

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

NAP IV LLC, d/b/a STS MCM, LLC,

Plaintiff,

- against -

QUBE USA LLC, GEORGE VLAMIS and QUINE
LIDDELL,

Defendants.

INDEX NO. 651937/2024

**IAS Part 49
(Chan, J.)**

Mot. Seq. No. 001

**REPLY AFFIRMATION
OF VADIM KORYTNY**

Vadim Korytny, hereby affirms under penalty of perjury as follows:

1. I am the managing member of plaintiff NAP IV LLC, d/b/a STS MCM (“NAP IV”). I make this reply affirmation in further support of NAP IV’s motion for an order: (i) granting a temporary restraining order and preliminarily enjoining Defendants Qube USA LLC (“Qube”), George Vlamis (“Vlamis”) and Quine Liddell (“Liddell”, and collectively with Qube and Liddell, the “Qube Defendants”) from opening a dispensary in the building located at 1412 Broadway, New York, New York (the “Location”) pending the outcome and determination of

this action; and (ii) such other and further relief as this Court deems just and appropriate under the circumstances (the “Motion”).¹

2. In its moving papers, NAP IV established a likelihood of success on the merits, irreparable harm and that a balancing of the equities tips in favor of granting the interim relief requested in the Motion.

3. In their opposition to the Motion and oral argument in connection with that part of the Motion, Qube has done nothing more than admit that they signed the NDA, the terms of which (i) expressly provide that Qube not take advantage of the business opportunity² protected by the NDA without NAP IV’s written consent and (ii) acknowledge that a breach of the NDA would result in irreparable harm. See Affirmation of George Vlamis, dated April 15, 2024 (the “Vlamis Affirmation”), ¶ 20, Ex. 1.³

4. The Qube Defendants also admit in their opposition to the Motion that they signed a resolution that granted NAP IV a 49% equity interest in Qube because NAP IV “offered both a viable lease and funding of at least \$500,000 for the Company’s build-out and operations . . .” Vlamis Aff., ¶¶ 22-23, Ex. 2.

5. Further the Qube Defendants also admit that they and the landlord did sign a lease for the Location and submitted such lease to New York’s Office of Cannabis Management (“OCM”) in connection with Qube’s adult-use dispensary license application. Vlamis Aff., ¶ 29, Ex. 3. It cannot be seriously disputed that this lease provided for the Landlord to pay Qube’s

¹ All defined terms in NAP IV’s moving papers shall continue to be used herein as previously defined.

² The business opportunity was more than just NAP IV providing an address to Qube. It encompassed several valuable aspects, including NAP IV providing a location that had a site lock preventing others from opening a dispensary within 1000 feet of the location. Additionally, it offered direct access to the Aini family or the Chetrit family, who are the landlords of the location, which could facilitate negotiations and agreements essential for Qube’s licensing.

³ Citations to the Vlamis Affirmation shall hereafter be designated as “Vlamis Aff., ¶ __.”

buildout costs for up to \$650,000, far above the \$500,000 requirement. Vlamis Aff., Ex. 3, para. 27.13.

6. Mr. Vlamis also claims in his affirmation that NAP IV failed to raise any funds (beyond convincing the landlord to contribute up to \$650,000 in tenant improvements) despite alleged (and wholly unsubstantiated) promises to do so. Vlamis Aff., ¶¶ 18, 24, 30-34. There is not one bit of evidence that Mr. Vlamis has provided (other than conclusory statements) that Qube's equity promise to NAP IV was conditioned upon NAP IV raising an additional \$500,000 in capital beyond the Landlord's \$650,000 contribution negotiated in the signed lease.

7. Nevertheless, in December of 2023, it became evident that the Qube Defendants had engaged with the landlord without NAP IV, and that additional funding would be necessary. Despite this breach of trust, NAP IV did extend various funding options to the Qube Defendants, but the Qube Defendants refused to engage with NAP IV. NAP IV has provided redacted evidence of proof of funds under their control and would be willing to provide unredacted copies to the Court for *in camera* review should the Court request them.

8. In his affirmation, Mr. Vlamis states that it would be a "death sentence" to QUBE if the injunction was granted. Vlamis Aff., ¶ 57.

9. Nothing prevents Qube from changing locations; according to them, it is very easy to find one. Yes, Qube could be on the hook for \$350,000⁴ in rent, but they found wealthy new backers who have advised me they do not care how much it costs to back Qube in their venture. So Qube could start producing revenue at a new location.

⁴ \$840,000 in payments guaranteed minus the \$490,000 in prepaid rent and security deposit advanced by Qube's other funders.

10. Cannabis is still extremely profitable, so eventually, by switching location Qube should make up for the upfront loss and become profitable.

11. Moreover, having admitted to breaching the NDA and causing NAP IV irreparable harm by misappropriating the business opportunity to NAP IV without its written consent, a refusal to grant the Motion will prevent NAP IV from securing this Times Square location for another dispensary.

12. Having admitted to breaching the NDA, any adverse consequences to Qube by the granting of the Motion would be self-inflicted.

13. Allowing Qube to open without NAP IV would severely harm NAP IV's reputation, which cannot be easily quantified or remedied through monetary compensation.

14. NAP IV's primary business involves operating, financing, and raising capital for businesses.

15. Since early 2023, NAP IV switched its focus and efforts on the New York State cannabis industry, promising its investors and relationship base the opening of a dispensary in Times Square.

16. Some of NAP IV's investors invested in ventures within the New York State cannabis industry, anticipating no profitable returns but valuable market insights in exchange for the eventual opening by NAP IV of a prestigious Times Square dispensary and the ability to invest in it.

17. The opening of a Times Square dispensary would catalyze those investors to further invest in other NAP IV opportunities in the cannabis industry, both in New York and other markets.

18. Once such investor would fund five to ten additional dispensary licenses if given an opportunity to be an investor in a Times Square dispensary.

19. Furthermore, at the request of Qube, NAP IV extended additional funding options beyond the ones it initially lined up, allowing even more of its investors to bid on the promise of investing in

Qube. However, Qube never intended to take up any of NAP IV's investor offers and has proceeded to open without NAP IV, making NAP IV appear foolish.

20. Failure to grant relief will inflict permanent damage on NAP IV's reputation, making recovery unlikely.

21. NAP IV stands to lose not only lucrative opportunities in the cannabis industry but also the trust of its investors and relationship base, effectively leading to the demise of NAP IV.

22. In all events, having established a likelihood of success on the merits and irreparable harm, any balancing of the equities would have to tip in favor of the relief NAP IV is seeking in the Motion.

23. Accordingly, it is respectfully requested that NAP IV's motion be granted in all respects.

Dated: April 24, 2024



Vadim Korytny

CERTIFICATE OF COMPLIANCE

I hereby certify pursuant to NYCRR § 202.70(g), Rule 17 that the foregoing reply affirmation was prepared on a computer using Microsoft Office 365.

Type. A proportionally spaced typeface was used, as follows:

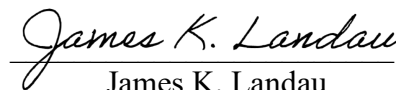
Name of typeface: Times New Roman

Point size: 12

Line spacing: Double

Word Count. The total number of words in this affidavit, exclusive of the caption, signature block and pages containing the proof of service or certification of compliance, is 1,025 words.

Dated: White Plains, New York
April 24, 2024


James K. Landau