations, but it also sued **and lost** to the DCC in litigation over the DCC’s alleged regulatory
21 failings with respect to the proliferation of illicit cannabis activities throughout the state which
22 resulted in purported widespread tax evasion and diversion.

23 28. Rather than responsibly fix their internal problems, Defendants have instead sought
24 to improve their situation by baselessly and maliciously attacking Plaintiffs – their direct competitor
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27 ² See <https://www.ganjabpreneur.com/elliott-lewis-competing-against-cannabis-venture-capital-in-southern-california/>

1 – for the purposes of promoting Catalyst’s business and causing damage to Glass House.

2 **C) Defendants Engage In A Malicious Defamation Campaign Against Plaintiffs**³

3 29. In a transparently reckless maneuver, Defendants have repeatedly and publicly
4 accused Plaintiffs of, among other things, being **“the biggest black marketeer in American
5 history.”** Defendants claim Plaintiffs are running **“the largest illicit cannabis operation in
6 American History”** at a size and scale that is *only* matched by illegal foreign drug cartels. These
7 are knowingly false statements of fact of concerning Plaintiffs that Defendants have maliciously
8 published to **thousands** of consumers for the purpose of causing damage to Plaintiffs.

9 30. While Defendants Lewis and Martin have tried to craft their public image and that
10 of Catalyst to be seen as “for the people” that “speak to truth to power,” the actual truth is far
11 different than their manufactured narrative. Defendants are not “for the people,” but are motivated
12 by their own self-interest. Defendants aggressively gambled on the retail market only to experience
13 the pains of a rapidly changing legal cannabis industry including new regulatory obligations to
14 collect cannabis excise taxes that threaten to further shrink already slim retail margins. Furious that
15 a competitor is potentially outpacing them, Defendants embarked on a vengeful, defamatory crusade
16 to prop up their own business interests. Defendants did so with the specific aim of harming one of
17 their closest competitors by directing numerous statements to actual or potential customers of Glass
18 House and Catalyst concerning both: (i) Defendants’ own business operations – which they
19 characterize as being “totally clean” and beyond reproach; and (ii) Plaintiffs’ business operations –
20 which they characterize as being dishonest, unethical, and outright criminal.

21 31. As described more fully below, Defendants’ targeted attack against Plaintiffs
22 includes false and misleading accusations of and concerning Plaintiffs related to criminal conduct,
23 dishonesty, cheating and more. For example, Defendants:

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26 ³ Defendants’ slanderous statements of and concerning Plaintiffs have been transcribed by
27 Plaintiffs’ counsel and, where appropriate, have been emphasized with bold underline.

- 1 • Claim Glass House is the “biggest black marketeer” in U.S. history rivaled in size and
2 scope only by “Mexican cartels,” that Glass House “is BM-ing [*i.e.*, illicit marketing]
3 100,000 thousand fucking pounds of weed” and that everyone on the illicit market is
4 selling Glass House’s product and “there’s no fucking way [Glass House] is selling
5 all this through legal channels[;]”
- 6 • Personally attack Plaintiffs Farrar and Kazan by comparing them to known steroid
7 cheats, implying that Farrar and Kazan are breaking the rules and are deserving of
8 contempt and scorn just like fallen sports heroes Sammy Sosa and Lance Armstrong;
- 9 • Avers that Plaintiff Kazan’s reputation for compliance is “fucking bullshit” because
10 Glass House is “the biggest black marketeer in American History” while also
11 insinuating that Kazan, a former police officer, is a hypocrite for arresting “guys for
12 1/1,000,000th of the amount that today he is black marketeering” and that Kazan now
13 “has the black market” and is a drug kingpin;
- 14 • Accuse Plaintiffs of working with and improperly influencing corrupt politicians who
15 “turn a blind eye to” Plaintiffs, and whose corruption created a “fix” or unlevel
16 playing field structured for Plaintiffs’ benefit; and
- 17 • Repeatedly compare Plaintiffs’ and Defendants’ business operations by asserting that
18 Defendants are the “good guys” who are “totally clean” and that Plaintiffs are the
19 “bad guys” because they are unethical, dishonest, criminals.

20 32. Defendants’ defamatory social media campaign began on May 15, 2023, when
21 Defendant Lewis, using the handle @catalyst_ceo, posted a video on his Instagram reel with the
22 following direct, unequivocal proclamation superimposed: “FACTS !!!!” In that six minute and
23 ten second (6:10) video, Defendant Lewis begins by saying:

24 Yo yo yo, this is super important, it’s going to be fucking red hot and probably too
25 much truth, and normally I wouldn’t give the fucking cops and the state so much
26 help, but this one needs to be fucking resolved. Everybody knows it, I am about to
27

1 say it. **Who is the biggest black marketeer, allegedly, in the history of the**
2 **United States? Glass House Brands.** They are the fucking problem.

3 The introductory statements made in this video are intended to convey, and do in fact convey, to the
4 viewer that Defendants know “facts” about Glass House’s operations. Defendant Lewis’s
5 accusation that Glass House is the “biggest black marketeer” in U.S. history is, on its face,
6 defamatory. Such conclusion is false. It is not an opinion. It is a representation of fact directed to
7 the public and the market at large regarding the conduct of a competitor company.

8 33. Defendant Lewis continues in that May 15, 2023 video:

9 **How do we know that Glass House is the biggest black marketeer, “allegedly”**
10 **[using demonstrative “finger quotes”], in American history?** And I would
11 challenge either Kyle [Kazan] or Graham [Farrar] to tell me I’m fucking wrong on
12 this math. 1.3 billion dollars in total sales, 4th quarter, all revenue for the state.
13 That’s all revenue for the state. That means about 650 million [dollars] is flower.
14 About 50% of sales, I think most people would say that’s very close to what it is.
15 So 650 million [dollars] in flower sales sold. According to public reports, Glass
16 House claims they produce 75,000 pounds. Now they get real cute so you don’t
17 know exactly how much dry flower or how much trim . . . But look, they sold
18 66,000 [pounds]. We’re gonna take a conservative number here, which is 50% of
19 what they sold. 33,000 pounds of dry flower is what they sold in the 4th fucking
20 quarter. You ready? 33,000 pounds times 128 1/8’s times 25 dollars out the door,
21 so 105 million dollars in legal sales, if it was all fucking legal. Now, take 105
22 million [dollars], you divide it by the total flower sales, 650 million [dollars], by
23 the way I’m being real conservative. That means you’d have to believe that Glass
24 House accounts for 16.2% of sales. Now, of course they’re gonna claim plausible
25 deniability because that’s super fucking convenient for them, but guess what?
26 They’re a publicly traded stock with the best quantitative minds on the planet, and,
27

1 hey, I'm just saying somebody figured out that, guess what, **there's no fucking**
2 **way they're selling this all through legal channels.**

3 Again, Defendants repeat their unfounded allegations that Plaintiffs have engaged in criminal
4 conduct, basing these accusations on an incomplete set of facts using assumptions designed to reach
5 a predetermined false conclusion. Defendants' attempt to justify their conclusion by relying on
6 "math." However, this "math" is entirely manufactured and unsubstantiated, to say nothing of the
7 bias resulting from Defendants' willful decision to ignore reliable sources, and their failure to
8 investigate or acknowledge the ramifications of AB 195—a law which eliminated the cannabis
9 cultivation tax effective July 1, 2022 and which made retailers (rather than distributors) responsible
10 for collecting and remitting the cannabis excise tax starting January 1, 2023.

11 34. In an attempt to further justify his defamatory statements, Defendant Lewis targets
12 Plaintiffs' distribution structure and states that Plaintiffs Kazan and Farrar are cheaters and part of
13 an illegal drug cartel:

14 Here's my next question for Glass House, how the fuck do you have one distributor
15 that touches every door in the state, but feel the need to bulk, 'bulk' [using
16 demonstrative "finger quotes"], it out to all the other distributors in the state? And
17 look, I understand that people are fucking backdooring a little bit to keep the lights
18 on, to fucking make their payroll, not to try to take over an entire industry cuz
19 you've got a broken business model and you're cheating. And look, like I said,
20 nothing super personal to fucking Graham [Farrar] and Kyle [Kazan], but guess
21 what, when somebody's taking fucking steroids like Sammy Sosa or riding their
22 bike like U.S. Postal Service, and they've got [inaudible] coming behind them with
23 fucking blood doping, you call it out to keep the legal sport legal. . . . **The cartel is**
24 **Glass House**, "allegedly" [using demonstrative "finger quotes"].

25 That Defendants are willing to turn a blind eye to the actions of other people and/or companies that
26 are actually engaged in illicit activities but not perceived to be in direct competition with them, while
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1 simultaneously directing anger and hostility towards just Glass House demonstrates the vengeful
2 motive underlying Defendants’ defamatory words and actions.

3 35. This May 15, 2023 video continues still further: “But I would be happy to debate ‘em
4 on this math. So, on a good day, there’s no way, but on a good day, we will call Glass House 4%
5 of sales, which means 4% over 16%, only 25% of their fucking product ‘allegedly’ [using
6 demonstrative “finger quotes”], I am happy for them to challenge this math, is going through legal
7 channels and they hide behind ‘plausible deniability, I didn’t know.’” What Defendant Lewis is
8 unequivocally communicating to his audience of more than **sixteen thousand followers** (plus all
9 non-followers on his social media who see this video due to the viral nature of the internet and third-
10 party republication or postings) is that his conclusion—*i.e.*, that Glass House is a **criminal**
11 organization—is unimpeachable, and that nobody should do business with Glass House, leaving a
12 greater market share for Catalyst. Defendants are masquerading as righteous whistleblowers when,
13 in reality, they are doing nothing more than spreading falsehoods about a direct competitor all for
14 Defendants’ own financial gain, including to entice their investors and lenders to make additional
15 capital investments into Catalyst.

16 36. Furthermore, Defendants assert that Plaintiffs are corrupt, hypocritical, and
17 dishonest. To that end, Defendant Lewis also states that Plaintiffs are “[e]ven worse [than the
18 politicians who think they are untouchable], **posing for magazines with their face on it**, saying
19 that **you’re the dude who’s super compliant**. Like, just stop man, I can’t watch anymore. Again,
20 nothing personal, but y’all fucking bullshit. . . . let me help you out, **the biggest black marketeer**
21 **in the entire American History, ‘allegedly’ [using demonstrative “finger quotes”], only to be**
22 **beat by a few people who live down in Mexico that were Mexican cartels, *Glass House*.**” While
23 not directly identifying Plaintiff Kazan by name, it is well known in the cannabis industry that he
24 started his career in law enforcement with the City of Torrance Police Department before retiring
25 more than two decades ago, and has been on the covers of various magazines touting Glass House’s
26 compliance with California’s cannabis regulatory scheme. This insinuation can be, and as evidenced
27 by the comments on the video was, understood by the audience to be directly related to Plaintiff

1 Kazan. Defendants' statements are entirely false. Plaintiffs are informed and believe, and based
2 upon such information and belief allege, that Defendants, and Defendant Lewis in particular, made
3 these statements maliciously, with knowledge or reckless disregard of their falsity.

4 37. In this same May 15, 2023 video, Defendant Lewis doubles down again:

5 My numbers are correct. **They are "BM-ing" [i.e., diverting to the illicit market]**
6 **approximately 100 thousand fucking pounds of weed, now going through the**
7 **burner distribution system.** Again, they would say it's legal. But they should
8 know, they're fucking burner-ing a fucking 100 thousand fucking pounds of BM
9 [i.e., illicit market] market, **which means that Kyle [Kazan] snapped cuffs on**
10 **guys for 1/1,000,000th of the amount that today he is black marketeering.** This
11 is not a fair business model. **Same guys circling cartel grows right next to 'em,**
12 **complaining, are the same guys that the biggest black marketeers in this**
13 **fucking game.** And if I'm snitching on a cop, I'm snitching on a cop. But when
14 somebody's cheating, and somebody's using PEDs, it's our job to call it out. If
15 you're gonna try to have your black market game fund your entire legal market
16 game, and then be the face of compliance, we're going to call fucking bullshit. **And**
17 **that's just facts.** If you can't handle facts, if you want to dispute the facts, I'm
18 here to have a calm conversation. Otherwise, DCC, fucking police, it's sitting right
19 in front of your eyes. **Go walk down to Glass House, former cop, that's who's**
20 **got the fucking black market now. And all the homies know on the black**
21 **market, they're flipping Glass House pounds. This ain't no fucking secret.**
22 I'm just saying it now, standing up for the industry, standing up for the small
23 farmer, and that's right, the mother fucking people.

24 This time, Defendants target Plaintiff Kazan specifically and directly. The incendiary averment that
25 Plaintiff Kazan, a former police officer, abused his authority while in that position decades ago only
26 to now run Glass House by cheating the system, taking over the illicit market and becoming a drug
27 kingpin is demonstrably false.

1 38. Thereafter on May 17, 2023, Defendant Lewis posted what he described as a “much
2 needed follow up to the Glass House video” to his @catalyst_ceo Instagram account because there
3 was “lotta chatter out there.” Comparing Catalyst to its competitor, Glass House, and in particular
4 comparing the ethics of their respective business operations, Defendant Lewis said, “First, I want to
5 make one super important point. Who do you think’s gonna get targeted for putting out this video?
6 The company that runs totally clean, speaks truth to power? That’s gonna be Catalyst. Who do you
7 think they’re gonna continue to turn a blind eye to? Glass House. That’s just how it goes down. In
8 fact, those guys are in Sacramento right now taking photographs with their political friends. I
9 wouldn’t be surprised if they’re figuring out how to target Catalyst right now, ‘allegedly’ [using
10 demonstrative “finger quotes”].”

11 39. Defendants then proceed to allow, promote, and encourage Defendant Lewis to spew
12 more vitriol based on his specious “math” that is devoid of any true investigation or actual data.
13 Once more, this social media post was directed to a broad audience of actual and potential
14 consumers, specifically targeting Glass House’s business operations, actual and prospective
15 customers and the products Glass House sells, all while attempting to push Catalyst’s direct
16 competitor down so Catalyst could rise up. These statements, like those made in the prior video,
17 demonstrate a willful obliviousness to the fact that Glass House sells bulk cannabis flower *and* CPG.

18 40. So too does the following statement by Defendant Lewis from the May 17, 2023
19 video implicate the notion that Glass House is in cahoots with politicians who allegedly ignore this
20 purported criminality:

21 But look, let me run you through the math one more time because there’s a lot of
22 bullshit out there and what we’re doing here is we’re comparing retail output to
23 retail output so all the wholesale input, garbage in garbage out, is irrelevant, and
24 the people that are doing it are stupid fucking motherfuckers who don’t understand
25 what I’m doing here, right? We all know that [what] it does in the wholesale
26 system, then it goes through the burner distribution system, and never comes out
27 the retail. What we’re doing is assuming it all comes out the retail, then we’re

1 comparing it to the retail numbers that we have from the state. I'm gonna change
2 'em up a little bit just for some fun, right? So, this used to be 50% flower sales.
3 I'm going to make it 40%, cuz that's what it really is, right? So, you end up with
4 520 million [dollars] is the denominator, 520 million [dollars] is the denominator.
5 Here's the other way we're being challenged, people are saying "ohh, it's only 10-
6 15 dollars a jar." Yeah, that's wholesale, I fucking know. We're taking a
7 conservative retail price. I heard they break it down 40 trim, 40 bigs, 20 smalls. I
8 still think, 25 [dollars per 1/8 ounce], if not perfect, is a pretty fucking close price
9 if you average it together with 40, 40, and 20. We assume 50%, right? So, that
10 number is still fucking pretty good because really there's 60% flower mixing in a
11 little bit of smalls, so your math's a little fucking off. So, I've seen this blended
12 down \$236 per pound come out, and like, that's been used as the input. That can't
13 be used as the input. We know the input into the wholesale, we're trying to make
14 the rec market total amount, the uhh, the, the denominator and we're trying to make
15 Glass House the numerator, total rec sales, right? Which, really if you do it closer
16 to right, gets you to about 20%. Last thing we're hearing, white label. Alright,
17 look, does Glass House white label some weed? Sure, sounds like some plausible
18 deniability, "allegedly" [using demonstrative "finger quotes"] by the way, this is
19 all allegedly. Look, I gave them the benefit of the doubt when I said 5% of sales,
20 cuz I think Glass House itself, I don't know, I'm guessing a little bit, probably
21 hovering around 2[%], maybe a little bit more. I don't know anyone that does 3[%].
22 So, I factored that in at 4% when I came with the 75-25. But if you look at 20% of
23 sales on a good percent, 4% of them are white labeled, plus actually in Glass House
24 jars, still doesn't get you anywhere close to 20%. And the idea that somebody has
25 20% market share is totally ridiculous. So, all you math fucking geniuses out there,
26 why you're getting crushed in cannabis is you look at spreadsheets, you don't
27 understand the game. **We're comparing retail to retail.** And, again, look, we're
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1 not trying to go after them personally, but here's the problem with our political
2 system, the guys trying to solve the problem, up in Sacramento literally yesterday,
3 crickets, crickets, crickets on everything else, are the same ones, that, based on my
4 math, again 'allegedly' appear to be the largest black market cultivator in American
5 history, and **they're chumming it up with everybody from Sacramento.**
6 **Meanwhile, whose got the target on their backs? The guy who plays totally**
7 **clean, the company that plays totally clean,** that speaks truth to power. That's
8 our political system today. If you speak up, we're gonna get you. If you're our
9 friend, and we like you, and you do exactly what we say and you're fucking around,
10 we'll turn a blind eye. Hey, if you're someone we don't know up in Trinity County,
11 we're gonna come in because the war on drugs is still alive and well and fucking
12 raging, and we might even shoot a dog that is doing exactly what it's supposed to
13 do when 12 thugs show up at the door. Weed for the people.

14 41. Defendants' video tirades continued. Defendant Lewis posted another video on May
15 18, 2023 to Lewis's backup Instagram account, @catalyst_ceo_still_talking, wherein he defiantly
16 challenged the audience, proclaiming "Fuck y'all mother fuckers, . . . I am still talking shit. That
17 wasn't even that bad, I just did little fucking math. The world don't like math? I mean, maybe the
18 truth hurts. It's a fucking commentary on the entire system. Which then follows up by curtailing
19 free speech. Again, math is just math, these are universal truths. Weed for the people." Such
20 communications can only be understood in the context of all the preceding videos—that is,
21 Defendants were stating in no uncertain terms that their "math" proves that Plaintiffs are the largest
22 illicit marketeer in American history.

23 42. Defendant Lewis was not alone in making these videos falsely accusing Glass House
24 of committing egregious crimes while comparing Plaintiffs, the "bad guys" to Defendants, the "good
25 guys." Saliently, Defendant Damian Martin, who is a California licensed attorney, appeared in a
26 video posted on Defendant Lewis's @catalyst_ceo Instagram on May 24, 2023. In this video,
27 Defendant Martin introduces himself as a co-founder of and attorney for Catalyst. In connection
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1 with describing his background, Defendant Martin states that he “operate[s] on a need to know
2 principal.” Defendant Martin continues his defamatory tirade and promotes Catalyst in the process:

3 The reason I am here today is because there is something you absolutely need to
4 know, and that’s, **why is Catalyst doing this?** The reason Catalyst is doing this . .
5 . Elliot [Lewis], Catalyst, and I are fighting for the heart and soul of the cannabis
6 industry. **Now, the bad guys in this fight, pretty simple: Glass House Farms**
7 **and their CEO, Kyle Kazan.** I see this guy on video talking real callously, real
8 smugly about shutting down craft farmers, putting them out of business. It is almost
9 like he is proud of it. Not surprising. He used to be a cop and did this for a living.
10 Meanwhile, he’s up in Sacramento hob-knobbing with all the politicians, the
11 political elite, and at the same time, **he’s “allegedly” [using demonstrative**
12 **“finger quotes”] operating the largest illicit cannabis operation in American**
13 **history. On the other side of this, Catalyst. We are the good guys.** We’re trying
14 to build this right, do right by the industry. We provide union jobs that pay a living
15 wage. **Shout out to our partner--** our labor partners at UFCW. We’re advocates
16 and embrace social equity. Shout out to Pusherman Delivery, and all of our social
17 equity owners. And, we prioritize community engagement. On that note, **please**
18 **follow Catalyst Cares on Instagram, come out to our events, participate, speak**
19 **your voice, send us a resume. We want you for the Catalyst Army to fight this**
20 **fight.** So, at the end of the day, it’s always about one thing at Catalyst. . . Weed for
21 the people!

22 In a social media post directed to the entire internet, Defendants’ deliberately, and falsely, used
23 statements about Plaintiffs and their business approach to promote their own company, to solicit
24 workers, and to join the “Catalyst Army.” While Defendant Lewis is the principal speaker on behalf
25 of Catalyst, Defendants allowed, promoted, and encouraged each of the defamatory statements,
26 including those made by Defendant Martin.

1 43. Defendants separately posted a video of Glass House’s CEO, Plaintiff Kazan, to the
2 @catalyst_ceo Instagram on May 28, 2023. In that video, Plaintiff Kazan was discussing Glass
3 House’s belief that the legal market is the best path forward for the industry as a whole, that
4 providing tested product is the better way, and that Glass House believes that it will be able to
5 ultimately beat the illicit market just on price alone—that is, Glass House will be able to provide
6 legal cannabis on equal footing pricewise or better with illegal cannabis. To this, Defendant Lewis
7 expressed his disdain for Plaintiffs Kazan and Glass House in no uncertain terms, making his
8 feelings clear with 5 laugh-crying face emojis, 3 eye-roll emojis, and 2 face palm emojis
9 superimposed over the video throughout its duration. Sometimes, when it comes to personal animus,
10 a picture can truly tell the story.

11 44. The videos did not stop there. Thereafter, Defendants posted a third video of
12 Defendant Lewis to the @catalyst_ceo Instagram account on May 29, 2023. Here, Defendant Lewis
13 not only continued to attack Glass House, but made clear why he harbors so much resentment and
14 animosity towards his competitor. He continues with his ruminations “about this Glass House thing”
15 and expresses his frustration that “there’s no taxation on cultivation.” This, Defendant Lewis
16 concludes, “is a tax break for the wealthy corporations only.” He insinuates once more that Glass
17 House is operating in the illicit market where “80% of their cultivation is going, you know,
18 whatever, 75[%], 80[%], we can debate it, is going not into the legal market, a lot of it on the East
19 Coast.” Defendant Lewis continues:

20 We all know this is happening, it’s not even debatable, right? If I’m off, it’s 70%,
21 right? It’s a lot. So, whatever, 75,000 [pounds], 100,000 pounds, whatever it is, of
22 untaxed cannabis that’s allowed to be grown by somebody who’s in the legal
23 cannabis market. Man, the fix is in bro, if you can’t see it, the fix is in. But,
24 campaign contributions, trips to Sacramento, and these are the guys that are
25 lobbying on behalf of the industry to change policy. They just got the best policy
26 of all time right? No tax cultivating can destroy the black market and has a free
27 back door that nobody’s going to even look at, and turn a blind eye to. So, **they’re**

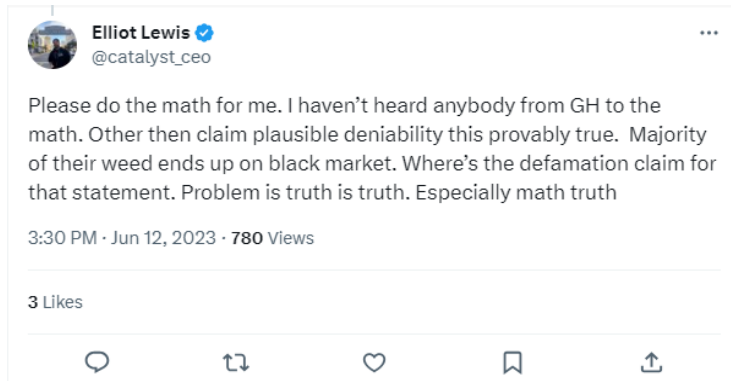
1 **effectively paying an infinitesimal amount of tax in comparison to the rest of**
2 **us in the legal market** where they've dumped it all at the mother fucking register.

3 But the rich getting tax cuts that contribute to the government, that story is as old
4 as this country. Weed for the people.

5 Defendants assert that Glass House is responsible, through corruption and improper lobbying
6 efforts, for the passage of certain tax reforms and rules that favor Glass House. Not only is this
7 statement demonstrably false, but it is plainly yet another statement about the honesty and integrity
8 of Glass House, and one that utilizes "math" that conveniently ignores Defendant Lewis's own
9 acknowledgement of how the tax scheme could and should impact the conclusion.

10 45. In one additional video, posted to Defendant Lewis's @catalyst_ceo Twitter account
11 on June 11, 2023, Defendant Lewis first targeted politicians generally for bailouts provided to
12 different industries and entities, calling "every single last one" of the politicians in Sacramento "a
13 fucking asshole" if they would not say "tax holiday." Effectively, Defendants contend in this video
14 that the cannabis industry has suffered more than any other industry, ever; meanwhile, Defendant
15 Lewis states, **the politicians are "turning a blind eye to the biggest black marketeer in**
16 **American history cuz he's up there [gesticulating in such a way as to simulate fellatio] sucking**
17 **your dick and tickling your fucking vaginas, it's fucking dead ass ridiculous,** so let me say this
18 one more time, if you're a sitting politician and you don't say tax holiday, fuck you, suck my dick.
19 Weed for the people." Not only did Defendants again falsely assert that Plaintiffs are an unparalleled
20 criminal enterprise, but they insinuated, in a salacious and hatred-filled stream of expletives, that
21 Plaintiffs are the beneficiaries of favorable and corrupt political treatment. This statement is
22 motivated by such hostility that the lack of regard for the truth is so clear as to leave no substantial
23 doubt.

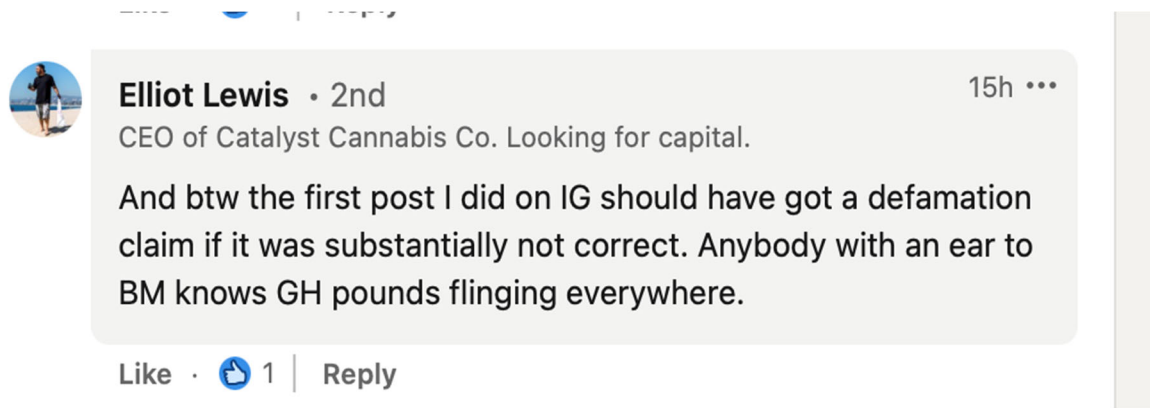
24 46. On June 12, 2023, as Defendants' slanderous statements gained traction on social
25 media, Defendant Lewis tweeted a reply in response to an individual questioning his math and the
26 assumptions made in connection therewith. He wrote:



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In representing that the “[m]ajority” of Glass House’s cannabis is diverted to the illicit market, Defendants have charged Plaintiffs with a crime, calling into question their ethics, honesty, and integrity in such a way that Plaintiffs are not required to prove actual malice. Defendants’ claims are fabricated; they are false. There is no basis for a good faith belief in the accuracy of such claims where Defendants’ story is wholly contrived.

47. In what can only be understood to be an admission of Defendants’ wrongdoing, Defendant Lewis, commenting on his initial May 15, 2023 video, posted the following to his LinkedIn account on or about June 12, 2023:



48. On June 20, 2023, Defendants posted another video to Defendant Lewis’s @ceo_catalyst Instagram in a clear act of escalation in Defendants’ defamatory crusade. Lewis asserts that Glass House is making “\$50 million dollars, probably or so, that they’re making off the black market side, right?” Lewis further states that Glass House “barely sell[s] any fucking [cannabis] over [in the legal market].” These statements are provably false. Glass House does not

1 operate in the illicit market, and it is the second largest CPG brand in the State of California. Near
2 the conclusion of this video, Lewis proclaims with unmistakable hostility: “there ain’t no fucking
3 doubt that if you’re fucking flipping cop weed and sucking cop dick, and trying to turn a fucking
4 cop into a kingpin, you ain’t got no fucking scruples. That’s just fucking facts.” Make no
5 mistake, Defendants are doubling-down on their false and inflammatory accusations, claiming that
6 Glass House’s entire business model is premised on illicit cannabis market transactions, implying
7 that Plaintiff Kazan is a “kingpin” and challenging the very ethics of those who do business with
8 Glass House.

9 **D) Defendants Have Damaged Plaintiffs’ Business And Reputations**

10 49. Defendants repeatedly made these false statements of fact, both in written and oral
11 statements, which were specifically engineered and prominently designed to harm Plaintiffs’
12 commercial standing and to benefit Defendants’ own self-interest.

13 50. Defendants specifically published the false statements repeatedly in an effort to
14 damage Plaintiffs’ and each of their, personal and professional reputations.

15 51. At the time of publishing each and every statement, Defendants knew or acted with
16 reckless disregard for the truth that the statements of and concerning Plaintiffs that Defendants
17 published were false and defamatory.

18 52. The content of Defendants’ videos is false, misleading, and designed to interfere with
19 Plaintiffs’ business relations, and to injuriously affect Plaintiffs in their trade.

20 53. The content of Defendants’ slanderous videos and libelous written social media posts
21 is misleading and designed to give a false impression that Plaintiffs are misleading their customers,
22 the public, and the industry at large with respect to Plaintiffs’ reputations for compliance with all
23 applicable statutory and regulatory authorities.

24 54. As a result of the defamatory, false statements of fact published by Defendants with
25 actual malice to thousands of consumers about their business competitor Glass House and its
26 principals, Plaintiffs have suffered various forms of harm and injury, including, but not limited to,
27 adverse business consequences, reputational, and other damages as detailed more fully below.

1 55. Defendants' false statements have also caused significant disruption in the daily
2 operations of Plaintiff Glass House's business, as well as the lives of Plaintiffs Kazan and Farrar.
3 Plaintiffs have received numerous comments and questions from investors, lenders, customers and
4 vendors regarding the validity of the statements, including whether and to what extent Plaintiffs
5 have engaged in the wrongdoing alleged, and have been repeatedly "tagged", harassed and
6 threatened in social media posts. Plaintiffs are now expending substantial time, money and
7 resources in dealing with the damage to their business and reputations unlawfully caused by
8 Defendants.

9 56. As relates to Plaintiff Kazan in particular, the reputational damage resulting from
10 Defendants' false statements is significant and ever increasing. Kazan undoubtedly relies on his
11 sterling reputation in his role as Glass House's CEO and in his commercial real estate ventures,
12 among other things. Defendants directly stated that Kazan is a criminal who controls the illicit
13 cannabis market by running the largest illicit cannabis business in United States history, made
14 numerous charges of dishonesty reflecting on Kazan's integrity, and published the aforementioned
15 statements with numerous epithets and derogatory statements. Defendants' unfounded attacks on
16 the honesty of Kazan necessarily have damaged Kazan's position and reputation not only in the
17 legalized cannabis industry, but also in his many other business endeavors and in his personal life.

18 57. As a result of Defendants' actions, Plaintiffs have suffered substantial economic
19 damages and continue to be harmed by the false statements which are still published and
20 prominently displayed on Defendants' Instagram, Twitter, and LinkedIn pages and have been re-
21 published and re-posted to countless other websites, news outlets and social media platforms.

22 **FIRST CAUSE OF ACTION**
23 **(DEFAMATION *PER SE*)**

24 58. Plaintiffs incorporate by reference all of the foregoing and subsequent allegations of
25 this Complaint as though fully set forth herein.

26 59. Beginning in May 2023, as set forth above and incorporated herein, Defendants
27 published numerous false statements of and concerning Plaintiffs to public social media platforms,

1 including to Defendant Lewis’s more than 16,000 followers, in both written and oral form. Users
2 of these social media platforms (*i.e.*, Instagram, Twitter, and LinkedIn), reasonably understood that
3 the statements were about Plaintiffs. Defendants identified Plaintiffs, and each of them, specifically
4 by name, leaving no question to whom Defendants were referring.

5 60. Defendants’ statements are slanderous *per se* in that they expose Plaintiffs to hatred,
6 contempt, ridicule, or obloquy, and cause them to be shunned or avoided, or tend to injure them in
7 their occupation.

8 61. Defendants’ statements include allegations of serious criminal behavior, dishonesty,
9 character defects, and the use of epithets or descriptive words that carry with them the implication
10 of acts of misconduct.

11 62. Defendants’ statements are slanderous *per se* in that they are defamatory without the
12 need for explanation, and further suggest, both directly and indirectly, that Plaintiffs are not only
13 unfit to carry out their business, trade or profession, but should be incarcerated. Although Plaintiffs
14 need not plead and prove special damages as a proximate result of these statements, Plaintiffs are
15 able to do so.

16 63. Defendants made these statements with actual malice. That is, Defendants made
17 them with knowledge of their falsity, or, alternatively, with a reckless disregard for their falsity, as
18 evidenced by the undeniable fury and hostility towards Plaintiffs. Defendants’ false, public
19 statements falsely accuse Plaintiffs of engaging in unethical and illegal behavior. Such statements
20 were made for the purpose and intent of diverting business away from Plaintiffs and to Defendants,
21 and damaging Plaintiffs’ heretofore sterling public image in the cannabis industry.

22 64. As a direct and proximate result of these false statements, Plaintiffs have suffered
23 and continue to suffer money damages, including lost revenue and associated costs, in an amount to
24 be determined at trial. These damages flow from, among other things, lost or terminated business
25 opportunities, and loss to reputation.

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1 81. Plaintiffs are entitled to restitution in the amount of all monies acquired by
2 Defendants as a result of Defendants unfair competition. All such monies must be held in
3 constructive trust, disgorged and provided to Plaintiffs.

4 **PRAYER FOR RELIEF**

5 **WHEREFORE**, Plaintiffs pray for judgment as follows:

6 1. For damages, including actual, compensatory and/or consequential damages, in an
7 amount according to proof at trial;

8 2. For an award of punitive and exemplary damages in an amount to be determined at
9 trial;

10 3. For restitution of all monies obtained and wrongfully enriching Defendants;

11 4. For pre and post-judgment interest at the legal rate of ten percent (10%) per annum
12 on all damages awarded;

13 5. For injunctive relief mandating that Defendants remove any defamatory content and
14 enjoining Defendants, or any of them, from posting or publishing any similarly defamatory
15 comments in the future;

16 6. For costs of suit, including reasonable attorneys' fees and costs to the extent
17 permitted by law; and

18 7. For such other legal and/or equitable relief as may be permitted under applicable law
19 as the Court may deem just and proper.

20
21 Dated: June 20, 2023

VENABLE LLP

22
23 By: _____


Michael B. Garfinkel, Esq.
Joshua M. Rosenberg, Esq.
Rodney S. Lasher, Esq.

24
25 *Attorneys for Plaintiffs*
26 GLASS HOUSE BRANDS INC, KYLE
27 D. KAZAN, and GRAHAM FARRAR

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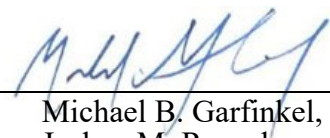
DEMAND FOR TRIAL BY JURY

Plaintiffs Glass House Brands Inc., Kyle D. Kazan, and Graham Farrar hereby demand trial by jury on all issues and causes of action triable by jury.

Dated: June 20, 2023

VENABLE LLP

By: _____



Michael B. Garfinkel, Esq.
Joshua M. Rosenberg, Esq.
Rodney S. Lasher, Esq.

Attorneys for Plaintiffs
GLASS HOUSE BRANDS, INC., KYLE
D. KAZAN, and GRAHAM FARRAR