

VERMONT SUPERIOR COURT

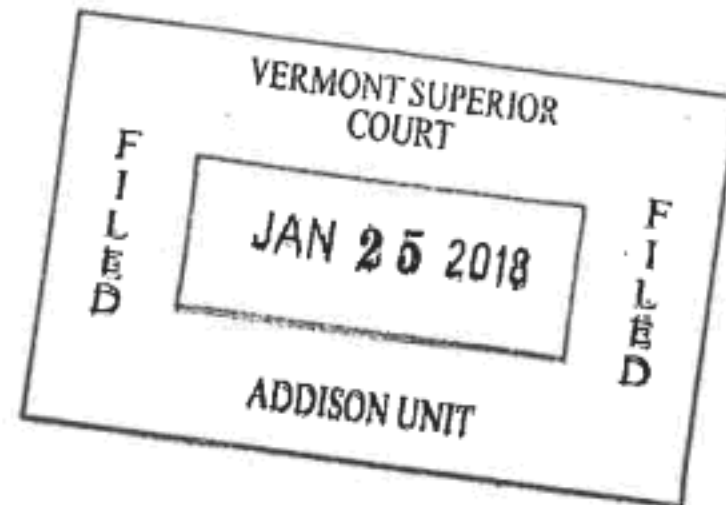
SUPERIOR COURT  
Addison Unit

CIVIL DIVISION  
Docket No. 16-1-18 Ancv

Cynthia Wight Hausman  
Plaintiff

v.

The Vermont Hemp Company, LLC  
Joel Bedard,  
Defendants



COMPLAINT

NOW COMES the Plaintiff, Cynthia Wight Hausman, by and through her attorneys, Lynch & Foley, P.C., and hereby complains against Defendants The Vermont Hemp Company, LLC and Joel Bedard as follows:

1. Cynthia Wight Hausman is a resident of Burlington, in the County of Chittenden, in the State of Vermont, with an address of [REDACTED]  
[REDACTED]
2. Hausman and her mother own a family farm located at [REDACTED]  
[REDACTED] ("Family Farm") in the town of Addison, in the County of Addison, in the State of Vermont.
3. The Vermont Hemp Company, LLC ("VTHC") is a domestic Limited Liability Company with a designated office located at [REDACTED]  
[REDACTED]
4. Joel Bedard is the founder, CEO, and registered agent for VTHC.

5. Bedard is a resident of Jericho Center, in the County of Chittenden, in the State of Vermont.
6. Dan Gaddis is the managing director of VTHC.
7. Upon information and belief, Gaddis is a resident of North Carolina.

#### COMMON FACTS

8. Hausman and her mother have struggled to make mortgage payments on the Family Farm for at least the last 12 months.
9. The Family Farm is currently the subject of a foreclosure action.
10. Between April 19, 2017 and April 26, 2017, the Vermont Cannabis Association held a week-long event, called the Vermont Cannabis Week, at which both Hausman and Bedard attended a panel titled "Cannabis Entrepreneurship: Tips from the Pros."
11. On or about April 26, 2017, Hausman spoke with Bedard about entering a contractual relationship to grow hemp in partnership with VTHC.
12. Hausman made it clear to Bedard that she was interested in growing hemp in order to produce sufficient cash to become current with the Family Farm mortgage.
13. During their conversation at the event, Bedard gave Hausman his cell phone number.
14. On May 3, 2017, Hausman sent Bedard a text reiterating her interest in working with VTHC and specifically stating that the purpose of any relationship between VTHC and Hausman was to enable her "to save my Family Farm."

15. Later on May 3, 2017, Bedard sent Hausman a text that that she was “definitely in” VTHC’s hemp growing program.
16. In the same text, Bedard stated that Hausman would receive seed for planting in early or mid-June 2017.
17. Also on May 3, 2017, Hausman texted Bedard: “I’m sure we need to rough out an agreement- how does it work?”
18. On May 8, 2017, Hausman took Bedard on a tour of the Family Farm.
19. During the May 8, 2017 tour, Hausman specifically stated that she needed \$35,000.00 to become current with the mortgage and that she was not interested in working with Bedard if she could not earn \$35,000.00.
20. In response, Bedard assured her that she could earn at least \$35,000.00 if she partnered with VTHC.
21. Bedard also shook Hausman’s hand and assured her that he would honor all of his handshake agreements.
22. On May 16, 2017, Hausman sent Bedard a text message asking for advice regarding manure spreading.
23. On May 16, 2017, Bedard replied via text message indicating that planting would not occurring “for about a month.”
24. On May 17, 2017, Hausman and Bedard exchanged text messages regarding Hausman hiring a fellow farmer to do necessary field work in anticipation of the plan, and regarding the possibility of entering lease agreements with her neighbors in order to maximize the total acreage that would be planted.

25. On May 22, 2017, Hausman sent Bedard a text message indicating that they had "missed a window to turn the fields and must now wait to hay and dry to get the cover short enough to turn."
26. Bedard replied a minute later: "Don't worry about that stuff. This is workable and we'll nail it."
27. On June 26, 2017, Bedard sent Hausman a message stating that she would likely receive "Futura 75," a type of hemp "with significant biomass and grain."
28. In the same June 26, 2017 message, Bedard added: "You are going to get a handshake addendum on ROI. As we have investors now, they'd kick me in the sack for showing any variations off the standard. But we already shook hands, and I honor that."
29. Hausman responded that she appreciated Bedard honoring their handshake agreement.
30. Bedard then responded that other farmers working with VTHC had similar handshake agreements, adding: "this was always meant to be about farmers and landowners...and I still own 79%..."
31. On June 27, 2017, Hausman sent Bedard and Hausman's neighbor an email discussing utilizing the neighbor's field for hemp production because "[e]very inch counts for us, particularly this growing season."
32. Later on June 27, 2017, Hausman sent Bedard and the neighbor an email predicting that she could grow approximately 10 acres of hemp, if she grew on land owned by her neighbors.

33. In the same email, Hausman asked Bedard whether VTHC intended to harvest the hemp crop ("Crop") or whether she would be doing it herself.
34. Bedard never replied with a definitive written statement that VTHC was (or was not) agreeing to harvest the Crop.
35. On June 29, 2017, Bedard emailed Hausman that he had just received the seed and could provide Hausman with enough seed to cover at least 10 acres.
36. In the same June 29, 2017 email, Bedard attached a proposed agreement ("Contract") and added: "Please note that almost every farm has additional 'handshake' arrangements."
37. In the same June 29, 2017 email, Bedard also represented: "As is, we have all of our 2017 crop sold several times over and have options available."
38. The Contract that Bedard sent to Hausman indicated that VTHC would "provide seed, permitting and consultation for the cultivation of cannabis sativa (a/k/a hemp) (the "Crop") on [Hausman's Family Farm] land."
39. Pursuant to the Contract's "Fees" section, VTHC was to assign a grade to the Crop based on quality, weight and cannabinoid profiles "[p]rior to or at harvest." The methods for determining the grade were to be left up to VTHC's sole discretion. VTHC was afforded an option to pay Hausman a percentage of the fair market value of the Crop.
40. The percentage portion of the Contract was left blank.
41. The Fees section of the Contract also permitted Hausman to receive offers from third parties, so long as VTHC had the option to purchase the Crop at

or above the offer price. In the event that Hausman declined VTHC's offer and sold the Crop to a third party, Hausman was to pay VTHC fifty percent (50%) of the total sum she received from the third party.

42. Contrary to Bedard's prior promises, the Contract also contained a section stating that it "supersedes all prior agreements, understandings, commitments and discussions with respect thereto, whether oral or written."
43. On July 6, 2017, Bedard emailed Hausman stating that a VTHC employee was available to drop the seed off the next day, but he would not release the seed until Hausman signed the Contract.
44. Hausman responded to Bedard, noting that the percentage of the sale she was to receive was blank in the Contract.
45. Bedard replied to Hausman: "This contract is standardized and boilerplate. Every farmer has different iterations, and I cannot make a call on a percentage in advance, knowing what the number is that you need to hit. ...Due to legal and investor considerations (we are in over \$30,000 on seed alone), I cannot release seed without something."
46. Based on Bedard's prior representations that Hausman would receive at least \$35,000.00 and that VTHC would honor prior oral agreements, Hausman signed the Contract on July 6, 2017.
47. On July 8, 2017, Bedard signed the Contract on VTHC's behalf.
48. On July 12, 2017, Bedard sent an email to Hausman indicating that the Crop would be ready for harvest between "mid-late September to early-

mid October.” Bedard also informed Hausman in the email: “It is a very cold hardy crop, which is why I was willing to wait past the rains and cold start.”

49. On or about July 13, 2017, VTHC delivered approximately 55 lbs. of hemp seed to Hausman.
50. On August 5, 2017, Hausman sent Bedard a text message indicating that she needed assistance planting additional acreage, adding: “If I don’t have the additional acres, I fear I won’t earn what I need to save the farm.”
51. Also on August 5, 2017, Hausman informed Bedard that she had already planted approximately seven (7) acres and that she had received a letter from her mother’s mortgage company.
52. In the August 5, 2017 text conversation, Hausman specifically stated she now needed \$45,000.000 to bring the mortgage payments current.
53. Bedard responded to Hausman’s reminder that she needed to earn \$45,000.00 from the transaction by saying “Okay.”
54. Bedard also responded that Hausman should not attempt to plant more seed and that VTHC would collect the remaining unplanted seed, thus implying that the seven (7) acres already planted would be sufficient to earn \$45,000.00 and/or that the smaller than anticipated acreage would not impact Bedard’s guarantee and/or agreement that Hausman would receive \$45,000.00 out of the relationship with VTHC.

55. Also in the August 5, 2017 text conversation, Bedard specifically guaranteed: "If our model works out as designed (and it will) we'll figure it all out."
56. In the August 5, 2017 text conversation, Bedard explained that VTHC was "pooling the harvests. And buffering. 3 acres won't make or break us." He further explained that VTHC had planned for some fields to underproduce.
57. In the August 5, 2017 text conversation, Bedard also reassured Hausman: "We have standing requests for just about everything...so...time to start dropping product..."
58. On October 14, 2017, Hausman sent Bedard a text message conditioning her permission for VTHC to enter her land to harvest the Crop on VTHC providing advanced notice before it arrived to harvest.
59. On October 15, 2017, Bedard responded to Hausman's request: "Yes. Absolutely." This indicated that Bedard agreed to the condition of VTHC providing reasonable advance notice prior to entering Hausman's land for the purpose of harvesting the Crop or harvesting the Crop.
60. On October 31, 2017, Hausman sent Bedard a text message asking if VTHC was currently in her fields harvesting the Crop.
61. Bedard responded three minutes later that he thought VTHC was harvesting the Crop, and confirmed that VTHC had harvested the Crop.



62. VTHC failed to provide Hausman with a grade of the Crop based on quality, weight and cannabinoid profiles either prior to or at the harvest on October 31, 2017.
63. VTHC failed to provide Hausman with advance notice or obtain prior approval before entering the Family Farm land as well as prior approval before harvesting the Crop.
64. On November 2, 2017, Hausman sent Bedard a text message asking about a portion of the Crop that VTHC had left in the field.
65. Bedard responded that day, stating that VTHC would not return to harvest the remaining Crop.
66. In the November 2, 2017 text conversation, Hausman asked Bedard to educate her on the rest of the process because "[t]he bank is calling me everyday."
67. On November 5, 2017, Hausman saw Bedard at the Hemp Farmer's Market. When asked how the business was going, Bedard represented that it was going great.
68. On November 9, 2017, Hausman sent Bedard a text message indicating that she had originally understood, based on Bedard's prior representations, that the harvest should have occurred by mid-October.
69. Also in Hausman's November 9, 2017 communications, she requested Bedard provide her with notice for when she could expect payment so that she could tell the bank, which was in the process of foreclosing on the Family Farm.

70. On November 9, 2017, Bedard replied that VTHC was in the process of drying the crops and would then begin valuing the product.
71. Also in the November 9, 2017 text conversation, and for the first time in their communications, Bedard told Hausman: "It will take a few months to get to market. In spite of the hullabaloo, nobody is making anything."
72. Bedard failed to respond to Hausman's requests for a meeting between November 10, 2017 and November 13, 2017.
73. On November 16, 2017, Bedard requested Hausman discuss the matter with Dan Gaddis, who Bedard represented was now the "managing director" of VTHC.
74. On November 17, 2017, Bedard and Gaddis had a text conversation, in which Gaddis stated that Hausman would only receive payment after VTHC had sold the processed hemp (or an unspecified portion thereof), and that VTHC intended to hold the processed hemp (or an unspecified portion thereof) until market prices rose.
75. In the November 17, 2017 text conversation, Gaddis did not respond to Hausman's statement that Bedard had previously represented to her that the hemp had already been "sold 3x over."
76. On November 20, 2017, Gaddis sent Hausman a text message indicating that the "best case scenario" was that VTHC would sell the hemp in January or February, 2018.
77. On November 21, 2017, Hausman replied to Gaddis that she was never told it would take that long to be paid.

78. On December 23, 2017, Hausman sent Bedard a text message demanding that VTHC return her Crop “immediately and in good condition.”
79. As of the filing of this Complaint, VTHC has yet to return Hausman’s Crop to her and has not notified Hausman where it is being stored.
80. The above-recited facts are hereby incorporated into each and every count provided below.

**COUNT I**  
**Breach of Written Contract**

81. On or about July 8, 2017, the parties entered into a Written Contract (“Written Contract”).
82. The Written Contract provided: “[p]rior to or at harvest [VTHC] shall assign a grade to the Crop based on quality, weight and cannabinoid profiles.”
83. VTHC failed to provide a grade to Hausman prior to or on October 31, 2017, the date the Crop was harvested.
84. VTHC’s failure to provide Hausman with a grade prior to or at the time of harvest denied Hausman the opportunity to obtain offers from third parties prior to and/or after the Crop was harvested.
85. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for the reasonable fair market price of her Crop.

**COUNT II**  
**Breach of Handshake Contract**

86. Between April 26, 2017 and October 31, 2017, Hausman and Bedard, as agent for VTHC, had a series of oral and written communications (which

are recited above) constituting a contractual agreement ("Handshake Contract") through which VTHC guaranteed Hausman would receive hemp seed, consultation, harvesting and \$45,000.00 or the fair market value of her Crop, whichever was greater, within a reasonable period of time after harvest from VTHC, in exchange for which, VTHC was to receive Hausman's entire Crop of pre-processed hemp.

87. This Handshake Contract pre-dated the Written Contract, and was reaffirmed following July 8, 2017, such that it constituted a separate contract, and/or supplemented the Written Contract and/or amended the Written Contract, and/or replaced the Written Contract.
88. VTHC breached the Handshake Contract by failing to provide Hausman within a reasonable period of time after harvest \$45,000.00 or the fair market value of her Crop, whichever was greater.
89. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for \$45,000.00 or the reasonable fair market price of the Crop, whichever is greater.

**COUNT III**  
**Unjust Enrichment**

90. On October 31, 2017, VTHC took possession of and accepted Hausman's hemp Crop.
91. VTHC took possession of the Crop based on oral and written agreements that guaranteed that Hausman would be paid \$45,000.00 or the fair market value of the Crop, whichever was greater.
92. This Crop had value.

93. VTHC retained the benefit of the Crop under such circumstances that it would be inequitable for VTHC not to compensate Hausman for its value.
94. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for \$45,000.00 or the reasonable fair market price of the Crop, whichever is greater.

**COUNT IV**  
**Negligent Misrepresentation**

95. At all times mentioned above, Bedard acted as an agent of and on behalf of VTHC in the course of VTHC's business.
96. VTHC supplied Hausman with false information for Hausman's guidance in her business transactions.
97. VTHC intended the information Bedard supplied Hausman to influence their Written and Handshake Contracts and/or other oral agreements.
98. VTHC failed to exercise reasonable care or competence in communicating the false information.
99. Hausman has suffered pecuniary loss as a result of her justifiable reliance on the false information provided by VTHC.
100. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for damages necessary to compensate her for the pecuniary loss to her caused by VTHC's negligent misrepresentations between April 26, 2017 through December 23, 2017.

**COUNT V**  
**Fraudulent Misrepresentation**

101. At all times mentioned above, Bedard acted as an agent of and on behalf of VTHC in the course of VTHC's business.
102. VTHC made misrepresentations of existing facts to Hausman, as stated in the above Common Facts section herein.
103. VTHC made intentional misrepresentations of future action, as stated in the above Common Facts section herein.
104. These misrepresentations were false when made.
105. VTHC knew the misrepresentations were false at the time they were made.
106. The misrepresentations affected the substance of the transactions at issue.
107. The misrepresented facts were not known by Hausman.
108. The misrepresented facts were not open to Hausman.
109. Hausman relied on these misrepresentations to her detriment.
110. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for damages necessary to compensate her for the pecuniary loss to her caused by VTHC's fraudulent misrepresentations between April 26, 2017 through December 23, 2017, and additional damages, including punitive damages, sufficient to award her the benefit of her contractual bargain established with VTHC.

**COUNT VI**  
**Fraudulent Nondisclosure**

111. At all times mentioned above, Bedard acted as an agent of and on behalf of VTHC in the course of VTHC's business.

112. VTHC failed to disclose to Hausman certain facts that VTHC knew might justifiably induce her to act in a business transaction, as stated in the above Common Facts section herein.
113. VTHC failed to disclose to Hausman certain facts (as stated in the above Common Facts section herein) that VTHC knew might justifiably induce her to refrain from acting in a business transaction.
114. VTHC was under a duty to Hausman to exercise reasonable care to disclose the facts in question.
115. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for damages necessary to compensate her for the pecuniary loss to her caused by VTHC's fraudulent misrepresentations between April 26, 2017 through December 23, 2017, and additional damages, including punitive damages, sufficient to award her the benefit of her contractual bargain established with VTHC.

**COUNT VII**  
**Consumer Fraud**

116. VTHC, by and through its employees and agents, made representations and omissions of fact that were likely to mislead the reasonable consumer in Hausman's position.
117. Hausman is a consumer under the definition in 9 V.S.A. § 2451a(a).
118. Hausman interpreted the statements made by VTHC (as stated in the above Common Facts section herein) reasonably under the circumstances.
119. The misleading effects of the statements were material.

120. As a result of VTHC's false and/or fraudulent representations and omissions, Hausman has suffered damages.
121. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for \$45,000.00 or the reasonable fair market price of the hemp crop, whichever is greater.
122. Wherefore, Plaintiff requests the Court award Plaintiff reasonable attorney's fees.
123. Wherefore, Plaintiff requests the Court award Plaintiff exemplary damages constituting three times \$45,000.00 or three times the reasonable fair market price of the Crop, whichever is greater.

**COUNT VIII**  
**Trespass to Land**

124. VTHC employees intentionally entered the premises of the Family Farm (7808 Vermont Route 7, Addison, Vermont) on or about October 31, 2017.
125. Hausman conditioned her consent to permit VTHC employees to enter the Family Farm property on their providing her with reasonable advance notice.
126. Hausman provided VTHC with conditional consent based on VTHC's material misrepresentations of fact described above.
127. VTHC failed to provide reasonable advance notice that it intended to enter the Family Farm property on or about October 31, 2017 for the purpose of harvesting Hausman's crop.
128. VTHC did not have a privilege to enter or remain on the premises.



129. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for the reasonable value of Defendant's trespass.

**COUNT IX**  
**Dispossession/Trespass to Chattels**

130. VTHC, by and through its employees and agents, intentionally dispossessed Hausman of her Crop.
131. VTHC has barred Hausman's access to her Crop.
132. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for the reasonable value of Defendant's dispossession.

**COUNT X**  
**Conversion**

133. On October 31, 2017, VTHC took possession of Hausman's Crop.
134. VTHC removed the Crop from Hausman's property.
135. VTHC intended, and has in-fact, exercised dominion over the Crop.
136. Upon information and belief, VTHC continues to exercise dominion and control over Hausman's property.
137. On December 23, 2017, Hausman demanded VTHC return the Crop to her "immediately and in good condition."
138. As of the filing of this Complaint, VTHC has refused to return the Crop to Hausman.
139. Wherefore, Plaintiff requests the Court enter a judgment against Defendant VTHC for the fair market value of Plaintiff's Crop.

**COUNT XI**  
**Individual Liability of Joel Bedard**

140. To the extent that Joel Bedard was acting beyond the scope of his authority as agent of VTHC in any (or all) of the above-recited paragraphs, Plaintiff requests the Court enter a judgment against Defendant Bedard in his individual capacity as to Counts I-X.

WHEREFORE, Plaintiff Cynthea Wight Hausman requests the Court grant Plaintiff judgment against Defendants as provided in the above-stated counts and all such other and further relief at law or equity to which she may show herself justly entitled.

Plaintiff hereby demands a trial by jury on all issues upon which a trial by jury may be had.

DATED at Middlebury, Vermont, this 16<sup>th</sup> day of January, 2018.

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