

**UNITED STATES DISTRICT COURT
DISTRICT OF COLORADO**

**JOHN PAULSON,
Individually and on Behalf of all Others
Similarly Situated,**

Plaintiff

v.

**TWO RIVERS WATER AND
FARMING COMPANY, JOHN R.
MCKOWEN, WAYNE HARDING and
TIMOTHY BEALL,**

Defendants

Civil Action No. 19-cv-02639-PAB-NYW

**NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED CLASS ACTION
DETERMINATION, PROPOSED SETTLEMENT OF CLASS ACTION,
FAIRNESS HEARING AND RIGHT TO APPEAR**

**TO: ALL PERSONS OR ENTITIES THAT CURRENTLY HOLD CLAIMS BASED ON
SECURITIES OF GROWCO, INC. (“GROWCO”), AND PURCHASED OR OTHERWISE
ACQUIRED THE SECURITIES THROUGH THE OFFERINGS LISTED BELOW DURING
THE TIME PERIOD BEGINNING OCTOBER 2014 THROUGH DECEMBER 2017 AND
SUFFERED ALLEGED LOSSES:**

Name	Type	Approximate Amount Raised	Date Range
GrowCo Partners 1, LLC	Equity	\$3,349,151	December 2014-January 2015
\$4 Million Note	Debt	\$4,000,000	March 2015-September 2015
GCP Super Units LLC	Equity	\$5,297,157	July 2015-October 2017
\$1.5 Million Note	Debt	\$100,000	April 2016
\$6 Million Note	Debt	\$6,000,000	March 2016-July 2016
\$7 Million Note	Debt	\$2,977,000	January 2016- January 2017
\$2 Million Note	Debt	\$1,080,000	February 2017-September 2017
\$2 Million Note	Debt	\$440,000	June 2017

**PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS MAY BE
AFFECTED BY THE LEGAL PROCEEDINGS IN THIS ACTION. IF THE COURT APPROVES
THE PROPOSED SETTLEMENT, YOU WILL BE FOREVER BARRED FROM CONTESTING**

THE FAIRNESS, REASONABLENESS OR ADEQUACY OF THE PROPOSED SETTLEMENT OR PURSUING THE RELEASED CLAIMS AND UNKNOWN CLAIMS (AS DEFINED HEREIN)

I. THE PURPOSE OF THIS NOTICE

The purpose of this Notice is to inform you of the existence of the above-captioned class action (the “Class Action” or “Action”) brought by Plaintiff John Paulson (“Plaintiff”) against Two Rivers Water and Farming Company (“Two Rivers”), John R. McKowen (“McKowen”), Wayne Harding (“Harding”) and Timothy Beall (“Beall”) (collectively, “Defendants”), and its proposed settlement (the “Settlement”).

This Notice also informs you of the Court’s preliminary certification of a Class (as defined below in this Section) for purposes of the Settlement, and of your right to participate in a hearing (the “Fairness Hearing”) to be held on April 29, 2022 at 10:00 a.m. before the Honorable Philip Brimmer, Chief Judge of the U.S. District Court for the District of North Colorado, Courtroom A701, Alfred A. Arraj United States Courthouse, 901 19th Street, Denver, CO 80294-3589 to: (a) determine whether the Settlement should be finally approved by the Court as fair, reasonable and adequate and in the best interests of Plaintiff and the Class; (b) determine whether a Final Order should be entered dismissing the Class Action with prejudice against the Defendants and effectuating the releases described below; (c) consider any request by Plaintiff’s counsel for an award of attorneys’ fees and out-of-pocket expenses (“Attorneys’ Fees and Expenses Award”), and a service award to the Representative Plaintiff (“Service Award”); (d) hear and determine any objections to the Settlement or to the Attorneys’ Fees and Expenses Award or Service Award; and (e) rule on such other matters as the Court may deem appropriate.

The Court has determined that the Class Action shall be preliminarily certified as a class action under Rule 23 of the Federal Rules of Civil Procedure, for settlement purposes only, on behalf of all persons or entities who currently hold claims based on the GrowCo Securities and who purchased or otherwise acquired the securities through the Offerings identified above during the time period beginning on October 2014 through December 2017 and suffered Alleged Losses. This Notice describes the rights you may have under the Settlement and what steps you may, but are not required to, take in relation to the Settlement. If the Court approves the Settlement, Plaintiff and the Defendants in the Class Action (the “Parties”) will ask the Court to enter a Final Order dismissing the Class Action with prejudice on the merits.

THE FOLLOWING RECITATION DOES NOT CONSTITUTE FINDINGS OF THE COURT. IT IS BASED ON STATEMENTS OF THE PARTIES AND SHOULD NOT BE UNDERSTOOD AS AN EXPRESSION OF ANY OPINION OF THE COURT AS TO THE MERITS OF ANY OF THE CLAIMS OR DEFENSES RAISED BY ANY OF THE PARTIES.

II. BACKGROUND OF THE ACTION

The Class Action was initiated by named Plaintiff John Paulson on August 13, 2019, with the filing of a class action complaint against Defendants Two Rivers, McKowen, Harding, and Beall, arising out of Paulson’s purchase of securities in GrowCo, a Colorado corporation formed in 2014. GrowCo was in bankruptcy and was not named as a party to this Action. Plaintiff’s Amended Complaint alleged that Defendants acted as control persons; sold and promoted GrowCo securities to Plaintiff and the class while omitting information that was material to investors about Defendant McKowen’s background; and permitted Two Rivers’ use of the proceeds of the sales. It asserted claims against Defendants under the Colorado Securities Act, 11-51-101 *et. seq.*, and Colorado common law arising out of the Defendants’ conduct in connection with those sales and use of the proceeds. Defendants deny Plaintiff’s allegations of wrongdoing and liability.

On June 29, 2021, Two Rivers was dismissed as a party to the Action without prejudice for the reasons explained below. The proposed Settlement was agreed to by the parties on August 7, 2020. On October 9, 2020, Plaintiff filed a motion requesting the Court’s preliminary approve of the Settlement. On January 5, 2021, while that motion was still pending, Defendant Two Rivers’ third lawyer in the Action moved the Court to withdraw as

Two Rivers' counsel. On January 25, 2021, the Court issued an order approving the motion to withdraw and requiring Two Rivers to obtain new counsel no later than February 15, 2021, as extended to March 16, 2021. Two Rivers failed to meet the Court's deadlines. Since a corporation must appear in a lawsuit through counsel, Two Rivers' failure to obtain new counsel, thus stalled the preliminary approval proceedings in their tracks.

On April 6, 2021, Plaintiff moved to dismiss Two Rivers as a party to this litigation without prejudice to Plaintiff's right to bring Two Rivers back into the Action in order to allow the Settlement approval process to move forward. Plaintiff argued that the dismissal would not change or affect the terms of the Settlement and that Two Rivers' insurance carrier and the other defendants agreed to honor the Settlement terms even without Two Rivers as a party. On June 29, 2021, the Court entered an Order granting Plaintiff's motion and dismissing Two Rivers as a party. On July 7, 2021, the Court entered an Order permitting Plaintiff to file a revised motion for preliminary approval and a motion to withdraw on or before July 16, 2021.

III. SUMMARY OF SETTLEMENT TERMS

Defendants' insurer will pay \$1.5 million in cash (the "Settlement Fund") to resolve the claims of Plaintiff and the Class. The Settlement Class and each member of the Class is limited solely to the Settlement Fund for the satisfaction of all Released Claims against all Released Parties (as provided more fully in the Settlement Agreement).

The Settlement Fund shall be applied as follows: (1) to pay counsel's Attorneys' Fees and Expenses Award, and the Service Award to the Representative Plaintiff to the extent allowed by the Court; (2) to pay the costs and expenses reasonably incurred in connection with providing Notice, locating Settlement Class Members, assisting with the filing of claims, administering and distributing the Net Cash Settlement Amount to Authorized Claimants, processing claim forms, and paying escrow fees and costs, if any; (3) to pay any taxes and tax expense; and (4) to distribute the balance of the Settlement Fund (the "Net Cash Settlement Amount") to Authorized Claimants as allowed by the Plan of Allocation, or order of the Court.

Authorized Claimant means a Class Member whose claim for recovery of losses has been found to be timely and valid under the terms of the Settlement Agreement.

IV. PLAN OF ALLOCATION

Under a proposed Plan of Allocation, the Claims Administrator will first calculate each Authorized Claimant's Alleged Loss.

The Alleged Loss shall mean the principal amount each Authorized Claimant paid for the GrowCo securities.

The Claims Administrator will then calculate each Authorized Claimant's recovery under the Settlement by multiplying the Net Cash Settlement Amount by a fraction, (a) the numerator of which is the Class Member's Alleged Loss and (b) the denominator of which is the sum of each and every claiming Class Member's Alleged Loss.

The Plan is not a part of or a condition of approval of the Settlement. Under the Agreement, the Net Settlement Fund may be distributed in accordance with the proposed Plan or such other plan as the Court may approve.

V. REASONS FOR THE SETTLEMENT

This Action was aggressively litigated from the onset. Plaintiff filed his initial complaint in Colorado state court setting out detailed facts as to Defendants' alleged wrongdoing. The Action was later removed to this Court by Mr. McKowen. Thereafter, the Court held an initial scheduling conference during which it set a schedule for the Action. Mr. McKowen then moved the Court to stay the Class Action pending the outcome of GrowCo's bankruptcy

proceedings, which the Court denied. Separately, GrowCo initiated an adversary proceeding against Mr. Paulson in the bankruptcy court and filed a motion for a temporary restraining order (“TRO”) and preliminary injunction asking the bankruptcy court to stop the Class Action. Plaintiff successfully opposed the motion to stay in this Court and was required to appear in the bankruptcy court to oppose the adversary proceeding, and to appear at an evidentiary hearing on GrowCo’s request for a TRO and injunction, upon which Paulson prevailed.

Plaintiff subsequently filed an amended complaint (the “Amended Complaint”) alleging additional facts and legal claims. Mr. McKowen moved to dismiss the Complaint and Plaintiff opposed that motion. Mr. McKowen’s motion to dismiss was fully briefed and pending before the Court when the Parties reached the proposed Settlement.

The Parties engaged in discovery, which included Plaintiff serving requests for production of documents, interrogatories, and requests for admissions on each of the Defendants, and document subpoenas on numerous third parties. Plaintiff reviewed and analyzed numerous documents produced by Defendants McKowen and Beall, and from other sources. Plaintiff also obtained a clerk’s default against Defendant Beall. Mr. Beall then moved to set aside the clerk’s default against him and moved to dismiss the Amended Complaint. On March 16, 2021, the Court approved Defendant Beall’s request to set aside the default and denied his motion to dismiss as moot.

Plaintiff’s counsel has conducted a thorough investigation of the claims and allegations asserted in the Class Action before reaching an agreement in principle on a Settlement. In addition, the Settlement was the product of extensive arms-length negotiations conducted with the assistance of the Judge William Meyer of the Judicial Arbiter Group, Inc. serving as mediator. In evaluating the Settlement, Plaintiff and his counsel have considered: (a) the substantial benefits to the members of the Class from the Settlement; (b) the facts developed during Plaintiff’s investigation and discovery; (c) the attendant risks of continued litigation and the uncertainty of the outcome of the Class Action; (d) the probability of success on the merits; (e) the availability of sufficient assets to fund a Settlement; and (f) the conclusion of Plaintiff’s counsel that the terms and conditions of the Settlement are fair, reasonable, adequate and in the best interests of Plaintiff and the Class.

Each of the Defendants has denied, and continues to deny, that he or it committed any violation of the securities laws or any other law, or engaged in any of the wrongful acts alleged in the Class Action, and expressly maintains that he or it is entering into the Settlement solely to eliminate the burden, expense, distraction and uncertainties inherent in further litigation.

Plaintiff has stated, and continues to state, that he brought his claims in good faith, that he believes that his claims had substantial merit at all relevant times, and that he is agreeing to the terms of the Settlement only because he believes that the Settlement provides a substantial benefit to the Class and has concluded that the terms of the Settlement are fair, reasonable and adequate and in the best interests of the Class.

The \$1.5 million Settlement Fund provides a substantial and immediate benefit to the Class. Although Class Counsel believes it will likely be able to prove merit to the claims asserted in the case, there is a substantial risk that Class Members would not be able to recover anything at all if the case were not settled. Until July 6, 2021, GrowCo has been in bankruptcy and Two Rivers lacks substantial assets. Plaintiff would need to look to the personal assets of the individual Defendants for a recovery if the Settlement was not reached, making a substantial recovery directly from Two Rivers and/or its principals beyond any available insurance coverage questionable at best. To that end, Defendants have a single insurance policy that covers the claims asserted up to \$2,000,000, which amount is reduced by the costs of defense. The \$1,500,000 Settlement Fund represents substantially all of the remaining insurance coverage net of defense costs to date. In considering whether to settle, the Plaintiff considered the fact that if he persisted with the Action, the amount of insurance coverage available to satisfy a judgment would be substantially less than the Settlement Fund. In other words, as defense costs would continue to mount, each additional dollar spent on defending the Action would represent one less dollar available for a settlement. Finally, if the case were to continue to be litigated, the Class would still need to overcome various legal defenses in order to survive any dispositive motions or recover at trial.

VI. RELEASES

Under the terms of the Settlement, Plaintiff and the Class Members (“Releasors”) agree to the complete discharge, dismissal with prejudice, settlement and release of the Releasees.

“Releasor” means each and every one of, and “Releasors” means all of (i) the Representative Plaintiff, (ii) all other Class Members, (iii) their respective past or present parents, predecessors, successors, current and former affiliates, divisions, business units, joint ventures, subsidiaries, assigns, any entities in which any Releasor has or had a controlling interest or that has or had a controlling interest in him, her, or it, and any other person or entity (including any governmental entity) claiming by or through, on behalf of, for the benefit of, derivatively for, or as representative of Representative Plaintiff or any other Class Member and (iv) their respective past and present officers, directors, employees, officials, members, partners, and attorneys.

The “Releasees” include each and every one of (i) the Defendants and their attorneys in the Class Action; (ii) the following past and present officers, directors, managers, attorneys, and/or employees of Two Rivers and GrowCo for securities purchased at the time or after they were officers or directors: Gus Blass III, Christopher Bragg, Gregg Campbell, Dennis Channer, James Cochran, Wayne Harding, Michael Harnish, John McKowen, Samuel Morris, John Stroh II, Rocky Joe Wells, Bradley Walker and T. Keith Wiggins. GrowCo’s officer and directors during the Class Period were: Timothy Beall (however, Mr. Beall contends he was not an officer or director of GrowCo), Kirsty Cameron, Wayne Harding, Chad Kirby, Jan McCaffrey, John R. McKowen, Joseph McKowen, Laura McKowen, I. Wistar Morris, Jeff Ploen and Aaron VanWingerden; and (iii) non-Defendants GrowCo, GrowCo Partners 1, LLC, GrowCo Partners 2, LLC, GCP Super Units, LLC, McGrow LLC, and TR Capital Partners, LLC.

“Released Claims” as defined in the Settlement Agreement means any and all Claims of or by the Releasors, as against the Releasees, and any and all Claims of or by the Defendants as against the Releasors, that were asserted, could have been asserted, or could in the future be asserted, arising from, based on, or relating to allegations in the Class Action. The term “Released Claims” does not include any claims for collection of any amounts due under the GrowCo securities pursuant to the terms of the securities, including claims in the event of a GrowCo liquidation, including in any GrowCo bankruptcy action.

If the Settlement is finally approved, Plaintiff and each Class Member on behalf of themselves and their other Releasors, for good and sufficient consideration, and all Releasors shall be deemed to have, and by operation of law and of the Order Approving Settlement shall have, fully, finally, and forever released, relinquished, settled, and discharged:

- a. all Released Claims;
- b. all Claims, damages, and liabilities against each and every one of the Releasees to the extent that any such Claims, damages, or liability relate in any way to any or all acts, omissions, nondisclosures, facts, matters, transactions, occurrences, or oral or written statements or representations in connection with, or directly or indirectly relating to (i) the prosecution, defense, or Settlement of the Class Action, (ii) the Settlement Agreement, (iii) the Settlement terms and their implementation, (iv) the provision of Notice in connection with the proposed Settlement, and/or (v) the resolution of any Claim Forms filed in connection with the Settlement; and
- c. all Claims against any of the Releasees for attorneys’ fees, costs, or disbursements incurred by Plaintiff’s counsel, the settlement of the Class Action, or the administration of the Settlement, except as otherwise specified in the Settlement Agreement.

The Settlement Agreement further provides that:

- The Settling Parties agree and acknowledge that this Settlement Agreement is intended to resolve and satisfy any and all claims that the Releasors have made or could have made against any of the Releasees arising out of the issuance or sale of GrowCo securities. The Parties agree and

acknowledge that they shall seek as part of the Final Order Approving Settlement an order prohibiting further lawsuits and claims against the Defendants arising out of the issuance and sale of GrowCo securities which the Parties intend to operate as a complete bar to any lawsuits or claims against the Defendants arising out of the issuance or sale of GrowCo securities (the “Complete Bar Order”). The Complete Bar Order will not bar claims for collection of any amounts due under the GrowCo securities pursuant to the terms of the securities, including claims in the event of a GrowCo liquidation including in the GrowCo Bankruptcy Action.

- The Releasers and each of them agree and covenant not to sue or prosecute, institute or cooperate in the institution, commencement, filing, or prosecution of any suit or proceeding in any forum based upon or related to any Released Claims against any Releasee.

VII. CLASS ACTION DETERMINATION

The Court has ordered that the Class Action shall be preliminarily certified as a class action for purposes of the Settlement only, pursuant to Rule 23 of the Federal Rules of Civil Procedure, on behalf of the following Class:

All persons or entities who currently hold claims based on Securities of GrowCo, and who purchased or otherwise acquired the securities through offerings listed below (the “Offerings”), during the time period beginning October 2014 through December 2017 (the “Class Period”), and suffered Alleged Losses. For the avoidance of doubt, persons or entities who purchased or otherwise acquired the securities during the Class Period and who have assigned the securities to VitaNova Partners, LLC are not excluded as Class Members by virtue of such assignment:

Name	Type	Approximate Amount Raised	Date Range
GrowCo Partners 1, LLC	Equity	\$3,349,151	December 2014-January 2015
\$4 Million Note	Debt	\$4,000,000	March 2015-September 2015
GCP Super Units LLC	Equity	\$5,297,157	July 2015-October 2017
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\$2 Million Note	Debt	\$1,080,000	February 2017-September 2017
\$2 Million Note	Debt	\$440,000	June 2017

Excluded from the Class are (1) the Defendants; (2) the officers and directors of Two Rivers and GrowCo during the Class Period as set forth in Exhibit E to the Settlement Agreement for securities purchased at the time or after they were officers or directors; (3) any judge or judicial officer who may hear any aspect of this Class Action and his or her law clerks; and (4) except as provided in clause (2) of this paragraph above, all persons or entities released in the Settlement. Also excluded from the Settlement Class are the persons and/or entities who validly request exclusion from the Settlement Class within the time period set forth herein.

At the Fairness Hearing, the Court will consider, among other things, whether the Class should be certified permanently.

VIII. THE FAIRNESS HEARING

The Court has scheduled the Fairness Hearing to be held on April 29, 2022 at the time identified in Section I above to determine: (a) whether the Court should finally approve the Settlement as fair, reasonable and adequate to the Class; (b) whether to enter an order dismissing the Class Action with prejudice and extinguishing and releasing the Released Claims; (c) whether the Class should be permanently certified pursuant to Rule 23 or the Federal Rules of Civil Procedure; (d) whether the Court should permanently certify Plaintiff as the Class Representative in the Class Action, and attorneys and law firms Paul Scarlato and Alan Rosca of Goldman Scarlato & Penny, P.C., and J. Barton Goplerud and Brian Marty of Shindler, Anderson, Goplerud & Weese, P.C. as Class Counsel, and Steve Miller of Steve A. Miller, P.C. as Additional Plaintiff's Counsel in the Class Action; (e) if the Court approves the Settlement, whether the Court should grant Plaintiff's application for an Attorneys' Fees and Expenses Award; (f) whether to grant Class Counsel's application for a Service Award for the Plaintiff and reimbursement of the Plaintiff's expenses, and (g) to consider such other matters as may properly come before the Court.

The Court may postpone, reschedule or adjourn the Fairness Hearing without further notice to the Class other than by filing a notice on the docket in the Class Action in advance of the Fairness Hearing, or by making an announcement at the Fairness Hearing or any adjournment thereof. The Court also has reserved the right to approve the Settlement at or after the Fairness Hearing with such modification(s) as may be consented to by the Parties and without further notice to the Class.

IX. YOUR RIGHT TO APPEAR AND OBJECT

Any Member of the Class who objects to any aspect of the Settlement, certification of the Class, entry of the Final Order, and/or Plaintiff's counsel's application for payment of attorneys' fees and expenses, and for a Service Award, or who otherwise wishes to be heard, may appear in person by his, her or its attorney at the Fairness Hearing and present evidence or argument that may be proper and relevant; provided, however, that, except for good cause shown, no person shall be heard or entitled to contest the approval of the terms and conditions of the Settlement, or, if approved, the order to be entered thereon, and no papers or briefs submitted by any member of the Class or any other person shall be received and considered by the Court, unless, not later than April 15, 2022. Any such objections, and comments must be in writing and filed with the Clerk of the Court and served on the counsel at the addresses listed below no later than April 15, 2022. Such objections must include the following: (a) proof that such person or entity currently holds claims based on the GrowCo Securities and purchased or otherwise acquired the securities through any of the Offerings during the Class Period of October 2014 through December 2017 and suffered Alleged Losses; (b) written notice of the person's intention to appear; (c) a detailed statement of the objections and the reasons for desiring to appear and to be heard; and (d) a detailed statement of all of the grounds for such objections, as well as all documents or writings which the person desires the Court to consider.

The foregoing information concerning any objections should be filed not later than April 15, 2022 with:

Clerk of the Court
United States District Court
Alfred A. Arraj United States Courthouse, Room A105,
901 19th Street, Denver, CO 80294-3589

Copies of such objections must be served not later than April 15, 2022 on:

Paul Scarlato
Alan Rosca
GOLDMAN SCARLATO & PENNY, P.C.
161 WASHINGTON STREET, SUITE 1025
CONSHOHOCKEN, PA 19428
TELEPHONE: 484-342-0700
EMAIL: rosca@lawgsp.com
scarlato@lawgsp.com

J. Barton Goplerud
Brian Marty
SHINDLER, ANDERSON, GOPLERUD & WEESE, PC
5015 Grand Ridge Drive, Suite 100
West Des Moines, Iowa 50265
Telephone: (515) 223-4567
Facsimile: (515) 2223-8887
E-Mail: goplerud@sagwlaw.com
marty@sagwlaw.com

Any person or entity who fails to object in the manner provided above shall be deemed to have waived such objection (including the right to appeal), and absent good cause found by the Court shall forever be barred from making any such objection in the Class Action or any other action or proceeding or otherwise contesting any aspect of the Settlement, but shall otherwise be bound by the Final Order to be entered and the releases to be given.

X. YOUR RIGHT TO EXCLUDE YOURSELF FROM THE CLASS

Each Settlement Class Member will be bound by all determinations and judgments in this Action, whether favorable or unfavorable, unless such person or entity mails or delivers a written request for exclusion from the Settlement Class, addressed to *Paulson v. Two Rivers Settlement*, EXCLUSIONS, c/o Strategic Claims Services, 600 N. Jackson St., Ste. 205, Media, PA 19063, Fax: (610) 565-7985. The request for exclusion must be mailed and postmarked no later than March 4, 2022, and *received* no later than April 15, 2022 (the “Exclusion Deadline”). You will not be able to exclude yourself from the Settlement Class after the Exclusion Deadline. Each Request for Exclusion must (a) state the name, address and telephone number of the person or entity requesting exclusion, and in the case of entities the name and telephone number of the appropriate contact person; (b) state that such person or entity “requests exclusion from the Settlement Class in *Paulson v. Two Rivers Settlement*, Civil Action No. 19-cv-02639”; (c) identify and state each and every purchase of GrowCo securities in the Offerings during the period from October 2014 through December 2017, as well as the type of security and the investment amount. A Request for Exclusion shall not be valid and effective unless it provides all the information called for in this paragraph and is mailed and postmarked, as well as received within the time stated above, or is otherwise accepted by the Court.

If you do not want to be part of the Settlement Class, you must follow these instructions for exclusion even if you have pending, or later file, another lawsuit, arbitration, or other proceeding relating to any of the Released Claims against any of the Releasees.

If you ask to be excluded from the Settlement Class, you will not be eligible to receive any payment out of the Net Cash Settlement Amount with respect to the Settlement Class.

Defendants have the right to terminate the Settlement if valid requests for exclusion are received from persons and entities entitled to be members of the Settlement Class in an amount that exceeds an amount agreed to by Plaintiff and Defendants.

XI. FINAL ORDER OF THE COURT

If the Settlement is approved by the Court following the Fairness Hearing as fair, reasonable and adequate, the Parties will jointly request that the Court enter a Final Order which will, among other things: (a) certify the Class Action as a class action pursuant to Rule 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Class; (b) determine that the requirements of the Federal Rules of Civil Procedure and due process have been satisfied in connection with the Notice provided to the Class; (c) certify Plaintiff as Class Representative and Class Counsel and Additional Plaintiff’s Counsel in the Class Action; (d) approve the Settlement as fair, reasonable and adequate to the Class; (e) vacate the Clerk’s default against Defendant Beall; and (f) dismiss the Class Action with prejudice on the merits, as against any and all Defendants, without costs except as herein provided, (g) release Defendants and other Releasees from the Released Claims, and (h) enter a “Complete Bar Order” prohibiting further lawsuits and claims against the Defendants arising out of the issuance and sale of GrowCo securities.

XII. THE APPLICATION FOR ATTORNEYS' FEES AND EXPENSES

Plaintiff intends to petition the Court at the Final Fairness Hearing for an award of attorneys' fees in an amount not to exceed 33^{1/3}% of the Settlement Fund, and for reimbursement of costs and expenses advanced by Plaintiff's counsel not to exceed \$10,000, and for a Service Award to the Representative Plaintiff in the amount of \$5,000, and for reimbursement of his expenses not to exceed \$100. Final resolution by the Court of the fee application shall not be a precondition to the dismissal of the Class Action in connection with any final approval of the Settlement, and the fee application may be considered separately from the terms of the proposed Settlement of the Class Action.

XIII. SCOPE OF THIS NOTICE

This Notice is not all-inclusive. The references in this Notice to the pleadings in the Class Action, the Settlement Agreement and all other papers or proceedings herein are only summaries and do not purport to be comprehensive. For the full details of the Class Action, the claims that have been asserted in the Class Action and the terms and conditions of the Settlement, including a complete copy of the Settlement Agreement and related Orders and proposed forms of Orders, you are referred to the Court file for the Class Action.

XIV. GENERAL INQUIRIES

General inquiries about the Settlement should be directed to the attention of Class Counsel as follows:

Paul Scarlato
Alan Rosca
GOLDMAN SCARLATO & PENNY, P.C.
161 WASHINGTON STREET, SUITE 1025
CONSHOHOCKEN, PA 19428
TELEPHONE: 484-342-0700
EMAIL: rosca@lawgsp.com
scarlato@lawgsp.com

J. Barton Goplerud
Brian Marty
SHINDLER, ANDERSON, GOPLERUD & WEESE, PC
5015 Grand Ridge Drive, Suite 100
West Des Moines, Iowa 50265
Telephone: (515) 223-4567
Facsimile: (515) 2223-8887
E-Mail: goplerud@sagwlaw.com
marty@sagwlaw.com

PLEASE DO NOT CALL OR WRITE THE COURT WITH GENERAL INQUIRIES.

**UNITED STATES DISTRICT COURT
DISTRICT OF COLORADO**

JOHN PAULSON,)	Civil Action No. 19-cv-02639-PAB-NYW
Individually and on Behalf of all Others)	
Similarly Situated,)	
)	
Plaintiff)	
)	
v.)	
)	
TWO RIVERS WATER AND)	
FARMING COMPANY, JOHN R.)	
MCKOWEN, WAYNE HARDING and)	
TIMOTHY BEALL,)	
)	
Defendants)	
_____)	

PROOF OF CLAIM AND RELEASE

Deadline for Submission: April 4, 2022

IF 1) YOU CURRENTLY HOLD CLAIMS BASED ON SECURITIES OF GROWCO, INC. (“GROWCO”), AND 2) PURCHASED OR OTHERWISE ACQUIRED THE SECURITIES THROUGH THE OFFERINGS LISTED BELOW DURING THE CLASS PERIOD BEGINNING OCTOBER 2014 THROUGH DECEMBER 2017, AND 3) SUFFERED LOSSES, YOU MAY BE A CLASS MEMBER AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT PROCEEDS. FOR THE AVOIDANCE OF DOUBT, PERSONS OR ENTITIES WHO PURCHASED OR OTHERWISE ACQUIRED THE SECURITIES DURING THE CLASS PERIOD AND WHO HAVE ASSIGNED THE SECURITIES TO VITANOVA PARTNERS, LLC ARE NOT EXCLUDED AS CLASS MEMBERS BY VIRTUE OF SUCH ASSIGNMENT:

THE GROWCO OFFERINGS SUBJECT TO THIS SETTLEMENT ARE:

Name	Type	Approximate Amount Raised	Date Range
GrowCo Partners 1, LLC	Equity	\$3,349,151	December 2014-January 2015
\$4 Million Note	Debt	\$4,000,000	March 2015-September 2015
GCP Super Units LLC	Equity	\$5,297,157	July 2015-October 2017
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\$7 Million Note	Debt	\$2,977,000	January 2016- January 2017
\$2 Million Note	Debt	\$1,080,000	February 2017-September 2017
\$2 Million Note	Debt	\$440,000	June 2017

YOU MUST COMPLETE AND SUBMIT THIS PROOF OF CLAIM AND RELEASE FORM (“CLAIM FORM”) IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

YOU MUST COMPLETE AND SIGN THIS CLAIM FORM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN April 4, 2022 TO THE CLAIMS ADMINISTRATOR, AT THE FOLLOWING ADDRESS:

Paulson v. Two Rivers Settlement
c/o Strategic Claims Services
600 N. Jackson Street, Suite 205
Media, PA 19063
Fax: (610) 565-7985
Email: info@strategicclaims.net

FAILURE TO SUBMIT YOUR POSTMARKED CLAIM FORM BY April 4, 2022 WILL SUBJECT YOUR CLAIM TO REJECTION AND MAY PRECLUDE RECEIPT OF ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS ACTION. DO NOT MAIL OR DELIVER YOUR CLAIM FORM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM FORM ONLY TO THE CLAIMS ADMINISTRATOR.

CLAIMANT'S STATEMENT

1. I (we) purchased or otherwise acquired securities of GrowCo in one or more of the Offerings listed above during the Class Period and suffered losses. (Do not submit this Claim Form if you did not purchase GrowCo securities in the Offerings and during the designated Class Period described above).
2. By submitting this Claim Form, I (we) state that I (we) believe in good faith that I am (we are) a Class Member as defined above and in the Notice Of Pendency Of Class Action, Proposed Class Action Determination, Proposed Settlement Of Class Action, Fairness Hearing And Right To Appear (the "Notice"), or am (are) acting for such person(s); that I am (we are) not a Defendant in the Class Action or anyone excluded from the Class, as defined in the Notice; that I (we) have read and understand the Notice; that I (we) believe that I am (we are) entitled to receive a share of the Net Cash Settlement Amount, as defined in the Notice; that I (we) elect to participate in the proposed Settlement described in the Notice; and that I (we) have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a Class Member [e.g., as an executor, administrator, trustee, or other representative], you must submit evidence of your current authority to act on behalf of that Class Member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of the trust documents.)
3. I (we) consent to the jurisdiction of the Court with respect to all questions concerning the validity of this Claim Form. I (we) understand and agree that my (our) claim may be subject to investigation and discovery under the Federal Rules of Civil Procedure, provided that such investigation and discovery shall be limited to my (our) status as a Class Member(s) and the validity and amount of my (our) claim. No discovery shall be allowed on the merits of the Litigation or Settlement in connection with processing of the Claim Form.
4. I (we) have set forth where requested below all relevant information with respect to each purchase or acquisition of GrowCo securities in the Offering(s) during the Class Period. I (we) agree to furnish additional information to the Claims Administrator to support this Claim Form if requested to do so.
5. I (we) have enclosed photocopies of the documents evidencing each purchase or acquisition, or retention of GrowCo securities listed below in support of my (our) claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS BECAUSE THESE DOCUMENTS ARE NECESSARY TO VERIFY AND PROCESS YOUR CLAIM.)
6. I (we) understand that the information contained in this Claim Form is subject to such verification as the Claims Administrator may request or as the Court may direct, and I (we) agree to cooperate in any such verification. (The information requested herein is designed to provide the minimum amount of information necessary to process most simple claims. The Claims Administrator may request additional information as required to

efficiently and reliably calculate your recognized claim. In some cases, the Claims Administrator may condition acceptance of the claim based upon the production of additional information.)

7. Upon the occurrence of the Court’s approval of the Settlement, as detailed in the Notice, I (we) agree and acknowledge that my (our) signature(s) hereto shall effect and constitute a full and complete release by me (us) and my (our) respective past or present parents, predecessors, successors, current and former affiliates, divisions, business units, joint ventures, subsidiaries, assigns, any entities in which I (we) have or had a controlling interest or that have or had a controlling interest in him, her, or it, and any other person or entity (including any governmental entity) claiming by or through, on behalf of, for the benefit of, derivatively for, or their respective past and present officers, directors, employees, officials, members, partners, and attorneys, (“Releasers”), of all Released Claims as defined as defined in the Settlement Agreement and Notice.

PART I: CLAIMANT INFORMATION

Beneficial Owner’s Name (First, Middle, Last):		
Record Owner’s Name (if different from beneficial owner listed above):		
Address:		
City:	State:	ZIP:
Foreign Province:	Foreign Country:	
Day Phone:	Evening Phone:	
Email:		
Social Security Number (for individuals):	OR	Taxpayer Identification Number (for estates, trusts, corporations, etc.):

Specify one of the following:

___ IRA ___ Joint Tenancy ___ Employee ___ Individual ___ Other _____
 (please explain)

PART II SCHEDULE OF TRANSACTIONS IN GROWCO SECURITIES

Purchases:

A. Separately list each and every purchase of GrowCo securities during the period from October 2014 through December 2017, and provide the following information (*must be documented*):

Name of Offering	Type of Security Purchased	Investment Amount	Do You Still Hold The Security? (Y or N)	If You Do Not Still Hold The Security, Describe What You Did With It

Sales:

B. Separately list each and every sale or disposition of GrowCo securities, and provide the following information (*must be documented*):

Name of Offering	Type of Security Sold	Amount Received	

If additional space is needed, attach separate, numbered sheets, giving all required information, substantially in the same format, and print your name and Social Security or Taxpayer Identification number at the top of each sheet.

YOU MUST READ AND SIGN THE CERTIFICATION BELOW. FAILURE TO SIGN THE CERTIFICATION MAY RESULT IN A DELAY IN PROCESSING OR REJECTION OF YOUR CLAIM

PART III: CERTIFICATION

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

UNDER THE PENALTIES OF PERJURY UNDER THE LAWS OF THE UNITED STATES, I (WE) CERTIFY THAT ALL OF THE INFORMATION I (WE) PROVIDED ON THIS PROOF OF CLAIM AND RELEASE FORM IS TRUE, CORRECT AND COMPLETE.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign):

(Signature)

(Signature)

(Capacity of person(s) signing, e.g., beneficial purchaser(s), executor, administrator, trustee, etc.)

Check here if proof of authority to file is enclosed.
(See Item 2 under Claimant's Statement)

Date: _____

**ACCURATE CLAIMS PROCESSING TAKES A
SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE.**

Reminder Checklist:

1. Please sign and date the certification above. If this Claim Form is submitted on behalf of joint claimants, then both claimants must sign.
2. Remember to attach supporting documentation, if available.
3. DO NOT send original stock certificates.
4. Keep a copy of everything you submit for your records, including your Claim Form.
5. If you desire an acknowledgment of receipt of your mailed Claim Form, please send it Certified Mail, Return Receipt Requested.
6. If you move after submitting this Claim Form, please notify the Claims Administrator of the change in your address