

STATE OF NEW MEXICO
COUNTY OF SANTA FE
FIRST JUDICIAL DISTRICT COURT

JIHUA KAN, XIAOXIA SI, CHUNGUI XIONG,
SIQING QIN, QINLIANG WANG, QIYOU LI,
BIXUAN XIE, HAODE TAN, JINGJIAO QIN,
ZHIQIANG TAN, JINMING QIN, WEILIAN
JIANG, PINHUI GU, CHUNYING HUANG, and
WENCHUN WEI,

Plaintiffs,

vs.

IRVING REA LIN (a/k/a/ 林瑞煜, a/k/a/ IRVING
REA-YUI LIN, a/k/a/ IRVING REA YUI LIN, a/k/a/
IRVING REA YUI-LIN, a/k/a/ REA YUI LIN, a/k/a/
IRVING YUI LIN), BRYAN PENG (a/k/a/ BRYAN
PANG), YONGLEI ZHANG (a/k/a YONG LEI
ZHANG, a/k/a LEO ZHANG), ALEX CHEN, GOU
YUN LIAO (a/k/a LIAO GOU YUN, a/k/a GUO
YUN LIAO), HEMP BIOTECHNOLOGY, INC.,
DINEH BENALLY, DAMU LIN (a/k/a DA MU
LIN), NATIVE AMERICAN AGRICULTURAL
DEVELOPMENT COMPANY, NATIVE
AMERICAN AGRICULTURAL COMPANY, INC.,
ONE WORLD VENTURES INC., AQUEOUS
INTERNATIONAL CORPORATION, SPI
ENERGY CO. LTD., SPI SOLAR INC., CBD AND
HEMP GROUP CO., LTD., XIAOFENG PENG
(a/k/a DENTON PENG), RITA LIEN, RAM
NAGIN, SITA NAGIN, HEMANT C. PATEL,
TASVITA H. PATEL, RAMESH NAGIN, TRIDEV
HOSPITALITY GROUP, LLC, STAYWELL LLC,
and PRAMUKH LLC,

Defendants.

Case No. D-101-CV-2023-02377

Case assigned to Sanchez-Gagne, Maria

COMPLAINT

INTRODUCTION

1. Plaintiffs are a group of Chinese immigrants who, during the COVID-19 pandemic, were defrauded into traveling to New Mexico by promises that they would be cutting flowers or performing farm work for a decent wage, but were then coerced by guards, who kicked, cursed, and barely fed them, to work 14-hour days sitting on upside-down buckets in unventilated hotel rooms trimming illegally-grown marijuana. Plaintiffs claim they were viewed and treated like machines, not human beings.

2. This horrific treatment was in furtherance of the Defendants’ scheme to operate an illegal cannabis growing and processing operation on and around the Navajo Nation in New Mexico. In 2019 and 2020, Defendants built thousands of greenhouses on the Navajo Nation in Shiprock to grow cannabis plants, which were then trimmed, packed, and sold for a profit. Before the Navajo courts issued an order restraining these illegal operations, the Defendants relied upon exploited Navajo child laborers and defrauded and abused immigrant workers, who were patrolled by guards with guns, to grow and process the cannabis. Navajo activists as well as forced labor experts identified the activities on the farms as human trafficking, which was reported by the media, and Defendants were well-aware of these allegations.

3. But rather than cease operations after the issuance of the TRO and allegations of forced labor, Defendants doubled-down on these exploitative methods in order to “recover [their] investment” by taking the cannabis from the farms on the reservation to a Travel Inn hotel in nearby Farmington to be processed and then sold. Defendants then recruited Plaintiffs to pay their own way to Farmington, where Defendants took Plaintiffs’ car keys and phones, forced them to work long hours in the hotel rooms, patrolled the hotel rooms and refused Plaintiffs’ requests to quit and go home, and kicked and cursed at Plaintiffs to work faster. Plaintiffs’ subjection by Defendants only ended when the Farmington police raided the hotel and then handcuffed and arrested everyone in the rooms—further traumatizing Plaintiffs. While the charges were eventually dropped, Chinese media coverage of the arrest—including the mug shots of Plaintiffs—has made it impossible for Plaintiffs to find work in the Chinese community.

Figure 1.



Greenhouses growing cannabis near Shiprock

Figure 2.



Travel Inn room used to process marijuana

4. Plaintiffs never received a penny for their labor or for their suffering. Through this lawsuit, Plaintiffs seek to attain some redress from the individuals and entities who sought to profit from their abuse and exploitation.

PARTIES

Plaintiffs

5. Plaintiff Jihua Kan was born in China in 1972, and is a resident of Santa Fe, New Mexico. Plaintiff worked for defendants from approximately October 5, 2020 until his arrest on October 8, 2020.

6. Plaintiff Xiaoxia Si was born in China in 1972, and is a resident of Santa Fe, New Mexico. Plaintiff worked for defendants from approximately October 5, 2020, until her arrest on October 8, 2020.

7. Plaintiff Chungui Xiong was born in China in 1971, and is a resident of Santa Fe, New Mexico. Plaintiff arrived at the hotel on the night of approximately October 3, 2020 and worked for defendants from October 4, 2020, until her arrest on October 8, 2020.

8. Plaintiff Siqing Qing was born in China in 1965, and is a resident of Santa Fe, New Mexico. Plaintiff arrived at the hotel on approximately October 1, 2020 and worked for defendants from approximately October 2, 2020 until his arrest on October 8, 2020.

9. Plaintiff Qinliang Wang was born in China in 1968, and is a resident of Santa Fe, New Mexico. Plaintiff arrived at the hotel on approximately October 4, 2020 and worked for defendants from October 5, 2020 until his arrest on October 8, 2020.

10. Plaintiff Qiyu Li was born in China in 1963, and is a resident of Santa Fe, New Mexico. Plaintiff worked for defendants for approximately one day before his arrest on October 8, 2020.

11. Plaintiff Bixuan Xie was born in China in 1958, and is a resident of California. She arrived at the hotel on approximately October 5, 2020 and worked for defendants from October 6, 2020 until her arrest on October 8, 2020.

12. Plaintiff Haode Tan was born in China in 1959, and is a resident of Albuquerque, New Mexico. Plaintiff arrived at the hotel on approximately October 5, 2020 and worked for defendants from October 6, 2020 until his arrest on October 8, 2020.

13. Plaintiff Jingjiao Qin was born in China in 1962, and is a resident of Albuquerque, New Mexico. Plaintiff arrived at the hotel on approximately October 5, 2020 and worked for defendants from October 6, 2020 until her arrest on October 8, 2020.

14. Plaintiff Zhiqiang Tan was born in China in 1965, and is a resident of Albuquerque, New Mexico. Plaintiff arrived at the hotel on approximately October 5, 2020 and worked for defendants from October 6, 2020 until his arrest on October 8, 2020.

15. Plaintiff Jinming Qin was born in China in 1965, and is a resident of Albuquerque, New Mexico. Plaintiff arrived at the hotel on approximately October 5, 2020 and worked for defendants from October 6, 2020 until her arrest on October 8, 2020.

16. Plaintiff Weilian Jiang was born in China in 1960, and is a resident of California. Plaintiff arrived at the hotel on approximately October 5, 2020 and worked for defendants from October 6, 2020 until her arrest on October 8, 2020.

17. Plaintiff Pinhui Gu was born in China in 1962, and is a resident of California. Plaintiff arrived at the hotel on approximately October 4, 2020 and worked for defendants from October 5, 2020 until her arrest on October 8, 2020.

18. Plaintiff Chunying Huang was born in China in 1964, and is a resident of California. Plaintiff arrived at the farm in August, 2020 and proceeded to work for defendants for two months, until she was arrested on October 8, 2020.

19. Plaintiff Wenchun Wei was born in China in 1965, and is a resident of California. She arrived at the hotel on October 4, 2020 and worked for defendants from October 5, 2020 until her arrest on October 8, 2020.

Defendants

Hemp Biotech Defendants

20. Defendant **Irving Rea Lin** (林瑞煜 a/k/a/ Irving Rea-Yui Lin, Irving Rea Yui Lin, Irving Rea Yui-Lin, Rea Yui Lin, and Irving Yui Lin) (hereinafter, “**Irving Lin**”) is believed to be a citizen of California and to reside at 127 North Alhambra Avenue, Unit 1G, Monterey Park, CA, 91755. He also owned and resided at a house in Kirtland, New Mexico while Defendants’ operations were ongoing.

21. Irving Lin was one of the chief principals of the operation to grow cannabis on the Navajo Nation in New Mexico and sell it for a profit.

22. Irving Lin personally engaged in recruiting Chinese investors and workers for the cannabis operations, and even [personally drove](#) people from California to Shiprock.

23. Irving Lin is also one of the main principals in cannabis growing operations in other locations, including California and Oklahoma, which are [reported](#) to similarly rely on Chinese immigrant workers. In February 2022, Irving Lin was arrested in California as part of [Operation Hammer Strike](#), in which authorities seized 46,863 marijuana plants being grown in violation of state and local law, 5,280 pounds of processed marijuana, 11 guns, and over \$182,000.00 in cash found in 185 greenhouses and ten indoor locations during a week-long raid.

24. Lin also actively recruited Chinese individuals to invest in the Oklahoma operations, which he promised were legal and would make each investor a “[millionaire](#).” In or around February 2022, the Oklahoma Bureau of Narcotics conducted a raid on multiple Chinese-owned cannabis operations, including Big Buddha Farms LLC, a venture owned by one of Irving Lin’s associates. In November 2022, four Chinese immigrants connected to these operations were killed execution-style in what was described as a [hostage](#) situation.

Figure 3.



Irving Lin presenting to investors

25. Defendant **Bryan Peng** (a/k/a Bryan Pang) is believed to be a citizen of California. Along with Irving Lin, Dineh Benally, and others, he was intimately involved in designing and executing the operation to grow cannabis on the Navajo Nation in New Mexico and sell it for a profit.

26. On information and belief, Peng personally invested roughly \$1 million into the operations and operated [at least 35 greenhouses](#).

27. On information and belief, Peng was personally involved in managing those operations, including by arranging transport for workers from California to New Mexico and [managing crews](#) of workers for the operation.

28. Peng told a [news reporter](#) that the marijuana industry was a way to make “fast money.”

29. On information and belief, Peng personally spent a significant amount of time in Farmington and Shiprock during this period to oversee the operations.

30. After the TRO and FBI raid of the operations on the Navajo Nation, together with Irving Lin, Peng attempted to negotiate with the Navajo Nation to permit the continued cultivation of cannabis by offering to do it in a way from which the Navajo Nation would also benefit. Peng and Lin also contacted various individuals in an effort to recover some of the equipment and money that had been seized by law enforcement.

31. After the operations in New Mexico were shut down, like Irving Lin, Bryan Peng moved his operations and crew to Oklahoma.

32. Defendant **Yonglei Zhang** (a/k/a Yong Lei Zhang, a/k/a Leo Zhang) is believed to be a citizen of California and is the CEO, CFO and Director of Hemp Biotechnology, Inc.

33. Defendant **Alex Chen** is believed to be a citizen of California and is an officer and the registered agent of Hemp Biotechnology, Inc.

34. Defendant **Gou Yun Liao** (a/k/a Liao Gou Yun, a/k/a Guo Yun Liao), on information and belief, is a Chinese citizen. He was arrested at the Travel Inn in Farmington, New Mexico on October 8, 2020, where 19 rooms were booked under his name. He is believed to be a citizen of New York.

35. Defendant **Hemp Biotechnology, Inc. (“Hemp Biotech”)** is a California Limited Liability Company with an office located at 24301 Southland Drive 217a, Hayward, CA, 94545. The company was formed in California on April 29, 2019 (Entity No. C4271729). Irving Lin served as the Secretary and Director for the company, and Yonglei Zhang served as the CEO, CFO and Director. Alex Chen is also an officer and the registered agent of the company.

36. Defendants Irving Lin, Bryan Peng, Yonglei Zhang, Alex Chen, Gou Yun Liao, and Hemp Biotech are collectively referred to as the “Hemp Biotech Defendants.”

37. The individuals and entities that comprise the Hemp Biotech Defendants are alter egos of each other and should be jointly and severally liable for their actions relevant to this complaint.

NAAC Defendants

38. Defendant **Dineh Benally** is a citizen of New Mexico. He previously served as President of the Navajo Nation San Juan River Farm Board and head of the Native American Agricultural

Company (NAAC). He was one of the chief principals of the operation to grow cannabis on the Navajo Nation in New Mexico and sell it for a profit.

39. Defendant **DaMu Lin** (a/k/a Da Mu Lin), on information and belief, is a citizen of Nevada and is the CEO of the company One World Ventures Inc.

40. Defendant **Native American Agricultural Development Company (“NAADC”)** was incorporated in New Mexico on May 7, 2018 and lists Shiprock, New Mexico, as its principal place of business. Dineh Benally is the incorporator, director, and agent for NAADC.

41. Defendant **Native American Agricultural Company, Inc. (“NAAC”)** is listed as a party to a [Management Services Agreement](#) to cultivate hemp (discussed below) and as being “incorporated under the laws of New Mexico with its office located at Farm Rd and 5th Lane, Shiprock NM, 87420,” the same address used by Benally to incorporate NAADC.

42. On information and belief, NAAC was never registered to do business in New Mexico or on the Navajo Nation.

43. Defendant **One World Ventures Inc. (“One World Ventures”)** is a publicly-traded holding company with a registered address of 3800 Howard Hughes Parkway, Suite 1270, Las Vegas, Nevada, 89169, but with a headquarters in Solana Beach, California. DaMu Lin is the CEO of the company and Dineh Benally was added to its Board of Directors in March 2019.

44. In its corporate disclosures, One World Ventures states that it was “established to invest, partner/joint venture with, companies to cultivate, manufacture, distribute and sell cannabis products ... on Native American Reservations” and elsewhere, and that the company “will seek strategic partnerships with state-of-the-art cultivators, extractors, manufacturers, distributors and research and development entities to further enhance product offerings.”

45. One World Ventures was closely connected to the NAAC. Dineh Benally is the President of NAAC and was on the Board of Directors for One World Ventures. DaMu Lin, the CEO of One World, executed contracts on behalf of NAAC. The NAAC website listed One World Ventures as one of its “alliances.”

46. On February 6, 2019, One World Ventures issued a press release, which quotes DaMu Lin, announcing its partnership with NAAC to conduct cannabis operations on the Navajo Nation with the ultimate goal of building their shareholder value. The press release notes that NAAC advises on operating cannabis businesses with Native American partners, and mentions the benefits of doing so, including the “lower operating and labor costs.”

47. Defendant **Aqueous International Corporation (“Aqueous”)** is wholly-owned by One World Ventures, which acquired the company in or around December 2018. Aqueous is believed to be registered in Nevada.

48. In an [April 10, 2019 press release](#), One World Ventures announced its agreement to partner with MYM Nutraceuticals Inc. to cultivate and harvest hemp on the Navajo Nation. It also

announced its recent acquisition of Aqueous International Corporation and its exclusive contract to work with cannabis companies on the Navajo Nation. The press release noted that the Navajo Nation “compl[ies] with Federal, State, Local Laws including, USDA, FDA, and FTC regulations currently governing cannabis.” One World Ventures stated that “advantages” of operating on the Navajo Nation include “lower operating, labor costs, swift licensing and permitting process.”

49. The [LinkedIn page](#) for Aqueous International Corporation states that it is a “One World Ventures Inc. company” that partners or joint ventures with companies “to cultivate, manufacture, distribute and sell cannabis products on Native American Reservations” and that “[e]ach Tribal Partnership provides any cannabis business an opportunity to reap many financial benefits and rewards.” It further states: “We are currently positioning ourselves as the Master Developer of what could be the largest cannabis campus in North America, located on the Navajo Nation, USA. This campus is being developed in partnership with the Native American Agricultural Company (NAAC) to host companies from all over the United States and the world to cultivate, manufacture, distribute and sell cannabis-based products in the USA.”

50. In a [press release](#) dated April 25, 2019, MYM Nutraceuticals Inc. announced that through its partnership with Aqueous, a subsidiary of One World Ventures, it intended to cultivate 3,000 acres of “CBD-rich hemp” on the Navajo Nation; that MYM and Aqueous will each own 50% of the venture; that the companies were funding the venture with an initial amount of \$2 million; and Aqueous would provide “all labour” and “site management” and “ensure all regulatory approvals and compliance necessary to successfully cultivate legal hemp plants on the Navajo Nation.”

51. Defendants Dineh Benally, DaMu Lin, NAAC, NAADC, One World Ventures, and Aqueous are referred to collectively as the “NAAC Defendants.”

52. The individuals and entities that comprise the NAAC Defendants are alter egos of each other and should be jointly and severally liable for their actions relevant to this complaint.

SPI Defendants

53. Defendant **SPI Energy Co. Ltd. (“SPI Energy”)** is domiciled in the Cayman Islands with its global headquarters located at #1128, 11/F, No. 52 Hung To Road, Kwun Tong, Kowloon, Hong Kong SAR, China. The company is publicly traded on the NASDAQ.

54. On information and belief, SPI Energy has engaged in [business ventures](#) with CSR Corporation Limited [中国南车集团公司] (now known as CRRC Corp., Ltd. [中国中车股份有限公司]), which was [sanctioned](#) by the United States for its ties to the Chinese military.

55. Defendant **SPI Solar Inc. (“SPI Solar”)** is a California subsidiary of SPI Energy with a registered address of 4677 Old Ironside Drive, Suite 190, Santa Clara, California 95054.

56. Defendant **CBD and Hemp Group Co., Ltd. (“CBD Group”)** is a company [registered](#) with the New Mexico Secretary of State and lists a head office located at 400 N. Pennsylvania Avenue #600, Roswell, New Mexico.

57. Defendant **Xiaofeng Peng** (a/k/a Denton Peng) is believed to be a citizen of Nevada, the Chairman and CEO of SPI, and a director of CBD Group. He was once described as “the richest man in Jiangxi Province” but he is now on China’s [most-wanted](#) list for of illegally absorbing public deposits.

58. In August 2018, Chinese authorities put out an [Interpol “Red Notice”](#) for Xiaofeng Peng’s arrest and extradition to mainland China.

59. Defendant **Rita Lien** is believed to be a citizen of New Mexico, and a director of CBD Group.

60. Defendants SPI Energy, SPI Solar, CBD Group, Xiaofeng Peng and Rita Lien are referred to collectively as the “SPI Defendants.”

61. The individuals and entities that comprise the SPI Defendants are alter egos of each other and should be jointly and severally liable for their actions relevant to this complaint.

Travel Inn Defendants

62. Defendants **Ram Nagin, Sita Nagin, Hemant C. Patel, Tasvita H. Patel, and Ramesh Nagin** are citizens of New Mexico and the owners and operators of several hotels there, including the Travel Inn located at 1510 West Main Street, Farmington, New Mexico 87401.

63. Ram Nagin is the defendant in no less than six criminal cases involving battery against a household member or violation of a restraining order prohibiting domestic violence, as well as numerous charges for driving under the influence of alcohol or drugs.

Figure 4.



Travel Inn in Farmington

64. Defendant **TRIDEV Hospitality Group, LLC** is a New Mexico corporation with the same registered address as the Travel Inn: 1510 West Main Street, Farmington, New Mexico, 87401.

The organizers of the company are Ram Nagin, Sita Nagin, Hemant C. Patel, Tasvita H. Patel, and Ramesh Nagin.

65. Defendant **Staywell LLC** is a New Mexico corporation with the same registered address as the Travel Inn: 1510 West Main Street, Farmington, New Mexico, 87401. The organizers of the company are Ram Nagin and Sita Nagin.

66. Defendant **Pramukh LLC** is a New Mexico corporation with the same registered address as the Travel Inn: 1510 West Main Street, Farmington, New Mexico, 87401. The organizers of the company are Nagin Manju and Nagin Ramesh.

67. Defendants TRIDEV Hospitality Group, LLC, Staywell LLC, Pramukh LLC, Ram Nagin, Sita Nagin, Hemant C. Patel, Tasvita H. Patel, and Ramesh Nagin are referred to collectively as the “Travel Inn Defendants.”

68. The individuals and entities that comprise the Travel Inn Defendants are alter egos of each other and should be jointly and severally liable for their actions relevant to this complaint.

JURISDICTION & VENUE

69. Jurisdiction and venue are proper in this Judicial District.

FACTS

Background

70. Defendants in this case conspired to illegally grow and process cannabis in New Mexico, and then sell it for their economic gain.

71. On information and belief, Dineh Benally, DaMu Lin and Irving Lin met in Las Vegas in or around 2018 and planned a scheme to illegally grow cannabis on the Navajo Nation and then sell it for a profit.

Management Services Agreement

72. On July 24, 2019, Defendants executed a “[Management Services Agreement](#)” (the “MSA”) concerning their scheme to cultivate cannabis (including marijuana) on the Navajo Nation, although it only made reference to “hemp.” A copy of the MSA is attached as **Exhibit A**.

73. The parties to the MSA are NAAC, CBD Group, and Hemp Biotech, and the MSA is signed by DaMu Lin, Xiaofeng Peng, and Yonglei Zhang, respectively.

74. The MSA identifies CBD Group as being in the business of the cultivation, distribution, manufacturing and selling of hemp.

75. The MSA provides that CBD Group, the subsidiary of SPI, would pay NAAC a total of \$1,143,750.00 to grow and deliver hemp. Five installment payments were to be made between July

31, 2019 and November 25, 2019 as different milestones were reached. The matured hemp plants were to be harvested and packaged according to CBD Group's request, with the dry flower and leaf being packed separately, and delivered to Southern California.

76. The MSA provides that NAAC would "provide all services and work from planting to sale and delivery of hemp products produced under this Agreement." This explicitly included "all reasonable and necessary supervision of all independent workers/sub-contractors and the operation of them."

77. The MSA describes Hemp Biotech as the "management company" offering "specialized knowledge and related experience in cultivation, distribution and manufacturing of hemp." The MSA provides that Hemp Biotech would serve as the "representative" and agent of CBD Group in implementing this contract, and NAAC agreed to accept the management and supervision of Hemp Biotech in implementing the MSA.

78. The MSA specifically provides that Hemp Biotech was responsible for supervising any of the work conducted under the MSA, including by any employees, subcontractors, agents, and all other persons; for making "exhaustive and continuous on-site inspections to check the quality" of work being performed; and for submitting weekly progress reports to "keep [CBD Group] informed" about the project.

79. In the MSA, CBD Group promised to "furnish sufficient funds" so that NAAC could carry out its operations, and CBD Group did indeed provide those funds.

80. Under the MSA, CBD Group maintained the right at any reasonable time to inspect any of NAAC's records in connection with its services, and the right to audit of all account books and records connected with its services.

81. The parties to the MSA were aware of the legal framework governing the growth of cannabis on the Navajo Nation and made specific provisions regarding compliance with federal, state and Navajo laws, regulations, and rules, including rules promulgated by the U.S. Department of Agriculture ("USDA").

82. At the time the MSA was executed, the parties to the MSA knew that growing hemp on the Navajo Nation without approval by the Navajo Nation and USDA was illegal, and also knew that growing marijuana on the Navajo Nation was illegal.

83. The parties to the MSA foresaw that their operations could result in employees or workers suffering bodily injury, sickness, disease, or death, and thus included an indemnity provision in the MSA providing for these events.

84. As part of the MSA, DaMu Lin and Yonglei Zhang signed a personal guaranty for NAAC's obligations under the lease for the farmland to grow the hemp.

85. In August 2019, representatives of SPI Energy [visited](#) the cannabis farms in Shiprock where NAAC was growing the hemp.

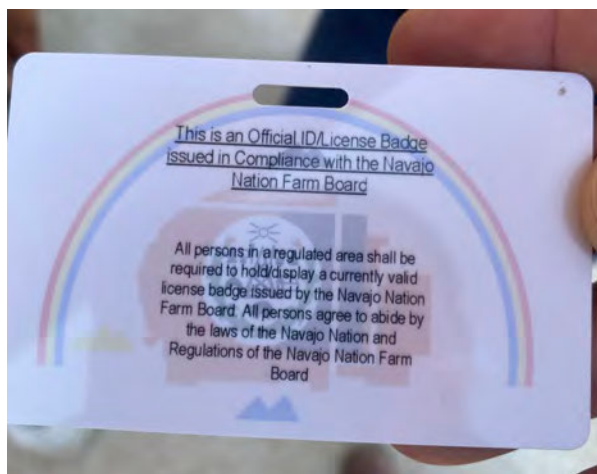
86. In September 2019, SPI Energy made a public [announcement](#) of its partnership with NAAC to cultivate hemp in New Mexico, which included a statement by Xiaofeng Peng, that caused its stock price to increase by 40 percent.

87. On October 7, 2019, SPI Energy made a [public announcement](#) that (i) it had obtained licenses from the Navajo Nation to engage in lab testing, cultivation, processing, wholesale distribution, and retail sales of hemp, and (ii) that it had recently signed a lease for a manufacturing facility for its hemp and CBD businesses in Orange Grove, California for the production that was expected to begin in November 2019.

88. On information and belief, the “licenses” mentioned in SPI Energy’s October 7, 2019 announcement refers to permissions granted by Dineh Benally allegedly on behalf of the San Juan Farm Board and Navajo Nation.

89. On information and belief, Benally gave out licenses that claimed to be issued in compliance with the “Navajo Nation Farm Board.”

Figure 5.



90. On information and belief, there is no entity called the “Navajo Nation Farm Board,” let alone one with any authority to give licenses to grow hemp or cannabis.

91. The San Juan Farm Board is a local body that is subordinate to the Navajo Nation and has no powers or authority beyond those granted to it by the Navajo Nation.

92. The San Juan Farm Board has no authority to regulate or grant any permits for the growth or cultivation of any form of hemp or cannabis on the Navajo Nation.

93. Even in cases where the San Juan Farm Board may issue permits, any permit may only be approved with the concurrence of the Navajo Nation’s Division of Natural Resources and the Department of Agriculture.

94. In 2018, the Navajo Nation Council passed a [resolution](#), which was then signed by the President of the Navajo Nation, to amend the definitions of “industrial hemp” and “marijuana” in the criminal code to conform with federal law. The term “marijuana” was amended to mean a cannabis plant with a THC level more than 0.3%. The resolution also made explicitly clear that “this resolution does not authorize the cultivation, growth[,] possession, development or propagation of industrial hemp until the Navajo Nation creates a regulatory system for industrial hemp and obtains the necessary and applicable permits for industrial hemp.”

95. At the time of SPI Energy’s October 7, 2019 statement, the USDA had not approved any application by Dineh Benally, the San Juan River Farm Board, or the Navajo Nation to expand hemp cultivation on the Navajo Nation.

96. On information and belief, the USDA maintains a publicly-accessible website that lists all tribal hemp cultivation programs that have been approved by the USDA.

97. At the time of SPI Energy’s October 7, 2019 statement, neither Dineh Benally nor the San Juan Farm Board had any legal authority to issue licenses on behalf of the Navajo Nation for the cultivation, processing, wholesale distribution, retail sale, or any other activities involving hemp.

98. Prior to the execution of the MSA, the Navajo Nation Council, the highest legislative body for the Nation, had denied Dineh Benally’s request to remove the ban on marijuana cultivation in the Nation’s local criminal law.

99. Prior to Benally seeking permission from the Navajo Nation Council for permission to cultivate marijuana, he had his father, Donald Benally, approach the chief of the Navajo Nation police force and offer him a “slice of the pie” if he permitted Benally to grow marijuana. The police chief understood this as a bribe in which he was being offered money in order to forego carrying out his duty to enforce the laws of the Navajo Nation. However, the police chief rejected Benally’s offer and stated that he was not authorized to give such permission.

100. The USDA’s interim rule to implement the 2018 Farm Bill’s provisions to permit for the production of industrial hemp was not released until October 31, 2019.

101. A February 11, 2020 letter from the USDA to the Navajo Nation further confirmed that any plan submitted by the San Juan River Farm Board seeking permission to grow hemp on the Navajo Nation had not been and would not be approved by the USDA.

102. On May 30, 2020, Navajo Nation President Jonathan Nez [issued a letter](#) reiterating that “the growth, cultivation and marketing of industrial hemp is still unauthorized” on the Navajo Nation, and the “singular exception” to this prohibition was a pilot research project with New Mexico State University taking place on five acres of land.

Cannabis Operation on the Navajo Nation

103. In or around 2019, Defendants commenced an operation on the Navajo Nation near Shiprock and in the surrounding areas to grow and process cannabis. The operation would

eventually [balloon](#) to involve over 21 farms ([or 36 by some counts](#)) with over 1,107 greenhouses and 260,000 live plants, spread [over 400 acres of land](#), which produced thousands of pounds marijuana that got separated into baggies for distribution. Though primarily located on the Navajo Nation, these operations were located within the geographic confines of the State of New Mexico. The operations also took place at various locations near to (but not on) the Navajo reservation.

Figure 6.



104. Defendants repeatedly exhibited an utter disregard for the laws of the United States, New Mexico, and the Navajo Nation in conducting these operations.

105. The growing of hemp and/or marijuana by Defendants on the Navajo Nation was illegal under federal law, New Mexico law, and the laws of the Navajo Nation.

106. Defendants exploited the [devastating effect](#) of the COVID-19 pandemic on the Navajo Nation to grow their illegal operation, as the Navajo Nation was forced to [focus its resources and attention](#) on responding to the pandemic.

107. In describing the cannabis being grown on the Navajo Nation, Irving Lin [publicly acknowledged](#) that “80 [or] 90 percent is 1.4, 1.5 percent [THC].”

108. Under federal regulations and Navajo law, cannabis with a THC level under 0.3% is “hemp” and cannabis with a THC level over 0.3% is “marijuana.”

109. Lin publicly acknowledged that marijuana can be sold for a higher price than hemp.

110. Defendants made financial offers to Navajo landholders for permission to use their land to setup the greenhouses for the operation.

111. Defendants, despite lacking the proper authorization or permits, drilled illegal water wells to irrigate the cannabis plants. Defendants used dangerous, potentially lethal wiring to illegally draw electricity from existing power lines. Defendants also were disposing of raw sewage in ditches on the Navajo Nation creating further environmental hazards.

112. Defendants coordinated to bring a massive number of workers to New Mexico in order to carry out their illegal operation.

113. On information and belief, Defendants persuaded individuals, primarily Chinese immigrants, to pay money to establish their own greenhouse that could be used to produce hemp.

114. Dineh Benally and Irving Lin conducted [seminars](#) targeting Chinese immigrants in an effort to recruit investors. A journalist who interviewed five seminar attendees found that all of them understood the New Mexico operation to involve growing marijuana that was sold as a drug to smoke and had come to believe that it was legal to grow marijuana on the Navajo Nation.

Figure 7



115. According to Irving Lin, [Benally was telling people](#) that it was fine to grow marijuana on the Navajo Nation and the growers simply needed to refer to it as hemp.

116. [Advertisements](#) posted in Chinese-language online forums and Chinese newspapers described the investments as: “authorized by the Navajo government,” “exempt from federal and state taxes,” and benefitting from “favorable agricultural policies,” “adequate water and electricity with low-cost energy,” and “safe with security guards.” However, the content only vaguely mentioned “cannabis” and “hemp.”

117. At least one [individual](#) was persuaded to invest \$220,000 to own 10 greenhouses, including by borrowing money from friends and mortgaging his home.

118. Defendants also recruited Chinese immigrant workers, largely from California, to come work for the operation by promising a daily wage.

119. Defendants had residents of the Navajo Nation working as part of the operations.

120. Defendants exploited the COVID-19 pandemic in the recruitment of workers. During this time, many Chinese immigrant workers, including Plaintiffs, were unemployed as restaurants, massage parlors, and construction sites were shuttered due to the pandemic, leaving the workers desperate for any chance to make an income.

Figure 8.



121. Philip Francisco, chief of police for the Navajo Nation, [estimated](#) that there were 1000 people working for the operation, mostly foreign workers brought to New Mexico from Los Angeles. Other law enforcement officials estimated that the number was over 2000.

122. Irving Lin told the [news media](#) that 1000 workers were involved in the operation and that many were Chinese immigrants who had been brought in from California.

123. Defendants forced the workers for their operation to labor for long hours for little or no pay, and under extremely dangerous conditions.

124. The Navajo Nation had instituted a curfew due to the COVID-19 pandemic, but Navajo police stated that Defendants violated the curfew with impunity.

125. Defendants employed a team of aggressive security guards and instituted aggressive security measures to protect their illegal operations and to monitor the workers. For instance, the farms were protected by locked gates and a [dense set of security cameras](#). The security guards patrolling the operations carried firearms. On one occasion, the security guards were observed engaging in a knife fight.

126. Navajo authorities cited numerous complaints by residents that the violent and aggressive security guards working for Defendants engaged in assaults, batteries, and trespassing, and had intimidated and threatened elders, children, and other Navajo community members.

127. Benally himself was charged with aggravated assault for an incident on August 24, 2020 in which he turned and drove his Cadillac Escalade SUV towards an individual protesting the illegal cannabis operations, stopping just two to three feet in front of her.

Figure 9.



Figure 10.



128. A sworn affidavit by Navajo Police Officer Kyle Simms, dated October 7, 2020, states that when the Navajo police tried to enter the facilities being used to grow cannabis, Defendants denied access to them with the explanation that they needed directions from their “boss” before they would grant anyone access or cease cannabis farming, which Officer Simms understood to mean Dineh Benally. A copy of the affidavit is included as **Exhibit B**.

129. The then-Attorney General for the Navajo Nation, Doreen N. McPaul, stated that she personally witnessed the intimidation and threats of Defendants’ security guards.

Figure 11.



Gate outside cannabis farm with “No Trespassing” sign

130. Defendants exhibited zero concern for the safety of the workers on their operations. For instance, the [news media](#) reported that some employees were told to carry containers of battery acid without any protective equipment, which ended up spilling and burning their hands.

131. Defendants housed many of these immigrant workers in cheaply-built trailers or mobile homes that they installed on the Navajo Nation. There are reports that the mobile homes were placed on the Nation without home-site leases or proper sewage.

132. Defendants housed other workers, including Plaintiff Chunying Huang, in the areas surrounding the Navajo Nation, such as the Travel Inn in Farmington, and then transported them to the farms where they were compelled to cut the leaves from the cannabis plants.

133. Defendants had workers sleeping in mobile homes, travel trailers, houses, condominiums, apartments, and in the greenhouses both on and outside the Navajo Nation. Local authorities reported that due to the influx of people as part of Defendants’ operations, there was zero available housing inventory in the areas surrounding the reservation. The number of workers was so great that it took hours for the lined-up vehicles to exit the reservation to transport the workers back to the residences at the end of the shift.

134. One worker, who goes by the name Anson, told the news media that he worked 15 hours per day, slept on the floor of the greenhouses, and was never paid any of the roughly \$12,000 in wages that he was owed.

135. A [journalist](#) who interviewed the Chinese workers for the operation found that they exhibited many of the labor trafficking indicators established by the United Nations Office of Drugs and Crime, including “living together and rarely leaving the residence,” “lack of necessary equipment or clothing for work,” “unable to obtain income,” “working long hours,” and “relying

on employer-provided services such as transportation and housing.” The workers also stated that they “had no idea how much they would be paid” and that they “didn’t know where to go when they got sick.”

136. The Chinese workers also faced threats and violence from the locals. On at least one occasion, Navajo protestors, wielding knives and other weapons, demanded that the Chinese workers leave the Nation. When the terrified Chinese workers resisted, a protestor fired a gun shot into the air.

137. In addition to exploiting the Chinese workers, the [media reported](#) that Defendants employed Navajo workers some of whom were only 13 or 14 years of age, and some of whom were as young as 10 years old. The workers were required to perform 10-hour shifts, but were only paid \$5 per hour.

138. The work performed by these laborers was grueling and dangerous. The employees hauled 60-pound bags of soil to the greenhouses, handled dangerous chemicals, and operated heavy machinery. On some days, the workers were required to use the sharp blades of a spinning, mechanized metal fan to trim the buds from the cannabis plant so that they could later be loaded onto the trucks that regularly transported the cannabis off the reservation.

TRO Issued by the Navajo Court

139. On June 12, 2020, the Navajo Nation filed a lawsuit against Benally and two of his companies, NAAC and the Navajo Gold Company, seeking to stop the illegal and unregulated growth, production, transporting, licensing, and selling of hemp within the boundaries of the Navajo Nation.

140. On June 29, 2020, the Navajo Nation also filed a motion for a temporary restraining order and preliminary injunction (“TRO”) to stop Defendants’ hemp operations.

141. On September 18, 2020, the [Shiprock District Court](#) granted the Navajo Nation’s motion for a TRO and ordered that the cannabis-growing operations cease immediately.

Reports of Human Trafficking

142. Both before and after the TRO was granted, there were numerous, public statements calling attention to the fact that the Chinese workers involved in the cannabis operations were victims of human trafficking.

143. Since at least July 2020, law enforcement officials were concerned about human trafficking in Defendants’ operations. Around that time, San Juan County Sheriff Shane Ferrari requested an investigation by the federal immigration authorities into this issue.

144. An August 6, 2020 story in the [Navajo Times](#) noted that there were reports of “man camps” on the Navajo Nation and “human trafficking” involving the foreign workers for the hemp operations.

145. On September 2e, 2020, [Searchlight New Mexico](#) published a story about Defendants' hemp operations entitled "A massive hemp empire is accused of growing illegal marijuana and sowing violence on the Navajo reservation" (hereinafter, "Searchlight story"). A copy of the story is attached as **Exhibit C**.

146. Irving Lin was interviewed as part of the *Searchlight* story and is quoted extensively therein.

147. The *Searchlight* story reports that "[o]n at least a dozen occasions," angry protesters marched to the gates of the farms and carried signs reading "No Human Trafficking."

148. The *Searchlight* story describes an Asian woman who appeared at the home of a Navajo resident "lost, disoriented, begging for water and asking for help to get back to Saigon."

149. The *Searchlight* story recites the evidence of the abuse suffered by the workers involved in Defendants' cannabis operations and quotes human trafficking experts stating that these facts constituted "clear red flags for labor trafficking and severe exploitation."

Defendants Continue their Operations

150. Even after the TRO, Defendants did not cease their operations, but instead persisted in trying to recoup their investment by any means necessary.

151. On or around September 19, 2020, one day after the TRO was issued, Benally sent a text message instructing people involved in the operations to "keep moving forward."

152. Irving Lin told a [newspaper](#) that the TRO caused him and his partners to lose a minimum of \$20 million, explaining that they had built 1,000 greenhouses at \$10,000 each, and invested \$10 million in farm infrastructure.

153. Irving Lin executed an affidavit, dated October 7, 2020, admitting that even after the TRO, "I have tried to find a way to recover some of my investment," and noting that Benally promised that the farming and shipping operations would continue as planned.

154. Navajo residents [reported](#) that after the TRO, while daytime activity slowed, after sundown, the cannabis operations would turn on the lights and trucks could still be seen transporting cannabis off of the farms.

155. Even after the TRO, Defendants continued to show an utter disregard for the workers in their operations. For instance, Navajo residents described seeing Asian workers sleeping in the fields and ditches, shivering through the night.

Exploitation of Plaintiffs at the Travel Inn in Farmington

156. After the TRO, Defendants simply moved some of those operations that were taking place on the Navajo Nation to the nearby off-reservation border towns in New Mexico.

157. Prior to the TRO, Defendants had already been renting rooms at the Travel Inn in Farmington to house workers who they would transport to the farms each day to process the cannabis by cutting off the leaves from the buds of the plants.

158. Defendants had also purchased, rented, or made agreements to use private homes in and around Farmington to carry out their illegal marijuana operations.

159. In or around September or October, 2020, Defendants began to bring the cannabis grown on the Navajo Nation to the Travel Inn, and had the workers perform the trimming work in the rooms of the Travel Inn. For example, Plaintiff Chunying Huang had previously been housed at the Travel Inn but transported to the farm to do trimming work each day. However, after the TRO, her bosses had her do the same trimming work in a room at the Travel Inn.

Recruitment of Plaintiffs

160. Defendants used a variety of channels to recruit Chinese immigrant workers, such as Plaintiffs, to come work for their illegal cannabis operation at the Travel Inn in Farmington, including contacting employment agencies in Monterey Park, California that serve Chinese immigrants as well as by posting advertisements on WeChat—the most widely-used social media application amongst Chinese individuals.

161. Plaintiffs generally learned of the job opportunity in Farmington through employment agencies in Chinatown, WeChat postings, or by word of mouth.

162. At the time that they learned of this opportunity, most Plaintiffs—previously employed in restaurants, nail salons, massage parlors, or other service jobs—had been out of work for many months due to the COVID-19 pandemic.

163. The job postings seen by Plaintiffs generally advertised that the position involved either “gardening” or “flower cutting”; that the pay was \$200 per day; the housing and food would be provided; that there were no age or sex restrictions; and that there was no prior work experience required. The advertisements then left a telephone number for interested applicants to call.

164. When Plaintiffs called the number, they were generally instructed to go to an address in Farmington, New Mexico, either by driving themselves or taking a van from Chinatown.

165. For instance, Plaintiff Chungui Xiong saw an advertisement on WeChat for work on a “New Mexico Farm,” that the wage was over \$200 per day, and that people over age 50 were eligible. When she called the number, she was then sent an address in Farmington, told to come the next day or as soon as possible, and told to ask for “Mike.”

166. Plaintiff Qiyou Li saw a sign at an employment agency in Monterey, California that simply said “seeking farm worker in New Mexico.” He paid \$200 and then received a phone number; when he called, he was told to travel to an address in Farmington.

167. Some Plaintiffs, such as Jinming Qin, Zhiqiang Tan, and Qiyou Li, drove their own cars from California to Farmington, spending approximately \$100 on gas.

168. Other Plaintiffs, like Pinhui Gu, needed to pay for a van service to take them from California to Farmington and paid \$200 or more for this one-way trip.

Monitoring and Intimidation

169. Like on the farms, Defendants ran the operation at the Travel Inn like a prison and treated the workers like prisoners.

170. Plaintiffs who drove themselves to Farmington, upon their arrival at the hotel, were instructed to give their keys to Defendants.

171. Defendants also demanded, without providing any explanation, that several Plaintiffs turn over their mobile phones to Defendants.

172. Plaintiffs were instructed not to contact people outside the hotel.

173. Plaintiff Chungui Xiong asked for her phone to be returned at one point, but the guard refused to give it back to her. After arriving in Farmington, she was unable to contact her husband for several days, and only spoke to him after she had been arrested.

174. Since most Plaintiffs arrived at Farmington in the evening, Defendants put them to work the following morning by ordering them to go into one of the Travel Inn hotel rooms where huge piles of cannabis were waiting to be cut.

175. Plaintiffs were confused by this, as they had been told that they would be doing farm work or cutting flowers. But, when Plaintiffs tried to ask questions of Defendants, they were told to stop asking questions. For instance, when Plaintiff Chungui Xiong questioned why she was being brought to a hotel room instead of a farm, Defendants snapped at her: “Don’t ask so many questions, this is just your job. Just do your job.”

176. Plaintiff Qinliang Wang had a similar experience when he questioned why he was being asked to work in a hotel instead of on a farm. Defendants retorted: “You shouldn’t ask questions; even if you ask, it will make no difference.”

177. When taken to the hotel rooms to work, Defendant split up the married couple that came together to Farmington, Plaintiffs Xiaoxia Si and Jihua Kan, forcing them to go to different rooms. Defendants provided no explanation for why the two could not work in the same room.

178. Prior to their arrest, Plaintiffs did not know that they were cutting marijuana. Defendants never informed them of this fact, or that it was illegal. When Plaintiff Chungui Xiong asked Defendants what the plants were, a question prompted by the strong and distinct smell, Defendants retorted: “Just do your work and cut the leaves off the plants.”

Working Conditions and Coercive Tactics

179. Both during work hours and at night, Defendants employed numerous guards who monitored the workers and patrolled the hotel rooms.

180. The guards either carried firearms or sought to give Plaintiffs the impression that they carried firearms. For instance, some guards had their hands in their pocket at all times. Another guard wore a fanny pack in which he always kept his hand.

181. The guards acted and appeared like gangsters, such as by wearing sunglasses even in the dark. The guards scared and intimidated Plaintiffs, including by consistently addressing them in a harsh, forceful, and abrupt manner, and by using physical violence to coerce them to work faster.

182. Plaintiffs were forced to work roughly 14 hours per day, starting around 7 a.m. and working until around 9 or 10 p.m. in the evening.

183. Defendants sought to extract as much labor from Plaintiffs as possible. During this 14 -hour shift, Plaintiffs were not permitted to rest or take breaks. The lunch break was only about 10-20 minutes, and some Plaintiffs were not permitted to leave the room during this break.

184. Some Plaintiffs even had to work beyond the 14-hour shifts. On several occasions, Plaintiffs Siqing Qin and Qinliang Wang were awoken in the middle of the night, driven by van to the nearby farms on the Navajo Nation, and forced to walk to a greenhouse to gather garbage bags full of marijuana and carry them back to the van. Each trip from the van to the greenhouse took 10-20 minutes, and the whole activity took about 2 hours each time. The workers and garbage bags were then driven back to the Travel Inn. On these days, Defendants still demanded that these Plaintiffs work their normal 14-hour shift the following morning. These Plaintiffs were promised overtime pay for this extra work; however, no wages were ever paid.

185. Defendants employed physical attacks, cursing, and other forms of threats and intimidation to make Plaintiffs work as fast as possible.

186. Defendants also forced Plaintiffs to continue working even when Plaintiffs expressed a desire to rest or to leave entirely.

187. Defendants frequently yelled and cursed at Plaintiffs throughout the day, in a very harsh tone, telling them to work faster or calling them stupid.

188. Plaintiffs were unable to leave the hotel rooms without permission from the guards. The windows in the rooms also had bars on them, such that even if opened, a person could not climb outside.

189. When Defendants thought that Plaintiff Chungui Xiong was working too slowly, the guard forcefully grabbed the scissors from her (to show her how to cut faster), stretching the thumb on her right hand. She still experiences pain in her thumb to this day and needs to continually purchase pain medication.

190. Plaintiff Chungui Xiong also recalls an instance when the guard picked up some of the plants and threw it at the workers while cursing at them for working too slowly.

191. On Plaintiff Qinliang Wang's first day of work, the guard yelled at him for working too slowly, walked over and kicked Plaintiff Wang in the side and then continued yelling at him. Plaintiff Wang was in pain, and told the guard that he wanted to leave. The guard told Plaintiff Wang that he was not allowed to leave and stood in front of the door, blocking him from exiting. When the guard was not inside the room, Plaintiff Wang tried to open the door; however, it was somehow locked or blocked from the outside.

192. On her second day of work, Plaintiff Xiong told Defendants that she had an allergic reaction to the plants, causing great physical discomfort in her nose. She told a guard that the physical discomfort was unbearable and that she could not handle the work. When she then asked if she could leave the room to retrieve her allergy medication, the guard simply ignored her and left the room. Desperate to ease her physical discomfort, Plaintiff Xiong attempted to leave the room; but she was unable to open the hotel room door, which appeared to be locked from the outside. Plaintiff Xiong suffered from the allergies for nearly four days until she and the other Plaintiffs were arrested and removed from the Travel Inn.

193. During Plaintiff Qiyou Li's first day of work, Defendants refused to permit him to go to his car in the parking lot to get his blood pressure medication, which he took daily. He insisted that he needed the medicine, but Defendants refused. Qiyou Li also developed a headache from the toxins in the cannabis. Qiyou Li told Defendants that he wished to leave the job, but Defendants refused to allow him to go. Defendants threatened Plaintiff that if he left, "he would bear the consequences," which Plaintiff understood to mean that the guards would physically attack and hurt him and that he would not get paid anything for his work up through that time.

194. Defendants also threatened to punish Plaintiff Qiyou Li if he did not work quickly enough. He was provided a bucket to fill with the trimmed cannabis, and told that he needed to fill 5-6 buckets per day. The guards yelled at him, "how are you so slow?" and told him that if he did not finish the work, he would receive no wages at all.

195. Plaintiff Xiaoxia Si complained to Defendants that she did not feel well and could not work any longer. Defendants rejected her request to stop working and told her that she would get used to it, and that she must finish cutting all the plants in the room. Plaintiff Si asked Defendants to go buy medicine on her behalf because she had a serious fever, and even offered that the money could be deducted from her wages; but Defendants still refused.

Figure 12.



Travel Inn room filled with marijuana

196. In the evenings, Plaintiffs were not allowed to leave the Travel Inn, and some were not even permitted to leave their bedrooms.

197. Plaintiffs feared that if they sought to leave the Travel Inn, Defendants would prohibit them from doing so, including by inflicting physical harm.

198. Plaintiffs also feared that if they left the Travel Inn and were thus in an unfamiliar place where they were also unable to communicate, particularly due to anti-Asian sentiment related to COVID, the local people might physically harm them.

Lack of Food and Water

199. Despite demanding such long working hours from Plaintiffs, Defendants provided them with a minimal amount of food and water.

200. Many of the workers, such as Plaintiff Xiong, were only provided with breakfast and lunch, each consisting of a fast-food hamburger and a bottle of water. When work ended in the evening, the guards told them, “now it is time for you to rest,” and did not provide them any dinner. Since Plaintiffs were prohibited from leaving their rooms, they also could not go buy any food for themselves.

201. Defendants even rationed the water, generally providing just two bottles per day, leaving Plaintiffs thirsty. When Plaintiffs requested an additional bottle, the guards refused.

202. On one occasion, after transporting trash bags of cannabis from the greenhouses, Plaintiffs Wang and Qin told the guards that they were hungry, and Defendants permitted them to go to the Walmart next door to the hotel, where they purchased some bread with their own money. However, even then, the guards accompanied and monitored them the whole time.

Disregard for Health and Safety

203. Defendants showed a complete and utter disregard for Plaintiffs' health and safety.

204. Despite the ongoing COVID pandemic, Plaintiffs (who had not yet been vaccinated) were crammed into hotel rooms, the windows and doors were kept shut, and no masks were provided to Plaintiffs.

205. Plaintiffs were forced to share rooms with other workers who they did not know and who were not wearing masks. Many Plaintiffs also had to share a mattress at night with another worker.

206. Plaintiffs were also provided no masks or other personal protective equipment for the toxic cannabis that they were exposed to and were handling.

207. During their 14-hour shifts, Plaintiffs were forced to sit on buckets turned upside down, which lacked any support for their backs, resulting in severe stress and pain.

Financial Benefit

208. Defendants received a financial benefit from selling the marijuana processed by Plaintiffs.

209. On information and belief, Defendants were transporting and selling the marijuana grown and processed through the New Mexico operations to other states, such as California. The Navajo police observed large and small trucks regularly transporting marijuana away from the greenhouses. Law enforcement in California also interdicted a large shipment of marijuana that was believed to have originated at Defendants' operations in New Mexico.

210. On information and belief, Defendants were using the proceeds of the sale of the marijuana cultivated on the Navajo Nation to continue and further their marijuana operations.

211. On September 12, 2020, the Navajo Nation police intercepted an SUV at a location in Shiprock known for drug dealing. The car had a California license plate and a Chinese driver and passenger who were transporting a bag with \$36,500 in cash. The driver and passengers told the police that they were working on the hemp farms. The Navajo police seized the cash. On information and belief, the driver and passenger never came forward to try to retrieve the cash that was seized from the car.

212. Defendants received a further financial benefit because they subjected Plaintiffs to substandard conditions and never paid them for their labor.

Police Response and Plaintiffs' Arrest

213. On October 8, 2020, Vernida Bisinet, a Farmington resident, made a call to the Farmington Police to report that there was a smell of marijuana emanating from the Travel Inn and there were a large number of cars with California license plates. She then reported that after the officers responding to that initial call had left, a male moved marijuana from his car into one of the hotel rooms.

214. At around 5:48 p.m. that day, the Farmington Police responded to the second call. A copy of the "Statement of Probable Cause" related to the incident is attached as **Exhibit D**.

215. Upon arriving at the Travel Inn, the officers immediately smelled the strong odor of marijuana emanating from the parking lot.

216. The police found several cars in the Travel Inn parking lot with marijuana inside them.

217. The police discovered that 19 rooms at the Travel Inn were registered under the name of Defendant Gouyun Liao: rooms 104, 105, 106, 107, 108, 110, 111, 112, 114, 115, 205, 209, 211, 212, 215, 217, 218, 219, and 220.

218. On information and belief, the rooms at the Travel Inn were being paid for with a credit card belonging to one of the Defendants' corporate entities.

219. After the police arrived, Defendant Gouyun Liao came out of room 111 and showed concern about what was occurring in room 112.

220. The police arrested Defendant Liao.

221. The police found that some of the rooms appeared to have been used for the sole purpose of storing and processing marijuana. In those rooms, the mattresses had been moved to the bathroom, access to the bathroom was obstructed, and the dresser drawers appeared to be free of any items.

222. The police found rooms that contained numerous, heavy-duty black trash bags that were filled with cannabis in plain view. In total, the police found 2,000 pounds of marijuana in the hotel rooms, which is worth \$3 million to \$10 million depending on the quality and street value.

223. The police found 17 Chinese nationals at the hotel, who appeared busy trimming the cannabis plants at the hotel. These individuals appeared not to be concerned or disturbed by the arrival of the police officers; the workers simply continued working. When a Mandarin-speaking officer finally arrived and asked the workers if they knew what kind of "flowers" they were cutting, they all shook their heads to indicate that they did not.

Figure 13.



224. The police arrested all 17 workers from the hotel, including the Plaintiffs, placing them in handcuffs and taking them to the police station. Plaintiff Xiong recalls crying from the pain in her wrists because the handcuffs were so tight and that there were bruises on her wrists after the handcuffs were removed.

Figure 14.



225. Plaintiffs had to remove all of their clothing and put on the uniform provided by the police.

226. For 16 of the 17 arrestees, including Plaintiffs, they were [charged](#) with trafficking a controlled substance (manufacturing), a second-degree felony; distribution or possession with intent to distribute, a fourth-degree felony; and conspiracy to commit distribution of controlled substances, a fourth-degree felony. Plaintiffs were facing 10-13 years in prison for these crimes.

227. Defendant Liao was [charged](#) with more severe crimes since the hotel rooms were in his name.

228. Plaintiffs spent approximately five days in jail before being released.

229. After arriving at the jail, the police confiscated Plaintiffs' belongings, including their jackets and shoes, and used plastic zip-ties to handcuff Plaintiffs. Plaintiffs were then forced to stand outside in the cold for two hours wearing only their innermost layer of clothing.

230. Police officers suspected that Plaintiff Si Xiaoxia had COVID due to her severe nose allergies and locked her inside a dark room alone.

231. On the second day in jail, Plaintiffs were transferred to a prison cell. The men and women were separated. Plaintiffs were instructed to remove all their clothing and change into inmate uniforms. For the next several days, Plaintiffs slept in bunk beds alongside other arrested individuals. Plaintiff Xiong recalls that the prison cells were very cold, the blankets were very thin, and fellow inmates were very intimidating.

232. Throughout their time in jail, Plaintiffs did not have access to a translator, and Plaintiffs did not understand the reason for their arrest or what charges were being brought against them. Plaintiffs did not speak with a lawyer while in jail. Plaintiffs were unable to contact their family or anyone outside the jail during this period.

233. While in jail, Plaintiffs Wang Qinliang and Qin Siqing contracted COVID-19. Other Plaintiffs were deprived of access to their medication while in jail.

234. After being released from jail, Plaintiffs had to make multiple court appearances before the charges were dropped nearly two months later. During this time, Plaintiffs were not permitted to return to their homes in California or elsewhere, but were required to stay in San Juan County where they had no access to housing, food, employment, family, or other resources.

235. The period from Plaintiffs' arrest to their release from jail, and even the time after their release from jail, was extremely scary, traumatic, and distressing for Plaintiffs.

After Plaintiffs' Release

236. From November 9 to 11, 2020, the FBI led an eradication operation labeled "Operation Navajo Gold" involving hundreds of agents and nine federal agencies in which they eradicated approximately 260,000 live plants, collected 30 tons of evidence, and seized 1,000 pounds (in 19 trash bags) of processed marijuana ready for distribution.

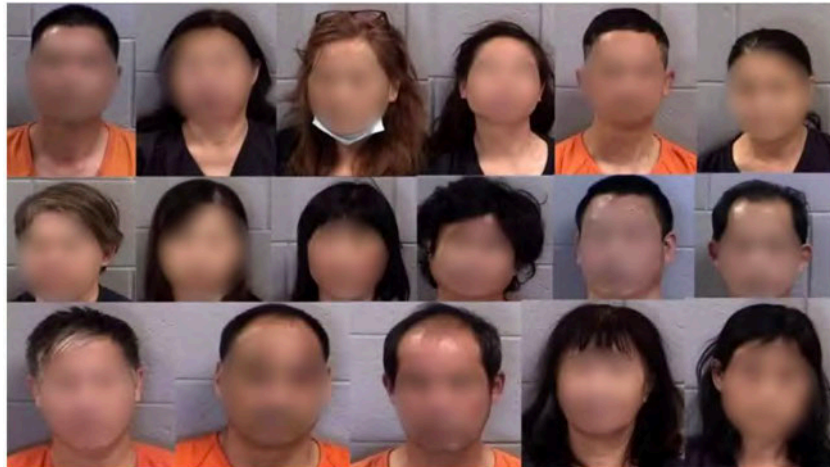
237. On November 23, 2020, nearly two months after Plaintiffs' arrest, prosecutors finally dismissed the criminal charges against Plaintiffs.

238. Even after being released from prison and the charges being dropped, however, Plaintiffs continued to experience tremendous embarrassment, loss of face, and shame amongst their family, friends, and the Chinese community.

239. Plaintiffs' arrest and the publicity related thereto made it extremely difficult for them to find work, which made them unable to support themselves, let alone support their families back in China. This fact further compounded their stress, anxiety, and shame.

240. News of Plaintiffs' arrest became widely-known amongst the Chinese communities in the United States and even within China. Plaintiffs' mug shots had been published in Chinese and English language media. While some publications blurred their faces, others did not.

Figure 15.



241. Three days after his arrest, Plaintiff Qiyou Li was told by friends in Los Angeles that they saw his photograph in the newspaper and read that he had been arrested for drug-related crimes.

242. When Plaintiff Qiyou Li returned to California and sought out a massage parlor job, the industry in which he previously worked, the boss asked if Li had worked in New Mexico and then stated that he did not want to hire someone who had been involved in criminal activity. The inability to find work has been a major burden and stress on Li and his wife and children in China.

243. Plaintiff Qiyou Li's wife in China told him that news of his arrest was circulating on WeChat, many people had seen it, and his relatives were very afraid. The fact that Plaintiff Li had gone to the United States only to wind up in jail was extremely embarrassing and a huge loss of face for him.

244. Plaintiff Siqing Qin's wife and children in China all learned about his arrest through WeChat. When they go to other villages, such as for Chinese New Year, their friends and relatives also all know about Qin's arrest.

245. Some Plaintiffs still suffer physical injuries as a result of being subjected to Defendants' schemes. For instance, Plaintiff Siqing Qin still suffers pain in his knees from sitting on an upside-down bucket for long hours cutting marijuana. He regularly gets acupuncture treatment which costs about \$300 for each session.

246. After Plaintiffs' release from jail, Defendants, through Defendant Liao and their other agents, continued to seek to intimidate Plaintiffs from seeking help or cooperating with law enforcement. For instance, Defendant Liao and a tall man with the surname Wang repeatedly called the daughters of two of the Plaintiffs, insisting that they disclose who Plaintiffs had met with, what they said, and who had cooperated with law enforcement. Defendants made reference to the difficulty that this individual felt as a single mother with two children, implicitly threatening to cause harm to those children. The phone calls and harassment persisted for nearly one year.

Irving Lin's Role in the Operation

247. Irving Lin was a principal architect of the scheme to have Chinese immigrants come to New Mexico to work for the cannabis operation, and the plan to use the Travel Inn to house workers and to trim the cannabis there.

248. Irving Lin told a [journalist](#) that his own wife often scolds him that "one day he will be caught" due to his marijuana operations.

249. Irving Lin rented an old industrial building in Kirtland, New Mexico, not far from Shiprock and Farmington, which was used as part of Defendants' operations. On [June 15, 2020](#), the San Juan County sheriff found 2,000 marijuana plants in that building and a Chinese man who did not speak English tending to them. After the plants tested for THC levels above the limit for hemp, the police stated that they would return the next day; however, a few hours later, a U-Haul came by and took away all the plants. The building burned down about one week later.

250. On information and belief, Defendants burned down the building in order to destroy any evidence of their illegal marijuana operation.

251. Irving Lin also purchased a property at 20 Road 6361, Kirtland, NM, 87417. On April 5, 2021, he told others that this was his home address.

252. Irving Lin was personally involved in every detail of the cannabis operations. On information and belief, Irvin Lin [purchased multiple vehicles](#) to assist the operations, including by transporting workers between the Travel Inn and farms on the reservation.

253. Irving Lin told a journalist that he personally shuttled thousands of pounds of plant seeds between California and New Mexico in furtherance of the operation.

254. [Irving Lin](#) had personal knowledge and involvement of the conditions regarding the Chinese workers involved in the operation and those living at the Travel Inn. Irving Lin personally shuttled workers between California and New Mexico in his own vehicle. Irving Lin also arranged for the workers who arrived in nearby places via bus or train, such as Albuquerque or Gallop, to be transported to the farms or hotels in the surrounding area.

255. After the Navajo court issued its TRO, together with Bryan Peng, Irving Lin personally requested a meeting with the Navajo authorities to convince them to keep operation going because things were going well and all parties could benefit.

256. Irving Lin stated to the media that he felt personally responsible for the Chinese individuals who lost money by investing in New Mexico.

257. In March 2021, Irving Lin executed an affidavit, based on his personal knowledge, testifying about the creation of jobs in the operation, that there was “no violence and human trafficking” in the operations, there was no child labor, and there was “no human rights damage” caused by the operations.

258. In April 2021, Irving Lin told a social worker in New Mexico that he was the “coordinator” for the workers who had been arrested and for “all Chinese who worked at Navajo nation project.” When he needed a place in Farmington to meet with the social worker, he took her to the Travel Inn and referred to the owner there as his “friend.”

259. At the time of FBI raid of the cannabis farms on the Navajo Nation, Irving Lin was [living](#) at the Travel Inn.

The Travel Inn Defendants’ Role in the Operation

260. Travel Inn Defendants economically benefitted from the illegal, forced labor operations being conducted at the Travel Inn because they received payments for the rental of the rooms. The benefit was particularly significant because of the low number of other people who were traveling and staying at hotels during the COVID pandemic.

261. Travel Inn Defendants knew about the illicit activity happening in the rooms at the Travel Inn and the exploitation of the workers there.

262. On information and belief, Ram Nagin and Sita Nagin live at the Travel Inn and thus are almost always at the property. They generally sit at an office from which they can see the parking lot and observe all individuals coming and going.

263. Travel Inn Defendants were aware of the cannabis operation being conducted by Defendants on the Navajo Nation and knew that the operation had been shut down in or around September 2020. Around that time, Defendant Ram Nagin asked Plaintiff Chunying Huang whether there was any other work for her and the other workers being housed at the Travel Inn.

264. Travel Inn Defendants smelled the marijuana being transported to and processed at the Travel Inn.

265. Travel Inn Defendants observed that after the Navajo courts issued the TRO, the workers were no longer transported to and from the hotel each day.

266. Whereas the Travel Inn Defendants' policy is that rooms must be checked and cleaned on a regular basis, they made an exception to this policy and permitted Defendants to operate in the rooms for a long period of time without ever sending in cleaners.

267. The rooms at the Travel Inn in which the workers slept were cleaned every day, but the rooms where the cannabis was being processed were not cleaned or entered by the cleaners.

Relationships Amongst Defendants

268. The corporations that are party to the MSA were created for an improper purpose, including to shield their parent entities and their principals from liability as they engaged in an illegal marijuana operation.

269. These corporations are alter egos and mere instrumentalities of their parent entities and their principals because those parent entities and principals dominated and controlled the corporations to further their own purposes, corporate formalities were generally ignored, funds were commingled, and they were generally undercapitalized.

270. On information and belief, the principals of the corporate entities that comprise the NAAC Defendants, Hemp Biotech Defendants, and SPI Defendants contributed additional funds in their individual capacities (not through the corporate entities that are parties to the MSA) in furtherance of the marijuana operations.

271. The domination of these corporations by their parent entities and their principals for this improper purpose has caused harm to Plaintiffs, who suffered as result of the many torts committed by these entities but now face great difficulty in collecting from these undercapitalized entities.

272. NAAC Defendants and Hemp Biotech Defendants are the agents of the SPI Defendants in executing the illegal marijuana operation.

273. SPI Defendants admitted in public filings that they failed to establish meaningful mechanisms to oversee or supervise their agents carrying out business operations, despite knowing the risks of failing to do so.

274. NAAC Defendants and Hemp Biotech Defendants engaged in a variety of tortious conduct in furtherance of the marijuana operation.

275. To the extent the SPI Defendants are not primarily liable for any cause of action set forth below, they are liable for the wrongful acts of the NAAC Defendants and the Hemp Biotech Defendants set forth in that cause of action, which were taken within the scope of their agency relationship with the SPI Defendants.

FIRST CAUSE OF ACTION
HUMAN TRAFFICKING
(NM Stat. § 30-52-1, § 30-52-1.1)
(Against All Defendants)

276. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

277. Defendants either knowingly recruited, solicited, enticed, and/or transported Plaintiffs to New Mexico in order to obtain their labor in processing cannabis through the use of force, fraud or coercion, or benefitted financially from Plaintiffs' labor with the knowledge that force, fraud or coercion was used to obtain it.

278. Defendants used fraud to solicit and recruit Plaintiffs by falsely promising that Plaintiffs would be performing legal farm or flower-cutting work and be paid \$200 per day.

279. Defendants refused to permit Plaintiffs leave the hotel room and stop working.

280. Defendants physically abused Plaintiffs and threatened further physical abuse if Plaintiffs did not work fast enough or did not complete their work.

281. Defendants threatened to use weapons to harm Plaintiffs if they did not follow orders to perform their assigned work.

282. Defendants did not pay Plaintiffs while they were working and threatened that Plaintiffs would not receive any pay if they did not continue providing their labor.

283. The Hemp Biotech Defendants and NAAC Defendants acted as agents for the SPI Defendants in carrying out the cannabis operations in New Mexico and engaged in violations of this statute in the performance of that role, including but not limited to by directing the managers and guards at the Travel Inn who coerced Plaintiffs to work.

284. The Travel Inn Defendants knew that Plaintiffs were providing labor obtained through the use of coercion due to, amongst other things, their relationship with Irving Lin, the direction not to enter or clean the rooms, the fact that Plaintiffs rarely left the hotel, the fact that the guards carried weapons, and the smell of marijuana throughout the hotel.

285. The Travel Inn Defendants benefitted from receiving payment for the use of their hotel rooms.

286. Plaintiffs are entitled to actual damages, compensatory damages, and punitive damages. Because Defendants' acts in violation of this statute were willful and malicious, and Plaintiffs are therefore entitled to treble damages. Plaintiffs are also entitled to reasonable attorney fees and costs.

**SECOND CAUSE OF ACTION
WAGE AND HOUR VIOLATIONS**

(NM Stat. §§ 50-4-1, *et seq.*)

(Against All Defendants except the Travel Inn Defendants)

287. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

288. Defendants, except for the Travel Inn Defendants, were either Plaintiffs' employer or joint employer during their time working in New Mexico.

289. As set forth in the MSA, NAAC provided all the work from the planting to the sale of the cannabis products, including supervision of all workers.

290. As set forth in the MSA, Hemp Biotech provided management and supervision over NAAC in its provision of workers, including through continuous inspections of the work performed.

291. As set forth in the MSA, CBD Group provided the funds to hire and pay workers in the operation, such as Plaintiffs.

292. Defendants failed to pay Plaintiffs wages pursuant to the deadlines set forth in NM Stat. § 50-4-2.

293. Defendants failed to pay Plaintiffs either the agreed upon wage or the minimum wage, and failed to pay an overtime premium for hours over 40 in a week.

294. Plaintiffs are therefore entitled to the amount of their unpaid wages and overtime, interest on those amounts, an additional amount equal to twice the unpaid wages, and attorneys' fees and costs.

**THIRD CAUSE OF ACTION
UNJUST ENRICHMENT**

(Against All Defendants except the Travel Inn Defendants)

295. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

296. Plaintiffs expected to be paid reasonable compensation for their services for Defendants' cannabis operations.

297. Defendants, except for the Travel Inn Defendants, received an economic benefit from the work performed by Plaintiffs because Plaintiffs transformed the marijuana into a form that could be sold for a higher price.

298. Defendants, except for the Travel Inn Defendants, received this benefit but never paid any compensation to Plaintiffs for their work.

FOURTH CAUSE OF ACTION
INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS
(Against All Defendants except the Travel Inn Defendants)

299. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

300. The conduct by Defendants, excluding the Travel Inn Defendants, in defrauding Plaintiffs to travel to New Mexico, forcing them to work in furtherance of their illegal operation, forcing them to work without pay, and subjecting them to a high risk of arrest constitutes extreme and outrageous behavior.

301. This conduct by Defendants was intentional and/or in reckless disregard of Plaintiffs' emotional well-being.

302. Plaintiffs suffered extreme and severe emotional distress as a result of the aforementioned conduct by Defendants.

303. The Hemp Biotech Defendants and NAAC Defendants acted as agents for the SPI Defendants in carrying out the cannabis operations in New Mexico and committed these tortious actions in the performance of those duties.

FIFTH CAUSE OF ACTION
FALSE IMPRISONMENT
(Against All Defendants except the Travel Inn Defendants)

304. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

305. Defendants intentionally confined or restrained Plaintiffs without consent and with knowledge that they had no lawful authority to do so.

306. Defendants used a variety of words, acts, gestures, and similar means that created in Plaintiffs a reasonable fear that they would face personal difficulty or harm if they did not comply with orders to remain at the Travel Inn and continue working for Defendants.

SIXTH CAUSE OF ACTION
CIVIL CONSPIRACY
(Against All Defendants)

307. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

308. A conspiracy existed between Defendants to unlawfully grow, process, and sell cannabis.

309. A conspiracy existed between Defendants to engage in a variety of unlawful conduct in furtherance of their operations.

310. Defendants engaged in wrongful acts against Plaintiffs pursuant to the conspiracy, including human trafficking, intentional infliction of emotional distress, kidnapping, and false imprisonment.

311. Plaintiffs were damaged as a result of the wrongful acts perpetrated by Defendants.

SEVENTH CAUSE OF ACTION
NEW MEXICO RICO CLAIM
(N.M. Stat. § 30-42-1, *et seq.*)
(Against All Defendants)

312. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

313. Defendants constitute an “enterprise” because they are a group of associated individuals and entities who shared the common purpose of conducting an operation to grow, process, and sell marijuana.

314. Defendants engaged in a pattern of racketeering by committing numerous prohibited acts, including but not limited to bribery, multiple instances of trafficking in controlled substances, money laundering, multiple instances of kidnapping, arson, and multiple acts of criminal solicitation within a period of five years.

315. Defendants engaged in bribery by offering to give money to the police chief for the Navajo Nation, a public officer or employee, in order to induce him to delay or omit to perform his duties to enforce the laws of the Navajo Nation prohibiting the cultivation of marijuana.

316. Defendants engaged in the trafficking of controlled substances by manufacturing marijuana, distributing and selling marijuana, and possessing marijuana with the intent to distribute it.

317. Defendants engaged in kidnapping by unlawfully retraining and confining Plaintiffs through the use of force, intimidation, and/or deception with the intent to make Plaintiffs provide labor services against their will.

318. Defendants engaged in arson by willfully starting a fire at the building in Kirtland, New Mexico in or around June 2020 for the purpose of damaging or destroying that building, which was owned by another person.

319. Defendants engaged in money laundering activities prohibited by N.M. Stat. § 30-51-4 because they used the proceeds of their illegal marijuana operations to then further those growing and processing operations, as well as to commit other unlawful acts as set forth in this complaint, such as human trafficking, kidnapping, and other unlawful activity.

320. Defendants engaged in money laundering activities prohibited by N.M. Stat. § 30-51-4 because they transported the proceeds of their illegal marijuana operations on and off the Navajo Nation to conceal the source of those funds.

321. Defendants engaged in multiple acts of criminal solicitation as defined by N.M. Stat. § 30-28-3 because they commanded, requested, induced, employed, and otherwise attempted to have others engage in conduct constituting a felony within or without the State of New Mexico, including but not limited to trafficking in controlled substances, interference with law enforcement by carelessly driving a vehicle in a manner that endangers the life of others, disobeying and obstructing enforcement of the TRO issued by the Shiprock District Court, human trafficking, kidnapping, and arson.

322. Defendants obtained proceeds derived from their pattern of racketeering activity and used them in the acquisition, establishment, or operation of an enterprise.

323. Defendants each participated, directly or indirectly, in the conduct of the enterprise's affairs by engaging in a pattern of racketeering activity.

324. Defendants conspired to engage in a pattern of racketeering activity and conspired to obtain proceeds from their pattern of racketeering activity.

EIGHTH CAUSE OF ACTION
PREMISES LIABILITY
(Against the Travel Inn Defendants)

325. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

326. Travel Inn Defendants owed a duty of reasonable care to Plaintiffs because they were guests at the Travel Inn, which was owned and controlled by the Travel Inn Defendants.

327. Travel Inn Defendants breached this duty because they knew that Plaintiffs were being harmed, but took no action to protect Plaintiffs from that harm.

328. Travel Inn Defendants' failure to act caused Plaintiffs to suffer more severe harm and harm for a longer duration than Plaintiffs otherwise would have suffered.

329. Travel Inn Defendants are therefore liable to Plaintiffs under a theory of premises liability.

**NINTH CAUSE OF ACTION
AIDING AND ABETTING
(Against All Defendants in the Alternative)**

330. Plaintiffs repeat, re-allege, and incorporate herein by reference, each and every allegation contained in the preceding paragraphs.

331. Each Defendant knew that the other Defendants' conduct towards Plaintiffs was wrongful, tortious, or a breach of duty, yet gave the other Defendants substantial assistance or encouragement to engage in such conduct.

332. As such, to the extent any Defendant is not primarily liable for any of the above causes of action, they are liable for aiding and abetting the conduct underlying those causes of action.

PRAYER FOR RELIEF

333. WHEREFORE, Plaintiffs pray for judgment against Defendants as follows:

- (1) Damages in an amount to be proven at trial;
- (2) All statutory damages available under the statutes set forth above, including NM Stat § 30-52-1.1, N.M. Stat. § 30-42-1, *et seq*, and N.M. Stat. § 50-4-1, *et seq*;
- (3) Liquidated damages in an amount to be proven at trial;
- (4) Punitive damages in an amount to be proven at trial;
- (5) An award of pre- and post-judgment interest;
- (6) Attorneys' fees;
- (7) Costs of this suit; and
- (8) Such other and further relief as the court may deem just and proper.

DATED: September 27, 2023

Respectfully submitted,

THE VARGAS LAW FIRM, LLC
807 Silver Ave. S.W.
Albuquerque, New Mexico 87102
(505) 242-1670
ray@vargaslawfirmabq.com

By: /s/ Ray M. Vargas, II

Exhibit A

Management Service Agreement
(July 24, 2019)

EX-4.57 4 spi_ex0457.htm MANAGEMENT SERVICES AGREEMENT
Exhibit 4.57

MANAGEMENT SERVICES AGREEMENT

This Management Agreement (the "Agreement") is made as of July 24, 2019 (the "**Effective Date**"), among Native American Agricultural Company, Company incorporated under the laws of New Mexico with its office located at Farm Rd and 5th Lane, Shiprock NM, 87420, ("**NAAC**" or "**Contractor**"), and CBD and Hemp Group Co., Ltd., a Delaware corporation located at 4677 Old Ironsides Drive ("**Company**"), and Hemp Biotechnology, Inc., ("**Management**"), a California Limited Liability Company, with office, located at 24301 Southland Drive 217a, Hayward CA, 94545.

Recitals

WHEREAS, the Company is in the business of the cultivation, distribution, manufacturing and selling of hemp.

WHEREAS, the Contractor has a background in Agricultural Development and Cultivation Services upon the Sovereign Navajo Nation and is willing to provide services to Company based on its experience and background;

WHEREAS, the Management owns the specialized knowledge and related experience in cultivation, distribution and manufacturing of hemp, and the Company agrees to engage the Management, and the Management agrees to accept such engagement, as the management team and supervisor in relation to the performance under this Agreement;

NOW THEREFORE, the Company, the Management and the Contractor (each, a "**Party**"; together, the "**Parties**"), agree as follows:

1. Basic Agreement

Contractor hereby proposes to cultivate and to provide to Company all services, (see Exhibit A), including but not limited to perform the work of Farm Preparation, Securing Seeds, Planting Seeds, Maintain Plant Count, Watering, Weeding, Male Plant Culling, Fertilization, Harvesting, Drying, Weighing, Packaging, Delivery and Marketing of Cannabis from Hemp in Compliance with all Regulations and Laws of the Navajo Nation San Juan River Farm Board and the state of New Mexico and agrees to accept the management and supervision of the Management who acts as the representative on behalf of the Company. Contractor agrees to provide all services and work from planting to sale and delivery of hemp products produced under this Agreement.

2. Grower Fee and Payment Schedule

- (1) The Company shall pay to the Contractor, as grower fee under this Agreement in the amount of US \$1,143,750.00 ("Grower Fee") to the bank account of the Contractor (See Exhibit F)

The Company Agrees to pay the Grower Fee according to the below schedule:

- (i) The Down Payment: US \$343,125 (30%) of Grower Fee payable on or before July 31, 2019.
- (ii) The First Milestone Payment: US \$228,750 (20%) of Grower Fee payable on or before August 25, 2019, upon the Company's acceptance of the submission of the Contractor's first monthly Milestone Reports and Financial Reports(as defined in Exhibit A and Section 15);
- (iii) The Second Milestone Payment: US \$228,750 (20%) of Grower Fee payable on or before September 25, 2019, upon the Company's acceptance of the submission of the Contractor's second monthly Milestone Reports and Financial Reports;
- (iv) The Third Milestone Payment: US \$228,750 (20%) of Grower Fee payable on or before October 25, 2019, upon the Company's acceptance of the submission of the Contractor's last monthly Milestone Reports and Financial Reports;

- (v) The "Harvest Payment": US \$114,375 (10%) of Grower Fee payable on or before November 25, 2019, upon the Company's acceptance of the submission of the Contractor's last monthly Milestone Reports and Financial Reports, and upon Contractor's receipt of the harvest confirmation from the Company in writing.

3. Detail of Grower Fee and Requirements

- a. All Parties agree that it costs US \$12.50 per Matured Plant (as defined below) and Company agrees to invest a minimum of US\$ 1,143,750.00 for 91,500 Matured Plants. the Matured Plant means a plant genus Cannabis within the plant family Cannabis that has flowers and that contains no less than one (1) pound of dry flower in average (the "Minimum"); Contractor shall guarantee that each of 91,500 plants shall contain a Minimum of dry hemp flower and the total weights of dry flowers will not be less than 91,500 pounds.

All parties agree that if the number of Matured Plant exceed 91,500 in total upon harvest, Company shall have the first right of refusal to purchase any of the excess hemp beyond 91,500 plants (the "Excess") at its discretion; provided the price of the Excess shall be at US\$12.18 per Matured Plant. If the Company chooses to acquire the Excess, such excess amount shall be paid concurrently with the Harvest Payment.

- b. Contractor agrees that all seeds planted pursuant to this Agreement shall comply with the certificate of analysis report per Exhibit E attached.;
- c. All Matured Plants shall be harvested and packaged according to Company's request, the dry flower and leaf will be packed separately, and each package will contain the type of product and weight;
- d. All the flowers of plants shall pass the tests regulated by USDA;

4. Detailed Description of Contractor Duties

- (a) Contractor shall provide the services as grower for Company in a manner consistent with good business practice within the industry, and consistent with all Regulations and Laws of the Navajo Nation San Juan River Farm Board.
- (b) Contractor shall provide such services for Company in conformity with standards for the hemp industry, including activities which are customary and usual in connection with them (more specifically including the services set forth in Exhibit A below). Except as expressly limited under this Agreement and subject to the ultimate supervision of Company, Contractor shall supervise and direct the management of the all the independent workers/sub-contractors in all phases of farming activities.
- (c) Contractor shall apply the standards of performance to meet those of the regulatory bodies, agencies and authorities having jurisdiction over Contractor.
- (d) Contractor shall provide all reasonable and necessary supervision of all independent workers/sub-contractors and the operation of them.
- (e) Contractor agrees to perform all customary functions which are reasonably required in conformity with industry standards.
- (f) Contractor shall assist and cooperate with Company in maintaining all licenses and permits required in connection with the operation, if applicable.
- (g) Contractor shall, with the prior approval of Company, take any and all reasonable actions (including legal action) or proceedings to prevent any legal disposure in the Navajo Nation San Juan River Farm.
- (h) Contractor shall fully abide by the Farm Lease agreement by and between NAAC and Farm 10, dated April 1, 2019, attached as Exhibit C.
- (i) Contractor shall grant to the Management the access to the Work wherever it is in preparation and progress at all times and agrees to accept the supervision of the Management.

- (ii) Contractor shall deliver to the designated place by Company all the Matured Plant accepted by the Company and packed by the Contractor no later than November 30 2019 at the expense of the Company.

5. Detailed Description of Management Duties

(a) The Management shall supervise the work conducted by the Contractor, Contractor's employees and all sub-subcontractors, their agents and all other persons performing any of the work under this Agreement with the Contractor ("Work"), using the Management's best skill and attention;

(b) The Management shall make periodic visits to the site to determine in general if the Work is proceeding in accordance with the terms of Agreement. On the basis of on-site observations, the Management shall keep the Company informed of the progress of the Work by submitting weekly report to the Company and shall endeavor to guard the Company against defects and deficiencies in the Work.

(c) The Management shall make exhaustive and continuous on-site inspections to check the quality or quantity of the Work.

6. Representation and Warranties

Each Party hereby represents and warrants that it (a) has the right, power, and authority to enter into and perform its obligations under this Agreement; (b) has taken all requisite corporate action to approve execution, delivery, and performance of this Agreement; (c) this Agreement constitutes a legal, valid, and binding obligation upon itself.

All Parties represents all matters in Section 3 (a)-(d).

7. Compliance with Governmental Regulations

Contractor shall take all required action to comply promptly with all Federal, Navajo Nation San Juan River Farm, State, County and Municipal rules, regulations and orders, provided, however, that if Company is contesting or has affirmed its intention to contest any such rule, regulation or order, Contractor shall not take any action under this paragraph. Contractor shall, within forty-eight (48) hours of receipt of any Federal, State, County or Municipal rule, regulation or order, notify Company in writing of its receipt of such order, rule or regulation.

8. Insurance Coverage

Contractor shall maintain in full force and effect all policies of insurance now existing in connection with the performance of Services, the buildings and equipment thereon, and the inventory, including but not limited to public liability insurance, general liability insurance, property damage and personal injury insurance, and fire and theft coverage if able. Contractor shall bear the cost of any such insurance coverage and Contractor shall provide a proof of insurance coverage to Company. If Contractor's insurance coverage could not cover Company's damages arising from the Agreement hereto, Contractor shall indemnify Contractor's damage which is not covered by Contractor's insurance.

9. Indemnification

Contractor assumes all liability for and agrees to defend, indemnify and hold Company, its employees and its agents or subsidiaries, harmless from all loss, damage, cost and expense, including all attorneys' fees incurred by Company arising from or in any way connected with the Contractor's operations or the operations of any subcontractor, agent, servant or employee of the Contractor, including without limitation, bodily injury, sickness and/or disease, including death at any time, resulting from such bodily injury, sickness and/or disease, sustained by any person while in, on or about the performance of Services.

10. Storage

Contractor shall provide a storage room, with a fair price to be determined in the future. Contractor also agrees that the Matured Plants owned by Company which is placed in the storage room shall be covered by a proper insurance policy if able of Contractor without any fee imposed to Company until November 30, 2019.

11. Precautionary Procedures

Risk warnings, market conditions are unpredictable, and the future harvest will be concentrated in the collection season. Price fluctuation risk is self-controlled, the Contractor has no way to guarantee, try to assist the Company, provide information, and maximize revenue. In order to maximize the benefits of the Company, the Contractor provides dry flower purchase information and sales channels for the Company to choose to maximize its benefits.

12. Corporate guarantee by the Contractor

Contractor shall maintain in full force and effect all policies of guarantee now existing in connection with the performance of Services, the buildings and equipment thereon, and the inventory, including but not limited to public liability insurance, general liability insurance, property damage and personal injury insurance, and fire and theft coverage if available. If Contractor's insurance coverage could not cover Company's damages arising from the Agreement hereto, Contractor shall indemnify Company's damage which is covered by Contractor's Guarantee.

13. Indemnification

Contractor assumes all liability for and agrees to defend, indemnify and hold Company, its employees and its agents or subsidiaries, harmless from all loss, damage, cost and expense, including all attorneys' fees incurred by Company arising from or in any way connected with the Contractor's operations or the operations of any subcontractor, agent, servant or employee of the Contractor, including without limitation, bodily injury, sickness and/or disease, including death at any time, resulting from such bodily injury, sickness and/or disease, sustained by any person while in, on or about the performance of Services.

14. Delivery of Harvested Products

Contractor agrees to deliver the Harvested Products to the designated place by Company in Southern California and bill the Company the actual costs of delivery. The Contractor can be commissioned to sell and be selected by the Company. When the Contractor has the buyer's information, the Company will be notified in time to decide whether or not to agree to sell.

15. Financial Records and Reports

Contractor shall keep accurate and complete records in accordance with the accounting standards and procedures presently utilized by Company. Company shall have the right at any reasonable time to inspect any such record of Contractor in order to verify the financial reports of Contractor, including but not limited to all checks, bills, vouchers, invoices, statements, cash receipts, correspondence, and all other records in connection with the performance Services. Company shall further have the right to cause an audit to be made of all account books and records connected with the performance Services.

Contractor shall prepare a monthly financial report showing in detail all of the receipts and disbursements from the preceding month and shall prepare a quarterly summary of receipts and disbursements, such monthly and quarterly reports to be submitted to Company within twenty (20) days after the close of the month or quarter, whichever is appropriate.

16. Time and Termination

This Agreement will continue to be effective from the Effective Date to November 30, 2019, or until terminated by either party upon agreement.

Provided an Event of Default occurs, the non-defaulting party shall have the discretion to terminate this Agreement by giving written notice to the defaulting party to terminate this Agreement. The notice must be issued at least thirty (30) days prior to the proposed expiration date. The defaulting party shall reimburse all the cost and damages (including direct and indirect) occurred to the non-defaulting party by performing this Agreement.

Events of Default include but not limited to:

1. Default by the Company in the payment of Grower Fee as set forth in Section 2;
2. Default by the Contractor in the performance of or breach of any covenant or warranty under this Agreement;
3. The Personal Guarantee as attached as Exhibit D ceases to be in full force and effect or is disaffirmed or denied, or is found to be unenforceable or invalid; and
4. Certain events of bankruptcy or insolvency of the Company or the Contractor.

Provided no Event of Default occurs, either party may choose to terminate this Agreement by giving written notice to the other party to terminate this Agreement. The notice must be issued at least thirty (30) days prior to the proposed expiration date. The expiration date may be extended by mutual consent.

17. Force Majeure

The occurrence of an event which materially interferes with the ability of a Party to perform its obligations or duties hereunder which is not within the reasonable control of the Party affected or any of its Affiliates, and which could not with the exercise of Diligent Efforts have been avoided ("Force Majeure Event"), including, but not limited to, war, rebellion, earthquake, fire, accident, strike, riot, civil commotion, act of God, inability to obtain raw materials, change in Law, shall not excuse such Party from the performance of its obligations or duties under this Agreement, but shall merely suspend such performance during the Force Majeure Event. The Party subject to a Force Majeure Event shall promptly notify the other Party of the occurrence and particulars of such Force Majeure Event and shall provide the other Party, from time to time, with its best estimate of the duration of such Force Majeure Event and with notice of the termination thereof. The Party so affected shall use Diligent Efforts to avoid or remove such causes of non-performance as soon as is reasonably practicable. Upon termination of the Force Majeure Event, the performance of any suspended obligation or duty shall without delay recommence. The Party subject to the Force Majeure Event shall not be liable to the other Party for any damages arising out of or relating to the suspension or termination of any of its obligations or duties under this Agreement by reason of the occurrence of a Force Majeure Event, provided such Party complies in all material respects with its obligations under this Agreement.

18. Notices

Any notices to be given hereunder by either party to the other may be affected either by personal delivery in writing or by registered or certified mail, postage prepaid, with return receipt requested. Mailed notices shall be addressed to the parties at the addresses appearing at the end of this Agreement, but each party may change its address by giving written notice in accordance with this paragraph. Notices personally delivered shall be deemed communicated as of three (3) days after mailing.

19. Partial Invalidity

If any provision in this agreement is held by a Court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

20. Remedies

Should Contractor become incapable of continuing performance of the work herein, whether due to circumstances within or outside of its control, or in material default hereto, Company may terminate this Agreement and Company shall have all available legal remedies and shall be indemnified by the Contractor all loss, damage, cost and expense, including all attorneys' fees incurred by Company arising from or in any way connected with the Contractor's incapability and default hereto.

Should Contractor fail to grow each Matured Plant which contains less than one (1) pound of dry flower, less than 10% of the total plants (100,000 in total), or less than 100,000 pounds in total weights, Contractor shall make up the deficiency, defined below (the "Deficiency"), to Company by providing additional dry flowers without excuse. The Deficiency is defined as the net difference of one (1) pound less the actual harvested dry flower per Matured Plant.

If more than 10% of the total plants (100,000 in total) contain less than one (1) pound of dry flowers or the total weights is less than 90,000 pounds, it is considered a material breach and constitute an Event of Default.

Should Company be in default of compensation owing at any time under this Agreement, Company shall be deemed to be in default of this Agreement, and Contractor has available to all legal remedies and processes.

21. Attorneys' Fees and Costs

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees and costs, and necessary disbursements, in addition to any other relief to which such party may be entitled.

22. Governing Law, Jurisdiction

This Agreement shall be governed by the laws of the Navaho Nation without regard to principles of conflicts of law. All Parties agree to resolve all disputes in the court of Los Angeles for a binding Arbitration, see Section 26 below.

23. General Covenants of Company and Contractor

(a) Company agrees that it will furnish sufficient funds as grower and management fees to provide for Contractor's performance of Services, see Section 2.

(b) Each Party shall comply with all federal, the Navajo Nation San Juan River Farm, state and local laws, rules, regulations and requirements which are applicable to either Party.

(c) Subject to the provisions of this Agreement, all of the costs and expenses of performance of Services by Contractor, including but not limited to the compensation of all Contractor personnel, shall be at the expense of Contractor.

24. Assignment

Neither this Agreement nor any right, interest, or obligation under it may be assigned, pledged, or otherwise transferred by either Party without the written consent of the other Party, which consent shall not be unreasonably withheld.

25. Third-Party Beneficiaries

This Agreement is made solely for the benefit of the Parties and their successors and permitted assigns; no other person or entity has, or is entitled to enforce, any rights, benefits, or obligations under this Agreement. The foregoing notwithstanding, Company shall be a third-party beneficiary of this Agreement.

26. Arbitration of Disputes

If a claim or controversy arising out of or relating to this agreement, the performance or non-performance of services, the quality or appropriateness of the services, and/or other disputes involving productivity, such dispute shall be determined by final and binding arbitration before either the Judicial Arbitration and Mediation Service ("JAMS") or, alternatively, ADR Services, Inc. ("ADR"). The arbitration will be conducted in Los Angeles, California, and shall be administered by and in accordance with either the then existing JAMS Streamlined Arbitration Rules and Procedures or, alternatively, ADR's Arbitration Rules (a copy of such rules will be furnished to you upon request). In rendering the award, the arbitrator shall determine the rights and obligations of the parties according to the substantive law of Navajo Nation and procedural laws of Court of Los Angeles. Neither the Company nor the Contractor, however, will be precluded from obtaining provisional relief, including but not limited to attachment, in any court of competent jurisdiction. Judgment may be entered upon the arbitrator's award by any court having jurisdiction. Should either Party refuses or neglects to appear or participate in the arbitration proceeding, the arbitrator is empowered to decide the claim or controversy in accordance with the evidence presented. PARTY REALIZES THAT BY ACCEPTING THIS ARBITRATION PROVISION, PARTY WAIVE ITS CONSTITUTIONAL RIGHT TO A JURY TRIAL AND THE RIGHT, EXCEPT UNDER LIMITED CIRCUMSTANCES, TO APPEAL THE ARBITRATOR'S DECISION.

This agreement to arbitrate shall be governed by and interpreted under the procedures of the Federal Arbitration Act, 9 U.S.C. Sections 1-16. In rendering an award, the arbitrator shall apply the substantive law of Navajo Nation, without regard to its choice of laws principles. The arbitrator shall not have any power to alter, amend, modify or change any of the terms of this Agreement, nor to grant any remedy that is either prohibited by the terms of this Agreement or not available in a court of law.

27. Waiver

The United States federal government has viewed that anyone who is engaging in Cannabis business, including but not limited to testing lab, is in violation of the Controlled Substances Act (21 U.S.C. § 811), which may render this Agreement invalid. Nevertheless, each Party hereby waives the right to claim such defense or related defenses and agrees that this Agreement is binding upon, and shall inure to the benefit of the Parties hereto.

CONTRACTOR:

/s/ DaMu Lin 7/24/2019

DaMu Lin, authorized officer of Native American Agricultural Company

COMPANY:

/s/ Xiaofeng Peng 07.24.2019

Xiaofeng Peng, authorized officer of
CBD and Hemp Group Co., Ltd

MANAGEMENT:

/s/ Yonglei Zang 7.24.2019

Yonglei Zang, authorized officer of
Hemp Biotechnology, Inc.

Exhibit A
Scope of Work

- a. Hiring of all employees or independent contractors for the farm used by Company. Contractor will employ and/or enter into consulting contracts with all persons who work on its behalf. All personnel will be either employees or independent contractors of Contractor, and Company shall not be responsible for all income and payroll tax withholding and reporting; and
- b. Advise and notify Company of all equipment and supplies necessary to operate the business and it is Contractor's responsibilities to pay for all equipment and supplies.
- c. Contractor's services will include:
- Farm Preparation, Securing Seeds, Planting Seeds, Maintain Plant Count, Watering, Weeding, Male Plant Culling, Fertilization, Harvesting, Drying, Weighing and Packaging of Cannabis from Hemp in Compliance with all Regulations and Laws.
- d. Upon Effective Date of the Agreement, Contractor shall assist in the application and approval of all required, licenses, permits and permissions as needed to have a fully legal Hemp Cultivation with the laws of the Navajo Nation, as regulated and administered by the Navajo Nation San Juan River Farm Board.
- e. Contractor shall prepare each Milestone Report ("Milestone Report"), including but not limited to Pictures, Growth and Size of the hemp, to be submitted and approved by Company 10 days prior to each of the milestone payment.

Contractor agrees to devote its best effort to the performance of its management services. The parties further agree Contractor will perform such other services as agreed upon by the parties from time to time as further agreed by the parties.

- e. Location (See Exhibit B)

Exhibit B



Exhibit C

Farm Lease Agreement

Farm Lease

This Lease Agreement (this "Lease") is made effective as of 04/01/2019, by and between an agricultural property known as FARM 10 ("Landlord"), and Native • American Agricultural Company ("Tenant"). The parties agree as follows:

PREMISES. Landlord, in consideration of the lease payments provided in this Lease, leases to Tenant 36 Acre Farm (the "Premises") located near Shiprock Navajo Nation (see attached property description and location map)

TERM. The lease term will begin on April 01, 2019 and will terminate on November 30, 2019.

LEASE PAYMENTS. Tenant shall pay to Landlord monthly installments of 51,000.00, payable in advance on the first day of each month a payment is due. Lease payments shall be made to Landlord in person which location may be changed from time to time by Landlord.

POSSESSION. Tenant shall be entitled to possession on the first day of the term of this Lease and shall yield possession to Landlord on the last day of the term of this Lease, unless otherwise agreed by both parties in writing. At the expiration of the term, Tenant shall remove its goods and effects and peaceably yield up the Premises to Landlord in as good or better condition as when delivered to Tenant.

CROPS: Landlord acknowledges and allow tenant to plant, cultivate and harvest legally licensed and compliant Hemp plants.

NO PARTNERSHIP. Nothing in this lease shall create a partnership, joint venture, employment, or any other relationship between Lessor and Lessee, than that of landlord and tenant. Neither party shall be liable, except as otherwise expressly provided herein, for the other party's obligations or liabilities. Tenant shall indemnify and hold Landlord and his property, including the Premises, free and harmless from all obligations and liabilities incurred by Lessee in conducting farming or other operations on the Premises, whether under this lease or otherwise.

USE OF PREMISES/ABSENCES. The Premises shall be used for the purpose of planting, growing, and harvesting of hemp crops; The Premises shall not be used for any other purpose without Landlord's prior written consent. Tenant shall carry on all of the activities specified above in accordance with good and best practices of the farming community in which the leased premises are situated. Tenant agrees not to apply pesticides, insecticides, fungicides, herbicides, or other chemical treatments that will have a residual effect beyond the term of this lease.

MAINTENANCE. Tenant shall be responsible for: Planting, cultivation, weed control, irrigation, security and harvesting and any maintenance deemed necessary.

UTILITIES AND SERVICES. Tenant shall pay all costs in connection with Tenant's operations on the leased premises, including but not limited to costs of preparing the leased premises for planting of crops, production costs, costs of tools and labor, electricity and other utilities.

Farm Lease

DEFAULTS. Tenant shall be in default of this Lease if Tenant fails to fulfill any lease obligation or term by which Tenant is bound. Subject to any governing provision of law to the contrary, if Tenant fails to cure any financial obligation within 5 days (or any other obligation within 10 days) after written notice of such default is provided by Landlord to Tenant, Landlord may elect to cure such default and the cost of such action shall be added to Tenant's financial obligations under this Lease. All sums of money or charges required to be paid by Tenant under this Lease shall be additional rent, whether or not such sums or charges are designated as "additional rent." The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.

HOLDOVER. If Tenant maintains possession of the Premises for any period after the termination of this Lease ("Holdover Period"), Tenant shall pay to Landlord lease payment(s) during the Holdover Period at a rate equal to the most recent rate preceding the Holdover Period. Such holdover shall constitute a month-to-month extension of this Lease.

NON-SUFFICIENT FUNDS. Tenant shall be charged the maximum amount allowable under applicable law for each check that is returned to Landlord for lack of sufficient funds.

ACCESS BY LANDLORD TO PREMISES. Subject to Tenant's consent, (which shall not be unreasonably withheld), Landlord shall have the right to enter the Premises to make inspections, provide necessary services.

DANGEROUS MATERIALS. Tenant shall not keep or have on the Premises any article or thing of a dangerous, flammable, or explosive character that might substantially increase the danger of fire on the Premises, or that might be considered hazardous by a responsible person.

MECHANICS LIENS. Neither Tenant nor anyone claiming through the Tenant shall have the right to file mechanics liens or any other kind of lien on the Premises and the filing of this Lease constitutes notice that such liens are invalid. Further, Tenant agrees to (1) give actual advance notice to any contractors, subcontractors or suppliers of goods, labor, or services that such liens will not be valid, and (2) take whatever additional steps that are necessary in order to keep the premises free of all liens resulting from construction done by or for the Tenant.

ASSIGNABILITY/SUBLETTING. Tenant may assign or sublease any interest in the Premises and assign without the prior written consent of Landlord.

GOVERNING LAW. This Lease shall be construed in accordance with the laws of the Navajo Nation.

ENTIRE AGREEMENT/AMENDMENT. This Lease contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Lease. This Lease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment.

SEVERABILITY. If any portion of this Lease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds

Farm Lease

Property Description

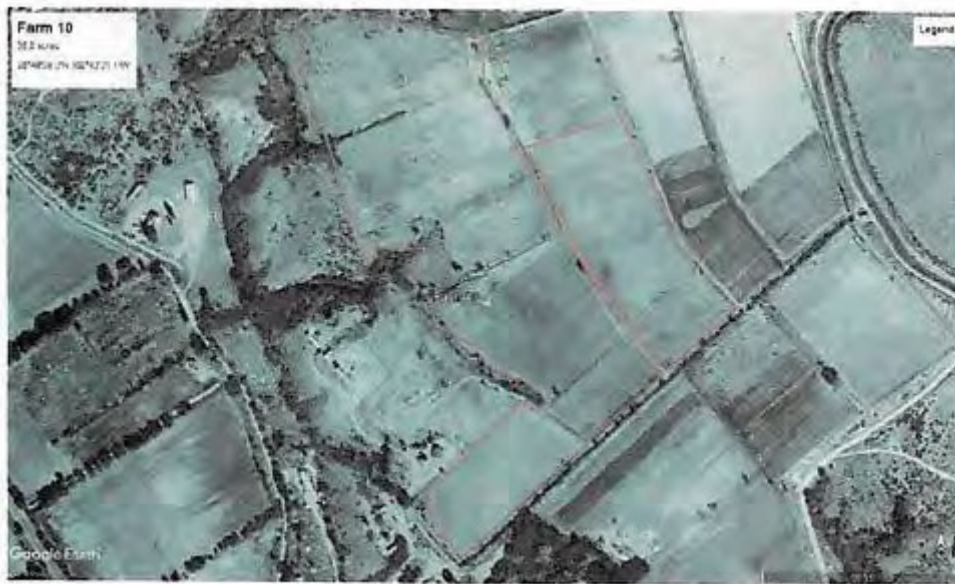
FARM 10 agrees to plant 5,000 plants per acre and grow 36 acres of hemp.

GPS Coordinates (REQUIRED) GPS coordinates should be provided in DEGREES DECIMAL MINUTES example: (dd° mm.mmm' : example: lat: 38° 9.919N, long: 84° 49.267'W)

Latitude 36°49'58.0"N

Longitude 108°43'43.21"W

Property Map



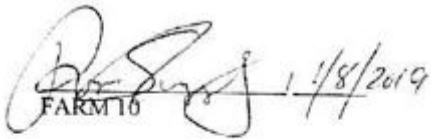
Farm Lease

that any provision of this Lease is invalid or unenforceable, but that by limiting such provision it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.

WAIVER. The failure of either party to enforce any provisions of this Lease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Lease.

BINDING EFFECT. The provisions of this Lease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

LANDLORD:


FARM 16 1/8/2019

TENANT:


Native American Agricultural Company 8-19


Exhibit D**Personal Guaranty Agreement**

This Personal Guaranty Agreement (the "Guaranty") is dated on July 24, 2019.

Guarantors:

DaMu Lin a resident of United States with a State of Nevada driver license # ID 160261810 as the Guarantor A;

And Leo a resident of the United States with a State of California driver license #ID 0517192 as the Guarantor B;

WHEREAS, Native American Agricultural Company, a Company incorporated under the laws of New Mexico with its office at Shiprock, NM ("NAAC" or "Contractor"), Guarantee, and Hemp Biotechnology, Inc., ("Hemp"), a California Limited Liability Company, with offices in Hayward CA, entered into a Management Service Agreement (the "Service Agreement") dated July 15, 2019, pursuant to which NAAC and Hemp will provide services to Guarantee as per the terms of the Service Agreement.

NOW, THEREFORE, the Guarantors hereby irrevocably, absolutely and unconditionally represent, warrant, covenant, agree and confirm to Guarantee, from and after the date of this Guaranty, to guaranty the full performance and contractual obligations of NAAC and Hemp under the Service Agreement (the "Obligations").

The Guarantors waive diligence, presentment, protest, notice of dishonor, notice of default by NAAC and Hemp, notice of acceptance of this Guaranty, and indulgences and notices of every kind. Guarantors waive any rights of subrogate on, indemnity, reimbursement.

NAAC and Hemp may do the following from time to time without notice to, or consent of, Guarantors and without affecting Guarantors' liability under this Guaranty:

- a. Change the terms of the Obligations or of any debts or liabilities of NAAC and/or Hemp.
- b. Release, settle, or compromise any debts or liabilities of NAAC and/or Hemp.
- c. Exchange, modify, release, impair, or fail to perfect a security interest in, any collateral securing the Obligations.
- d. Guarantors shall remain liable until all terms of the Obligations are fully performed by NAAC and Hemp, notwithstanding any event that would in the absence of these provisions, resulting in the discharge of Guarantors.

This is a continuing guaranty of performance, not a guaranty of collection. Guarantee may enforce this Guaranty without first proceeding against NAAC, Hemp, any of the guarantors, any other person or any security or collateral, and without first pursuing any other right or remedy. This Guaranty remains enforceable regardless of any defenses that NAAC or Hemp may assert on the Obligations, including but not limited to, breach of warranty, fraud, statute of frauds, bankruptcy, lack of legal capacity, statute of limitations, accord and satisfaction. If foreclosure or other remedy is pursued, only the net proceeds, after deduction of all charges and expenses, shall be applied to the amount due on the Obligations. Guarantee may purchase all or part of the collateral or security at any foreclosure or other sale for its own account and may apply the amount bid against the amount due on the Obligations.

If this Guaranty is given to an attorney for enforcement, Guarantors will reimburse Guarantee for all expenses incurred in connection with enforcement including without limitation reasonable attorney's fees.

No provision of this Guaranty shall be construed to amend the Obligations or to relieve NAAC and Hemp of any obligations.

If more than one person or party executes a Guaranty as Guarantor of the Obligations of NAAC and Hemp, this Guaranty and the related guaranties by other parties shall bind all such persons and parties jointly and severally. Each of the Guarantors acknowledges that Guarantor has adequate means to obtain from the NAAC and Hemp on a continuing basis, information on the performance of NAAC and Hemp and that each of the Guarantors is not relying on Guarantee to provide this information, now or in the future. The liability of Guarantors shall be reinstated to the extent NAAC and Hemp are required at any time to be liable for the Obligations for any reason.

All rights and remedies of Guarantee under this Guaranty are cumulative and are in addition to other rights and remedies the Guarantee may have. This writing is a complete and exclusive statement of the guaranty agreement between the parties. No course of dealing, course of performance, or parole evidence shall be used to modify its terms. This Guaranty shall inure to the benefit of and may be enforced by Guarantee, its affiliates and any subsequent holder of the Obligations and shall be binding upon and enforceable against Guarantors and the legal representatives, heirs, successors and assigns of Guarantors.

In signing this Guaranty, Guarantors acknowledge and represent that Guarantors HAVE READ THE FORGOING, UNDERSTANDS IT AND SIGN IT VOLUNTARILY as their own free act and deed; and Guarantors execute this guaranty for full, adequate and complete consideration fully intending to be bound by same.

This Guaranty shall be governed by and construed under the laws of the State of New Mexico in all respects as such laws are applied to the Guaranty among New Mexico State residents entered into and performed entirely within the State of New Mexico.

Parties agrees that all legal proceedings concerning the interpretations, enforcement and defense of the Guaranty shall be commenced exclusively in the state and federal courts sitting in the City of Albuquerque. Parties hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts sitting in the City of Albuquerque, for the adjudication of any dispute hereunder or in connection herewith or with the Guaranty herein, and hereby irrevocably waives, and agrees not to assert in any action or proceeding, any claim that it is not personally subject to the jurisdiction of any such court, that such action or proceeding is improper or is an inconvenient venue for such proceeding. Parties hereby consents to process being served in any such action or proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to other party at the address in effect for notices to it under this Guaranty and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any other manner permitted by law.

EACH OF THE PARTIES HEREBY VOLUNTARILY AND IRREVOCABLY WAIVES TRIAL BY JURY IN ANY ACTION OR OTHER PROCEEDING BROUGHT IN CONNECTION WITH THIS GUARANTY HEREBY.

This Guaranty may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Any signature page delivered by a fax machine shall be binding to the same extent as an original signature page, regarding any agreement subject to the terms hereof or any amendment thereto.

By: /s/ DaMu Lin 7/24/2019
DaMu Lin

By: /s/ Zhang Yonglie 7.24.2019
Zhang Yonglei

[drivers' license appears hear]

Exhibit E

Steep Hill Now Mexico CERTIFICATE OF ANALYSIS POST ANALYSIS REPORTING PER 109-87123
JUN 2018 (21)

Cherry Wine

SAMPLE TYPE
Flower

RECEIVED 11/25/18 **CLIENT** Native American Energy

REPORTED 11/25/18

STEEP HILL BY
NMM1107

TEST NAME Extended Cannabinoids **METHOD NAME** NM-SCP-024

DATE TEST Not Detected **TOTAL CBD** 17.8% (17mg/g)

Cannabinoid	%	mg/g	LOD mg/g	LOQ mg/g
CBC	ND	ND	0.119	0.37
CBD	13.7	137	0.121	0.37
CBDa	4.1	41	0.118	0.36
CBDV	ND	ND	0.121	0.37
CBG	ND	ND	0.119	0.36
CBGa	ND	ND	0.118	0.36
CBN	ND	ND	0.118	0.36
THC	ND	ND	0.118	0.36
Δ ⁹ -THC	ND	ND	0.118	0.36
THCA	ND	ND	0.120	0.36
THCV	ND	ND	0.118	0.36
Total Measured	17.8	178		

ND - Not Detected
LOD - Limit of Detection
LOQ - Limit of Quantitation

Signature
LAB DIRECTOR

THIS IS THE COMPLETE EXTENDED CANNABINOID REPORT

© 2018 Steep Hill Now Mexico, LLC. All rights reserved. Steep Hill Now Mexico is not responsible for the results of this analysis. Steep Hill Now Mexico is not responsible for the results of this analysis. Steep Hill Now Mexico is not responsible for the results of this analysis.

Exhibit F

Bank Account Information

Native American Agricultural Company

Bank of America

Account Number: xxxxxxxxxx

Routing Number: xxxxxxxxxx

SWIFT code xxxxxxxxxx for incoming wires in U.S. dollars

SWIFT code xxxxxxxxxx for incoming wires in foreign currency

Exhibit B

Affidavit of Kyle Simms
(October 7, 2020)

Affidavit of Officer Kyle Simms

I, Kyle Joshua Simms, do hereby declare under penalty of perjury under the laws of the Navajo Nation, as follows;

1. I am over the age of eighteen and of sound mind. I have personal knowledge of the facts set forth in this declaration. If called as a witness, I could and would testify competently to the matters set forth in this Declaration.
2. I am an Officer with the Navajo Nation Police Department (“NNPD”) assigned to the Shiprock area and over the past several weeks, my daily activities have focused on responding to issues associated with the hemp/cannabis farming operations.
3. Following the issuance of this Court’s Temporary Restraining Order and Preliminary Injunction on September 18, 2020, myself and other Officers of the NNPD contacted each operating hemp/cannabis farm notifying them that the Court’s Order required them to stop farming operations. In providing these notices, we encountered many locked gates, which obstructed our ability to observe if hemp/cannabis operations were continuing.
4. Likewise, when we have encountered “security” at these facilities, we have been denied access with the explanation that security needed directions from “their boss” before they would grant access or cease hemp/cannabis farming. Based on multiple previous interactions with hemp/cannabis farm “security” I understand the boss to be Dineh Benally.
5. On September 20, 2020 I was involved in a DUI checkpoint by mile marker 30, U.S. 64 in Hogback, NM. At the checkpoint I encountered a man who later identified himself as Thanh Trung Tran who stated that he was headed to work on the “hemp”

- farms near Hogback. When asked to identify the farm he pointed west towards one of the larger hemp farms.
6. Upon further questioning, Mr. Tran advised that his supervisor at the farm was Dineh Benally and that Mr. Benally had told him to continue working after the issuance of the Court's Temporary Restraining Order and Preliminary Injunction.
 7. Likewise, Mr. Benally had sent a text message to many farmers on a group text message on September 19, 2020 at 6:42 AM telling them to "Keep moving forward." Photo of the text message from Benally to the farm workers group text is attached as Exhibit 1.
 8. Also on the morning of September 19, 2020, I visited the farm on the land of Annette Mute who identified herself as the landowner and said she was working with Dineh Benally to farm hemp. She was advised of the Court order to stop farming and responded that the non-Navajo "hemp workers" would be leaving. However, that same afternoon, I returned to the Mute farm after calls to NNPD reported continued farming. This time I returned to find the workers actively cultivating hemp or marijuana in the farm area. Ms. Mute began yelling at me that this was private property and "that Dineh Benally told them it was their farmland and they can grow anything they want."
 9. In addition to the above outlined examples where people specifically informed NNPD that Benally was directing them to continue to farm hemp, myself and my fellow officers continually witness massive hemp farming operations continuing as well as harvesting and transporting, all in violation of the Court's order.

I declare under penalty of perjury under the laws of the Navajo Nation that the foregoing is true and correct. Executed on this 7th day of October, 2020.


By:  _____
Officer K. Simms

Exhibit C

Searchlight New Mexico
Article (September 23, 2020)

DONATE



Alex, who chose not to provide his last name, rides horseback, carrying an AR-15 rifle, on the Navajo Nation near Shiprock.

Chaos and cannabis

by **Ed Williams**
September 23, 2020

Listen to the story in Diné

0:00 / 1:09:33

Privacy terms

SHIPROCK, N.M. — In the fertile northeast corner of the Navajo Nation, fields that only months ago were traditional open-air corn farms are now stuffed with hundreds of industrial-sized greenhouses, each glowing with artificial lights and brimming with emerald cannabis plants. Security cameras ring the perimeters and hired guards in flak jackets patrol the public roads alongside the farms.

Every weekday throughout the summer, a group of local kids woke at sunrise and arrived at the farm by 7:30, ready for a 10-hour shift of hard labor under the high desert sun. Many were teenagers, 13- and 14-year-olds lured by offers of quick cash. A few were as young as 10.

Joining them were scores of foreign workers — an estimated 1,000 people, many of them Chinese immigrants brought to New Mexico from Los Angeles, according to Navajo Nation Police Chief Phillip Francisco.

Seven-foot-tall black fencing shields the activities inside these greenhouses, but farm workers, neighbors and law enforcement officers have provided an inside view. Chinese managers oversee the day-to-day logistics, they say, bringing in diesel generators on freight trucks to power the greenhouses, installing dozens of cheaply built trailers to house the immigrant workers and drilling unpermitted wells to irrigate thousands of thirsty cannabis plants.

“Some of the Chinese carry guns,” said Darren Gipson, 19, one of seven farm workers interviewed by Searchlight New Mexico. “One time a couple of them got into a knife fight. We just basically do what they tell us and keep to ourselves.”

The cannabis crews arrived in Shiprock last year, at the invitation of the local farm board president, a charismatic and divisive political figure named Dineh Benally. Together, they leased plot after plot of traditional farmland for what they said was an economic development project. The land now totals more than 400 acres, according to the Bureau of Indian Affairs.



Drone footage by Arturo Sandoval

The crops, according to Benally, are merely hemp plants — a type of cannabis that is grown for its fiber and processed into over-the-counter health products. Hemp, a common agricultural crop, looks and smells identical to regular marijuana but contains only trace amounts of psychoactive THC.

But according to the seven employees interviewed by Searchlight, the farms are not only growing hemp: They're also producing high-powered, black-market marijuana.

Irving Lin, a Los Angeles-based real estate agent who is one of Benally's primary business associates, acknowledged that this was true.

“A few places” are growing marijuana, Lin told Searchlight, adding that most of the crops are hemp. “Some people ... might want to give it to their friend or something, or maybe they can sell it for a higher price,” he explained about the marijuana. About 1,000 workers are involved in the operation, he said, verifying the police estimate.

In little more than a year, Benally and his associates have built an audacious empire of unlawful farms in one of the most remote landscapes in the state — a place where law enforcement can find it a struggle to fight routine crimes, let alone investigate what appears to be a sophisticated international cannabis network.

The U.S. Drug Enforcement Agency told Searchlight that Chinese-run marijuana operations are popping up in rural and urban areas around the West — some located just a short drive from the Navajo Nation.



Hemp plants and greenhouses surround Dineh Benally's family home.

In August 2018, agents from the DEA, the U.S. Attorney's Office and local law enforcement raided a large black-market marijuana growing operation in Cortez, Colorado, 40 miles north of Shiprock. The raid was part of a federal investigation into a California-linked Chinese drug trafficking network in Colorado. It culminated in May 2019 with the seizure of more than 80,000 marijuana plants — the biggest **black-market marijuana bust** in state history, the U.S. Attorney's Office said.

“There are literally thousands of Chinese-operated [illegal marijuana] grow sites throughout Colorado,” said Wendi Roewer, field intelligence manager for the DEA's Denver field division. Many of them masquerade as hemp farms, she added. “Would they move beyond the borders of Colorado if they felt safe doing so? Yeah, it seems possible.”

So alarming are the operations in Shiprock that the FBI, New Mexico Attorney General's Office, U.S. Attorney's Office, Department of Homeland Security, Navajo Nation Police and San Juan County Sheriff's

Office have joined forces to investigate, emails obtained by Searchlight reveal.

Shiprock is a unique, water-rich oasis in the Navajo Nation, a fertile sliver of lush farmland along the San Juan River that cuts through the harsh high desert. Its family-run farms have long been a breadbasket, providing corn — a food staple and a critical part of Navajo ceremonies — as well as melon and squash crops to communities across the sprawling reservation. Many residents see the cannabis farms as a threat to that tradition.



Zeandra Arthur, an intern on Ben Farms in Shiprock, harvests traditional Navajo white corn.

“Corn is a sacred plant,” said Bea Redfeather-Bennally, whose home borders a large hemp farm that was until recently a corn field. “You can’t eat hemp and marijuana. It hurts me to see how much disharmony and dysfunction this cannabis has brought to our people.”

Heated confrontations have erupted between cannabis farmers and throngs of Shiprock residents frustrated with the tribal government’s slow response. On at least a dozen occasions, angry protesters have marched to the gates of the farms, sometimes blocking roads, shouting at the workers and carrying placards reading “Stop the Asian Invasion

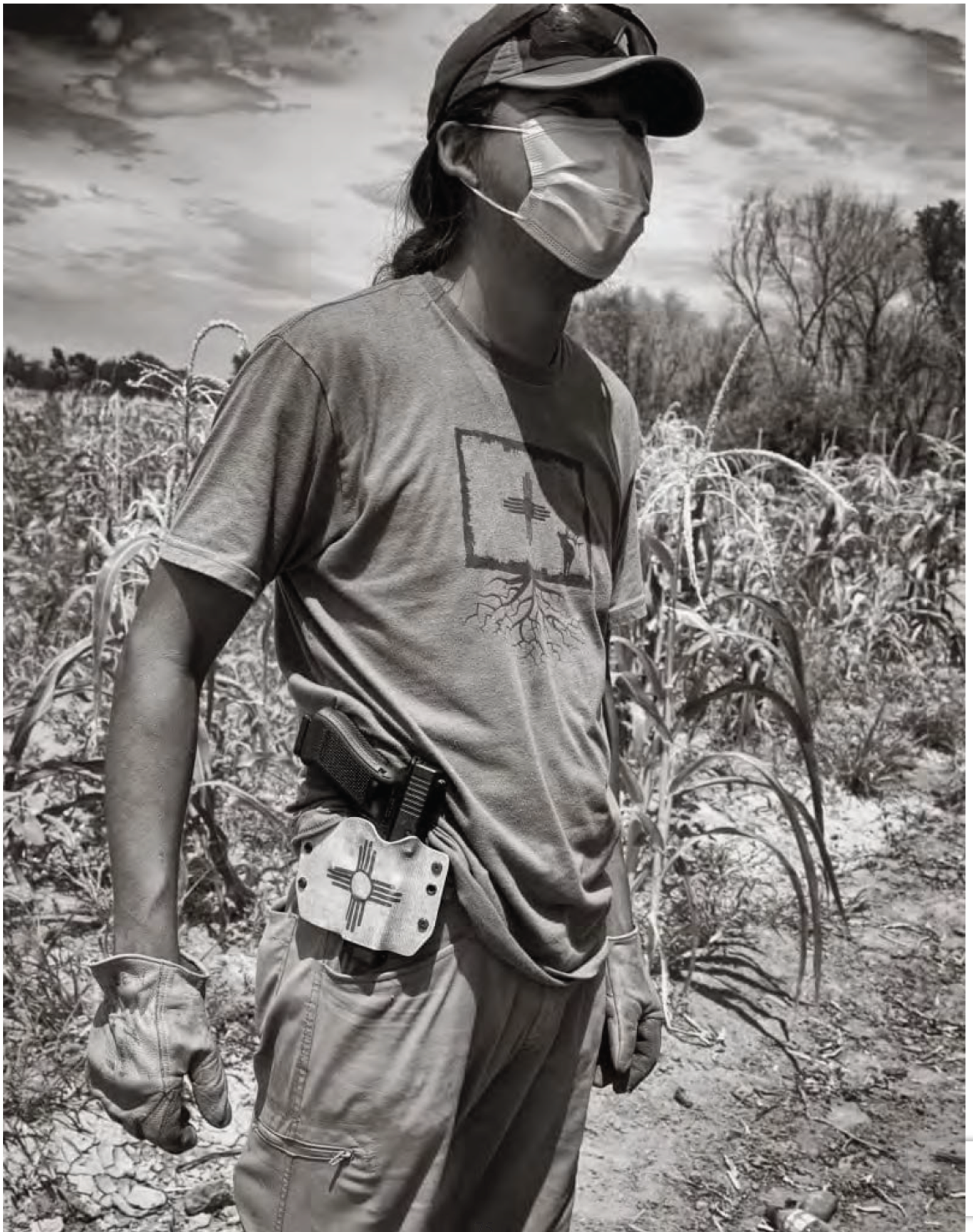
’
No Human Trafficking” and “This is Navajo Land, Not China.” Greenhouses have been set on fire. Benally was charged with aggravated assault after allegedly attempting to ram his car into a group of protesters, Police Chief Francisco said. (Benally and his attorney, David Jordan, declined to answer numerous requests for comment; as of press time, it was not known whether Benally had entered a plea to the charge.)

Some neighbors say they have begun carrying weapons, vowing to shoot any cannabis farm worker who steps onto their property.

The tensions have become so extreme that when a corn farmer died of natural causes in his field on Sept. 19, rumors quickly spread that he had been beaten to death by Chinese cannabis farm workers. Expecting a showdown, a group of armed corn farmers rushed to the neighborhood where the man had died, prepared for a shootout.

“This is our home, and we’re going to fight to defend our way of life even if that means we have to shoot someone,” said Joe Ben, a prominent corn farmer and outspoken opponent of the cannabis farms who now harvests his crops with a loaded shotgun and a Glock 9mm at the ready.

“It’s a miracle nobody has gotten killed over this yet already.”





Zachariah Ben, with a Glock pistol in his belt, takes a break from harvesting corn.

“Dangerous jobs”

Most mornings this summer, the Navajo kids said they spent an hour or so cleaning up the trash from the raucous parties that were an almost nightly occurrence on the farms, then awaited orders from their shift bosses.

The work was grueling — employees hauled 60-pound bags of soil throughout the labyrinthine networks of greenhouses, handled dangerous chemicals and operated heavy machinery. The hourly cash pay was \$5. At least two kids on the work crews were 10 years old, employees said.

“They always give the Navajos the dangerous jobs,” said Gipson, the 19-year-old employee, recalling an instance in which he and his uncle fumbled an unlabeled container of acid they were told to carry, splashing some of it on their hands and on the ground, where it frothed “like the blood from *Alien vs. Predator*.”

On good days, their supervisors assigned them to the “dark room,” where they trimmed buds with the sharp blades of a whirring, mechanized metal fan, getting piles of dope ready to load onto the moving trucks that arrived weekly.

“There’s Blue Cookie, Northern Lights, Skywalker OG, Blueberry Kush, Sour Diesel, Jet Fuel,” said Amber Brown, 20, ticking off the marijuana strains she and other workers said were written on plastic labels tucked into the pots.



Dineh Benally speaks with Searchlight reporter Ed Williams at Benally's family home in Shiprock.

Ever since the large greenhouse operations began appearing on the reservation in 2019, Benally has described the farms as legal hemp enterprises. As farm board president, he also claims he has the authority to license hemp farms.

Hemp cultivation is against the law without approval from the federal government, and Benally does not have that approval, according to the U.S. Department of Agriculture.

He also lacks the authority to grant hemp licenses or to independently lease farmland on the reservation, according to a **lawsuit** filed against him in June by Navajo Nation Attorney General Doreen McPaul. The suit charged Benally and his businesses, Native American Agriculture Company and Navajo Gold Company, with illegally growing industrial hemp and unlawfully issuing land use permits for his industrial hemp project, putting “the People of the Navajo Nation at risk.”

On Sept. 18, a Navajo court issued a temporary restraining order requiring Benally to halt all operations on his farms.

“We’ve lost minimum \$20 million” because of the restraining order, Irving Lin said, explaining that he and his partners had built almost 1,000 greenhouses at \$10,000 apiece, and invested \$10 million in farm infrastructure.

“We have spent so much money for our community,” he said. He couldn’t understand why the people on the reservation didn’t appreciate it, he added.



Still photos by Ravonelle Yazzie / Navajo Times

“Father” of Native hemp

A marijuana enthusiast who has dubbed himself the “Father of Native American Hemp,” Benally has frequently advocated for more tribal investment in cannabis. In 2017, he tried and failed to get medical marijuana cultivation legalized in the tribal legislature. He ran for tribal president in 2018 and in the 2020 Democratic primary for U.S. Congress; he lost both times.

In 2019, Benally partnered with a Las Vegas-based financier named DaMu Lin, CEO of One World Ventures Inc., a publicly traded company that says it invests in cannabis projects on Native American land. DaMu Lin (no relation to Irving), who describes himself on Facebook as an “International Man of Business,” appointed Benally to the One World Ventures board of directors in March 2019, according to a [company press release](#). The Shiprock operation also obtained funding from [SPI Energy Co.](#), a publicly traded company based in China.

“This is about sovereignty,” Benally told Searchlight in an interview in August. “The tribe has been failing us. These farms belong to the people, and so the people control what they want to grow,” he said, explaining that the crops being grown were hemp.



Signs supporting hemp farming at Dineh Benally's family home.

“Yeah, right,” one worker, Ven Yazzie, laughed when told about Benally’s explanation. “All I know is, you smoke it, it gets you high.”

Reaching into his backpack, he pulled out three containers of purple and lime-green buds that he said were given to him by a farm supervisor — a common incentive offered to the Navajo workers, according to multiple employees. He reached out his hand.

“Here, why don’t you go see for yourself?”

Although the origin of those samples could not be confirmed, Searchlight took them **to a state-certified laboratory for analysis**. Each contained between 20 percent and 27 percent THC — a higher concentration than the THC content of many marijuana strains sold in recreational dispensaries.

“That’s a very good plant,” Lin said, adding that he did not know any specifics of the strains tested by Searchlight. Describing the plants on the farms, he said, “I think about 80 [or] 90 percent is 1.4, 1.5 percent [THC]. But some could be higher.”

Parking lot payday

On Aug. 6, Dineh Benally parked his white Cadillac Escalade in front of the City Market grocery store, the busiest parking lot in the town of Shiprock, where a reporter watched as he reached his arm out of the dark tinted windows and palmed fist-sized rolls of cash to cannabis farm workers.

It was a cavalier way of doing business, given the growing tensions between anti-hemp Shiprock residents and Benally's supporters and crew. The week before, at least 100 community members and activists from the American Indian Movement had converged in protest, shouting through megaphones for Benally to resign from the farm board. Several traditional corn farmers, some claiming the cannabis farms had disrupted their irrigation lines and stolen their water, carried guns.

Other community members have described seeing Asian farm workers apparently trying to flee the farms, sometimes standing on the dusty reservation roads with suitcases trying to catch a ride out of town; sometimes waiting outside of gas stations asking for help getting home.

One resident, Marlene Frank, recounted how back in June, a Vietnamese woman had appeared at her family home in a remote part of Shiprock — lost, disoriented, begging for water and asking for help to get back to Saigon.

Such scenarios raise “clear red flags for labor trafficking and severe exploitation,” said Stephanie Richard, senior policy advisor at the Coalition to Abolish Slavery and Human Trafficking, a Los Angeles-based human rights group.

“Authorities would be remiss not to investigate it as such,” she added.

Law enforcement has in fact voiced concerns about possible human trafficking on the cannabis farms. In July, San Juan County Sheriff Shane Ferrari was so suspicious that he requested an investigation by Immigration and Customs Enforcement. An agent from ICE reviewed the immigration status of a group of farm workers and did not investigate further, Ferrari said, leaving the trafficking question unresolved.



A protester holds a placard at an anti-cannabis rally on July 31st.

Cracks in the law

From the beginning, law enforcement has believed that Benally’s farms were trafficking in illegal marijuana, emails obtained by Searchlight show.

But investigators say they have been hampered by a tangle of tribal, state and federal jurisdictional issues and a confusing legal landscape around hemp and marijuana cultivation.

This type of hemp cultivation is not specifically singled out as a criminal offense under tribal statutes, which has kept Navajo police from obtaining a search warrant, according to Chief Francisco. His Navajo Police department has limited jurisdiction over crimes committed by non-Natives on the reservation. Most of the sheriff’s department’s authority ends at the reservation boundary.

“We have some very high suspicions that the large majority of what [Benally] is growing is marijuana,” Francisco said. “He’s probably got millions of plants, and it’s very frustrating because we haven’t been able to

prove that it's not hemp.”

“I’ve never seen anything like it,” said San Juan County Sheriff Shane Ferrari, who is part of the group of federal, state and tribal law enforcement officers investigating the farms. “He’s out there doing all this in the open, and meanwhile we’re all scratching our heads wondering where the hell do we find this on the books?”

On at least one occasion they came close to a bust.

At around 3:30 p.m. on June 15, San Juan County Sheriff’s deputies responded to an anonymous report of a large marijuana grow in an old industrial building in Kirtland, New Mexico, just beyond the northeast border of the reservation. The building had been rented by Irving Lin.

Inside the Kirtland grow house, the deputy found nearly 2,000 marijuana plants, tended by a Chinese man who did not speak English, according to sheriff’s reports.

When the deputies’ field-testing kit picked up elevated levels of THC, they told the man they would be back the next day with an investigator from the New Mexico Department of Agriculture. Just a few hours later, a group of men pulled up to the building in a U-Haul, loaded the plants inside and drove away, never to be seen again, according to Sheriff Ferrari. The building burned in a large fire a little more than a week later. Law enforcement labeled the incident a “negligent arson;” no arrest was made.

In the days since the tribal court issued its restraining order, workers have been instructed to leave the farms. Navajo police are attempting to enforce the court’s order, even as some farms continue operations, Francisco said.

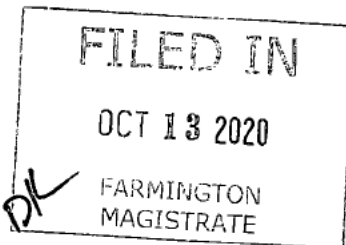
Neighbors describe seeing the Asian workers sleeping in fields and ditches, shivering through the night and unsure of where to go.

“Mr. Benally brought these workers here under false pretenses,” Francisco said. “They transplanted their lives here thinking they were going to be working on a legitimate project, only to find out that it’s all illegal. They’re really victims too.”

Exhibit D

Statement of Probable Cause
(October 8, 2020)

STATE OF NEW MEXICO
COUNTY OF SAN JUAN IN THE MAGISTRATE COURT
NO. 2020-00060176 M47R202000909MH



V.
Ain Liang Wang STATEMENT OF PROBABLE CAUSE

DOB: [REDACTED] 68 SOC: ___
OLN: ___ STATE: ___

The above defendant has been arrested without a warrant for the following reasons (set forth a plain concise and definitive statement of facts establishing probable cause): The following incident(s): The following incident(s) occurred within San Juan County.

Case Number: 20-00060176 Officer: J. Barreto R#: 875 Unit Number: 10202

HIGHEST CHARGE: Trafficking a Controlled Substance (Manufacturing) 2nd Degree Felony

On October 8th, 2020, at approximately 1748 hours, I, Detective J. Barreto was on patrol in a fully marked unit (#10202), displaying my badge of office, in the City of Farmington, New Mexico. I responded to the Travel Inn located at 1510 West Main Street, Farmington, New Mexico. The reporting party, Vernida Bisinet, advised Dispatch that after officers left from the call that she reported earlier (Case#2020-00060172) a male came out of a motel room and moved marijuana from his vehicle into one of the motel rooms. The original complaint was about a strong smell of marijuana coming from a lot of the cars in the parking lot with California license plates.

Officer D. Estrada, Officer Wasson, and Sgt. Mosely arrived on scene and immediately smelled the strong odor of marijuana emitting from the parking lot. Vernida could not see the exact room number that the male had taken the marijuana into but had visual of Sgt. Mosely in the parking lot and was actively on the phone with him. Vernida guided Sgt. Mosley to room 112.

Sgt. Mosely informed me he knocked on the door of room 112 which was originally closed. A male subject opened the door. Sgt. Mosely explained that the odor of marijuana immediately emitted from the room and he could see marijuana in large amounts laid out on the floor of room 112. Sgt. Mosely pulled the occupants out of the room and sat them on the ground outside of the room. Sgt. Mosley then cleared the room for any other occupants attempting to conceal themselves for the preservation of evidence. No other occupants were located in the room and no one was allowed into the room due to it being seized pending the application of a search warrant.

Officer Wasson explained that simultaneously as this happened, the occupants of room 111 opened the door to their room, the occupants of room 111, later identified as, Liao Gouyun and Yin Jun Wang came out. Liou Gouyun and Yin Jun Wang appeared to have interest in room 112 and knew the occupants so they were sat down outside of their room as well.

The occupants of Room 112 consisted of:

Shuangsa Jing (DOB: [REDACTED] 1977)

Xiaoxia Si (DOB: [REDACTED] 972)

Pinhui Gu (DOB: [REDACTED] 1963)

Ghiqiang Tan (DOB: [REDACTED] 1965)

ARRIVAL ON SCENE:

When I arrived on scene I meet with Sgt. Mosely. He told me that Vernida had pointed out multiple

rooms to him including room 114, room 115, room 218, and room 110 as rooms that the occupants of room 112 had went too recently and that everyone on scene should stay vigilant of these rooms.

I was standing outside of room 112. I could smell the strong odor of marijuana coming from the inside of the room. The room contained a green leafy substance I recognized to be marijuana. I know this through my training and experience. The floor was carpeted with black heavy duty plastic and the marijuana was on top of it. There were bundles, approximately a foot and a half tall, all over the floor of the room. There were also red handle scissors lying on top of a bundle of marijuana. There were no beds or dressers seen from the outside. It was apparent to me; the marijuana was been stored and prepped for the processing of the marijuana.

In recent events (news articles and intelligence reports) and currency seizures, I have learned that marijuana is being stored, separated, and prepared in small residences and/or hotels. I have read reports first hand and have participated on traffic stop when this intelligence was learned and/or reported. I had reason to believe the occupants originally located in room 112 were participating in the manufacturing and distribution of marijuana. Proceeded to conduct a knock and talk on the other identified rooms to also be participating in these illegal crimes.

CONTACT WITH OCCUPANTS OF ROOM 115:

In an attempt to make contact with the potential occupants of room 115, I knocked on the door. A male subject opened the door. When he opened the door I could see large amounts of marijuana on the ground on top of black heavy duty plastic I observed the male to have a pair of scissors in his hand. I told the male to drop the scissors and exit the room. As he was placing the scissors on the ground, the other occupants of the room had scissors in their hands and were actively trimming the marijuana plants inside of the room. I grabbed the male and pulled him out of the room and directed him towards Officer Wasson to be sat down outside the room. I continued to do this for remaining occupants of the room.

Once the occupants that I could visibly see were out of the room, I entered the room to insure that no one else was concealing themselves within the room. I did not locate anyone else inside of the room and the room was then seized pending the application of a search warrant.

The room had the mattresses removed from the floor and they were stashed in the bathroom. The room had no restroom access and the dresser drawers appeared to be free of any items. The room appeared to only have one purpose and it appeared the room used to process/store marijuana.

The occupants of room 115 consisted of:

Chunqui Xiong (DOB: █████ 1971)

Wang Qinliang (DOB: █████ 1968)

Jiang Weilian (DOB: █████ 1960)

Wei Wen Chen (DOB: █████ 1965)

Bixuan Xie (DOB: █████ 1958)

Siqing Qin (DOB: █████ 1965)

CONTACT WITH OCCUPANTS OF ROOM 215:

Detective Martinez and I went to make contact with the potential occupants of room 215. Detective Martinez knocked on the door. A male, later identified as Ji Kan, opened the door. Ji Kan was holding a pair of scissors in his hand and attempted to conceal himself behind the door, Detective Martinez and I told Ji Kan to drop the scissors and exit the room. As he was placing the scissors on the ground, the other occupants of the room had scissors in their hands and were actively trimming the marijuana

inside of the room just like in room 115.

Ji Kan was pulled out of the room and placed in handcuffs behind the back for our safety due to him attempting to conceal himself behind the door while holding the scissors. The other occupants of the room appeared to not care we were asking them to exit the room. I observed several individuals still cutting weed plants with red scissor handles. It took several verbal commands before the subjects were escorted out of the room and sat outside. Detective Martinez and I cleared the room for any other occupants attempting to conceal themselves.

No other occupants were found in the room and it was seized pending a search warrant.

The occupants of room 215 consisted off:

Chunying Huang (DOB: █████ 964)

Qiyu Li (DOB: █████ 1963)

Jinming Qin (DOB: █████ 965)

Jingjino Qin (DOB: █████ 1962)

Haode Tan (DOB: █████ 1959)

Jihua Kan (DOB: █████ 1972)

ACTION TAKEN:

Other officers and Region 2 agents arrived on scene to help with scene security. Rooms 114, 110, 220, 219, 218, and 217 were identified as rooms that the occupants of room 115, 112 and 215 were actively visiting. In an attempt to preserve evidence, Detective Martinez and I began to knock on the doors to make contact with potential occupants. No one answered the door. We were able to obtain a master key from the manager and made entry into the room to prevent destruction of evidence from potential occupants attempting to conceal and/or destroy evidence inside the rooms.

Rooms 114, 220, 218, and 219 contained large amounts of marijuana spread out on the floor on top of black heavy duty plastic in plain view. No occupants were found in these rooms.

Room 110 contained multiple heavy duty black trash bags that were filled with marijuana in plain view. This was discovered while entering the room to preserve evidence and insure no other occupants were concealing themselves inside the room. There appeared to be over approximately 25 large bags.

All the rooms containing marijuana did not appear to be the rooms the occupants were actively sleeping in. A room list was obtained from the manager of the Travel Inn. Liao Gouyun was discovered to be the registered owner of rooms 104, 105, 106, 107, 108, 110, 111, 112, 114, 115, 205, 209, 211, 212, 215, 217, 218, 219, and 220.

Officers advised Liao Gouyun of his Miranda Rights and he stated that he wished to speak with a lawyer. He was detained in the back of a unit.

The occupants found in room 215, 112, and 115 were all actively cutting marijuana. It appears they were trying to separate the buds from stem. The bud is the important part of the tree due to its THC content. I did not observe any heating lamps, pots, plants, or humidifiers inside the room. It is clear the rooms were not growing rooms. Due to my training and experience, the rooms appeared to be one step of the manufacturing and distribution process. All the rooms were under the name of Liao. Liao's hands were clean and he did not have any marijuana residue on him. There was a statement made that he was in charge of the operation.

The marijuana was tested using a NIK test on scene and came back positive for Marijuana.

All the Occupants of room 215, 112, and 115, as well as Liao Gouyun were transported to the San Juan County Detention Center and book for Trafficking a Controlled Substance (manufacturing), Distribution of Marijuana, and Conspiracy.

District Attorney B. Decker was informed of the incident and recommended the charges.

Date: 10/8/2020

Officer Signature: _____



Name & Title: _____ - NMSP FPD

Det. J. Barreto R875