

IN THE DISTRICT COURT OF
HALL COUNTY, NEBRASKA

STATE OF NEBRASKA, ex)	Case No. CI 23-864
rel. MICHAEL T. HILGERS,)	
Attorney General,)	
)	
Plaintiff,)	
)	
v.)	
)	FINAL CONSENT
HIGH FLOW CANNABIS,)	JUDGMENT
an unincorporated)	
Nebraska association,)	
STEWART SCOTT RITTER,)	
an individual, and)	
ALEJANDRO CASTRO, and)	
individual,)	
)	
Defendants.)	

NOW, this matter is before the Court on the Parties' Agreement to Entry of Final Consent Judgment (hereinafter "Agreement"), attached and incorporated herein. The parties, as defined in the Agreement, include Plaintiff, the State of Nebraska, ex rel. Michael T. Hilgers, Attorney General, and Defendants High Flow Cannabis, Stewart Scott Ritter, and Alejandro Castro (collectively "High Flow Defendants").

The Court has reviewed the Agreement and concludes good cause has been shown to enter this Final Consent Judgment approving the Agreement without trial or adjudication of any contested issues of fact or law, and without finding or admission of wrongdoing or liability of any kind. Pursuant to the terms of the Agreement and the Consumer Protection Act, Neb. Rev. Stat. § 59-1601 *et seq.*, Uniform Deceptive Trade Practices Act, Neb. Rev. Stat. § 87-301 *et seq.*, and Pure Food Act, Neb. Rev. Stat. § 81-2,282 *et seq.*, High Flow Defendants

shall be enjoined, restrained, and bound from directly or indirectly engaging in the prohibited conduct set forth in the Agreement, and further, required to directly or indirectly satisfy the affirmative requirements set forth in said Agreement.

Furthermore, pursuant to the terms of the Agreement, High Flow Defendants shall no longer sell any Prohibited Hemp Products or Synthetic Cannabinoids within the State of Nebraska and shall have fourteen (14) days from the Effective Date to turn over all Prohibited Hemp Products in their possession or control to the Attorney General for immediate destruction.

Pursuant to the terms of the Agreement, any prohibited conduct by High Flow Defendants shall be deemed a breach of the Agreement. Upon a breach, High Flow Defendants shall have thirty (30) days to pay the Attorney General: (1) \$96,000 upon the first breach; (2) \$192,000 upon a second breach; and (3) disgorgement of all gross revenues made from the time of filing the Complaint upon any further breaches. The Attorney General reserves the right to seek injunctive relief should a breach occur.

The Agreement settles all claims and potential claims arising out of the dispute or disputes which gave rise to the lawsuit against High Flow Defendants. The Agreement does not limit any private parties or federal agency to pursue any private or federal remedies allowed by law, provided the Agreement does not create a private right of action by other parties.

IT IS THEREFORE ORDERED, ADJUDGED, AND DECREED that the Agreement executed as of June 10, 2024, by and between the State of Nebraska, ex rel. Michael T. Hilgers, Attorney General, and High Flow Defendants, is hereby approved.

DATED this 3rd day of July, 2024.

BY THE COURT:



Hall County District Court Judge

Prepared and submitted by:

/s/ Justin J. Hall

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Approved as to Form and
Content by:

/s/


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*Counsel for High Flow
Defendants*

AGREEMENT TO ENTRY OF FINAL CONSENT JUDGMENT

This Agreement of Entry of Final Consent Judgment (“Agreement”) is entered into as of Wednesday, May 8, 2024, between the State of Nebraska, ex rel. Michael T. Hilgers, Attorney General (the “State”) and High Flow Cannabis, Stewart Scott Ritter, and Alejandro Castro (collectively “High Flow Defendants”). The State and High Flow Defendants shall be referred to as the “Parties.”

Recitals

WHEREAS, the State filed suit against High Flow Defendants on January 22, 2024, in the District Court of Hall County, Nebraska, case No. CI 23-864, alleging violations of the Consumer Protection Act, Uniform Deceptive Trade Practices Act, and Pure Food Act.

WHEREAS, High Flow Defendants deny any and all fault or wrongdoing related to the State’s claims; and

WHEREAS, it is the desire of the Parties to conclude and settle the above-referenced lawsuit and terminate, relinquish, and settle all claims and potential claims arising out of the dispute or disputes which gave rise to the lawsuit.

Agreement

NOW, THEREFORE, IN CONSIDERATION OF MUTUAL PROMISES IN THIS AGREEMENT AND MUTUAL RELEASE, IT IS HEREBY AGREED AS FOLLOWS:

I. Parties Bound.

1. This agreement is binding upon the State and High Flow Defendants and their heirs, successors, successors to the brand, successors in interest, assigns, directors, officers, employees, agents, subsidiaries, divisions, or any other entity acting in concert with them.

2. In any action to enforce this Agreement, High Flow Defendants may not raise as a defense the failure of any of their officers, directors, employees, agents, contractors, subcontractors, or any person representing High Flow Defendants to take any action necessary to comply with this Agreement.

II. Definitions.

All words used in this Agreement shall have their common, public meaning, except the following capitalized words and phrases shall have the following meanings:

3. Attorney General means the Attorney General of Nebraska or any of its duly designated representatives.

4. Cessation of Sales means the immediate ending of all sales of any Prohibited Hemp Products.

5. Chief Executive Officer means the Chief Executive Officer of High Flow Cannabis, Stewart Scott Ritter.

6. Consumption, or Consumed, means to ingest, inhale, or apply by any means such that an ingredient derived from Prohibited Hemp Products enters the human body.

7. Consumers means any person who acquires Prohibited Hemp Products and/or Synthetic Cannabinoids primarily for personal Consumption and not for resale or other commercial purpose.

8. Court means the respective court to which this Agreement is presented for approval and/or entry.

9. Effective Date means the date on which this Agreement, duly executed by the Parties, is approved by the Court, pursuant to a Final Consent Judgment of the Court.

10. Hemp shall have the same meaning as set out in the Agricultural Improvement Act of 2018, 7 U.S.C. § 1639o, and Nebraska Hemp Farming Act, Neb. Rev. Stat. §§ 2-501 *et seq.*

11. High Flow Defendants means the retail business store named High Flow Cannabis, currently located at 309 North Broadwell, Grand Island, Nebraska 68803, and any other retail location known, or unknown, operated by Stewart Scott Ritter and Alejandro Castro. High Flow Defendants includes the heirs, assigns, successors to the brand, successors in interest, and successors to High Flow Cannabis. High Flow Defendants includes Stewart Scott Ritter and Alejandro Castro, as well as their employees, agents, heirs, assigns, and successors. High Flow Defendants includes all directors, officers, employees, agents, subsidiaries, divisions, or other organizational units of any kind or any other entities acting in concert or participation with High Flow Cannabis, Stewart Scott Ritter, and Alejandro Castro.

12. Party or Parties means the State of Nebraska, ex rel. Mike Hilgers, Nebraska Attorney General, and the High Flow Defendants.

13. Prohibited Hemp Products means any product containing Synthetic Cannabinoids which is capable of being Consumed. Prohibited Hemp Products, when used in this Agreement, may include Hemp flower that is adulterated with Synthetic Cannabinoids.

14. Purchase means any acquisition in any manner or by any means for any consideration. The term Purchase includes transporting or receiving product in connection with a Purchase. Purchase in any tense, mood, or voice (including but not limited to Purchases, Purchasing, or Purchased) shall be construed as the use of Purchase in all tenses, moods, or voices, as necessary to bring within the scope of this Agreement all activities and obligations that might otherwise be construed to be outside the scope of this Agreement.

15. Retail Sale means selling Prohibited Hemp Products, to persons constituting Consumers.

16. Synthetic Cannabinoids means any cannabinoids produced, transformed, manufactured, or modified by means of chemical synthesis or other chemical manipulation, including, but not limited to, delta-8 tetrahydrocannabinol, delta-9 tetrahydrocannabinol, and delta-10 tetrahydrocannabinol created through isomerization.

17. THC means tetrahydrocannabinol, as well as any variants, equivalents, and analogues of tetrahydrocannabinol.

III. Objectives.

18. The objectives of the Parties in entering into this agreement is to protect public health, safety, and welfare through the voluntary and permanent Cessation of Sales of all Prohibited Hemp Products, and to resolve and settle the claims of the State against High Flow Defendants as provided in this Agreement.

IV. Terms.

19. High Flow Defendants shall no longer sell any Prohibited Hemp Products or Synthetic Cannabinoids within the State of Nebraska, from the Effective Date onward.

20. High Flow Defendants shall not provide or otherwise make available any Prohibited Hemp Products or Synthetic Cannabinoids to Consumers at Retail Sale.

21. High Flow Defendants shall immediately cease any and all manufacture, production, importation, distribution, advertising, marketing, display

for sale, offering for sale, attempting to sell, and sale, of all Prohibited Hemp Products or Synthetic Cannabinoids, in whatever form.

22. High Flow Defendants shall not license or authorize any third party to engage in conduct that is impermissible under the terms of this Agreement.

23. High Flow Defendants shall have fourteen days from the Effective Date to turn over any and all Prohibited Hemp Products in their possession or control, to the Attorney General for the Prohibited Hemp Products immediate destruction.

V. Monetary Terms.

24. High Flow Defendants shall be responsible for, bear, and pay, all costs associated with complying with this Agreement, including but not limited to the costs of removal and destruction of all Prohibited Hemp Products.

25. The Parties shall be responsible for, bear, and pay, all attorneys' fees and costs arising out of, relating to, or in connection with, entry of this Agreement that they have incurred for themselves. Neither Party shall be responsible for, bear, or pay, any attorneys' fees or costs arising out of, relating to, or in connection with, entry of this Agreement on behalf of the other Party.

VI. Enforcement.

26. For purposes of resolving disputes with respect to compliance with this Agreement, should the State have a reasonable basis to believe that any of the High Flow Defendants has engaged in a practice that may violate the terms of this Agreement, the State shall notify High Flow Defendants by immediately demanding High Flow Defendants cease all violative practices and pay the agreed to payments in case of breach. High Flow Defendants shall have thirty (30) days to make such payments or otherwise offer evidence that no such breach occurred. Any disagreement regarding whether a breach occurred shall be determined by the Court. If, upon response, High Flow Defendants explain a violation of this Agreement has occurred, it will be deemed a breach of the Agreement.

27. The State may assert any claim that High Flow Defendants have violated this Agreement in a separate civil action to enforce compliance with this Agreement, or may seek other relief afforded by law for violations of this agreement, but only after providing High Flow Defendants an opportunity to respond to the notification described in VI.27, above; provided, however, that the State may take any action if the State believes that, because of the specific practice, a threat to the health or safety of the public requires immediate action.

28. The Court retains jurisdiction over this Agreement and the Parties with respect to this Agreement.

29. In light of the nature of the conduct the State alleged in the suit against High Flow Defendants to be settled by this Agreement, the Parties hereby agree that in the case of a breach of this Agreement High Flow Defendants shall pay the Attorney General:

- a. \$96,000 payment for the first breach;
- b. \$192,000 payment for the second breach; and
- c. Any further breaches, disgorgement of all gross revenues made from the time of filing the Complaint.
- d. In addition, the Attorney General is not waiving its right to seek injunctive relief should a breach of this Agreement occur.

30. Payments to the Nebraska Attorney General shall be placed in the State Settlement Cash Fund and may be used for purposes that may include, but are not limited to, attorney's fees and other costs of investigation, future consumer protection enforcement, consumer education, litigation, to defray the costs of inquiry leading hereto, or for other uses permitted by state law at the sole discretion of the Nebraska Attorney General.

VII. Release.

31. The State hereby releases and forever discharges High Flow Defendants from any and all claims based on, arising out of, or in any way related to the lawsuit prior to the Effective Date to the full extent of the State's power and authority to release claims.

32. Notwithstanding any term of this Agreement, any and all of the following forms of liability are specifically reserved and not released under this Agreement:

- a. Any criminal liability;
- b. Any liability for state or federal securities violations;
- c. Any liability for state or federal tax violations;
- d. Any liability relating to loans issued under the Paycheck Protection Program;
- e. Any state or federal antitrust liability;

- f. Any state or federal environmental liability; and
- g. Any enforcement of the terms of this Agreement.

33. This Agreement does not limit the rights of any private party or federal agency to pursue any private or federal remedies allowed by law; provided that this Agreement is not intended to create any private right of action by other parties.

VIII. Notice.

34. All notices or certifications required to be provided to a Party shall be sent via first class mail, postage pre-paid, as follows, unless a Party gives notice of a change to the other Party:

- a. For High Flow Defendants:

High Flow Cannabis
309 N. Broadwell Avenue
Grand Island, NE 68803

Stewart Scott Ritter
117 Voss Road
Grand Island, NE 68801

Alejandro Castro
117 Voss Road
Grand Island, NE 68801

With a copy to:
W. Randall Paragas.

- b. For the State:

Bebe Strnad
Office of the Attorney General
Attn: Consumer Protection Bureau
2115 State Capitol, P.O. Box 98920
Lincoln, Nebraska 68509-8920
Bebe.strnad@nebraska.gov

All periods of notice shall be measured from, and such notices or communications shall be deemed to have been given or received on the day of delivery as evidenced by the signed receipt of such notice or communication by the addressee or its authorized representative.

IX. Miscellaneous.

35. **Applicability.** This agreement applies to High Flow Defendants.

36. This Agreement is binding on, and inures to the benefit of, the Parties' successors and assigns.

37. This Agreement shall not confer any rights upon, and is not enforceable by, any persons or entities besides the State and High Flow Defendants. The State may not assign or otherwise convey any right to enforce any provision of this Agreement.

38. **No Admission.** The Parties enter into this Agreement for the purpose of compromise and to avoid the time, expense, burden, and uncertainty associated with continuing litigation, and to address the State's concerns with High Flow Defendants' historical business practices with respect to Prohibited Hemp Products. This Agreement is not admissible in any proceeding (except in a dispute between the State and High Flow Defendants regarding compliance with the Agreement or as necessary for High Flow Defendants to enforce the release provisions), and nothing contained in this Agreement may be taken as or construed to be an admission or concession of any liability, wrongdoing, or violation of any source of law, or of any other matter of fact or law. This Agreement is not intended to be used or admissible in any unrelated administrative, civil, or criminal proceeding. High Flow Defendants do not waive any defenses they may raise elsewhere in other litigation or matters.

39. **Voluntary Act.** The Parties acknowledge that this Agreement is voluntarily entered into by the State and High Flow Defendants as the result of arm's-length negotiations, and the State and High Flow Defendants were represented by counsel in deciding to enter into this Agreement. High Flow Defendants further acknowledge that they understand that certain provisions of this Agreement may require them to act or refrain from acting in a manner that could otherwise give rise to State or federal constitutional challenges and that, by voluntarily consenting to this Agreement, they waive for purposes of performance of this Agreement any and all claims that the provisions of this Agreement violate the State or federal constitutions. Provided, however, that nothing in the foregoing shall constitute a waiver as to the entry of any court order (or any interpretation thereof)

that would operate to limit the exercise of any constitutional right except to the extent of the restrictions, limitations, or obligations expressly agreed to in this Agreement.

40. **Construction.** No Party shall be considered the drafter of this Agreement, or any provision of this Agreement, for the purpose of any statute, case law, or rule of interpretation or construction that would or might cause any provision to be construed against the drafter.

41. The use of the singular form of any word shall be taken to mean the plural as well as the singular, and the use of the plural form of any word shall be taken to mean the singular as well as the plural.

42. **Amendment and Waiver.** This Agreement shall not be amended or modified without the written consent of the State and High Flow Defendants. The waiver of any rights conferred in this Agreement shall be effective only if made by written instrument executed by the waiving Party or Parties. The waiver of any breach of this Agreement shall not be deemed to be or construed as a waiver of any other breach, whether prior, subsequent, or contemporaneous, nor shall such waiver be deemed to be or construed as a waiver by any other party.

43. **Severability.** If any provision of this Agreement shall, for any reason, be held illegal, invalid, or unenforceable, in whole or in part, such illegality, invalidity, or unenforceability shall not affect any other provision or clause of this Agreement and this Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision, in whole or in part, had not been contained herein.

44. **Entire Agreement.** This Agreement represents the entire agreement between the Parties, and there are no representations, agreements, arrangements, or understandings, oral or written, between the Parties relating to the subject matter of this Agreement that are not fully expressed herein or attached hereto. In any action undertaken by the Parties, no prior versions of this Agreement and no prior versions of any of its terms that were not entered by the Court in this Agreement may be introduced for any purpose whatsoever.

45. **Governing Law.** This Agreement shall be governed by the laws of the State of Nebraska, without regard to the conflict of law rules of such State.

46. **Execution.** This Agreement may be executed by the Parties in counterparts and be delivered by facsimile or electronic transmission, or a copy

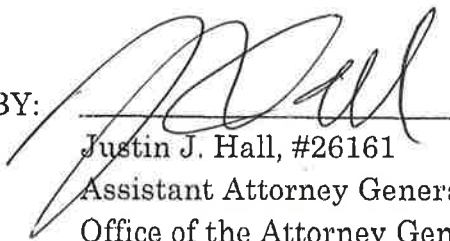
thereof, such constituting an original counterpart hereof, all of which together will constitute one and the same document.

**STATE OF NEBRASKA, ex rel. MICHAEL T. HILGERS, Attorney General,
Plaintiff.**




Michael T. Hilgers,
Attorney General

6/10/2024
Dated

BY: 

Justin J. Hall, #26161
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**HIGH FLOW CANNABIS, STEWART SCOTT RITTER, and
ALEJANDRO CASTRO, Defendants.**

BY: 

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6-10-24
Dated