

To: Hemp Industries Association (HIA)

Rick Trojan, President, Mike Lewis, Vice-President, Frank Robinson, Treasury, Annie Rouse, Secretary, Anndrea Herman, Joe Kirkpatrick, Andrew Bish, Steve Smith

From leaders of HIA state chapters of: Arizona, California, Colorado, Florida, Illinois, Kentucky, Louisiana, Michigan, Nebraska, New Jersey, New York, Pacific North West, Tennessee, and Texas official HIA state chapters involved in this correspondence, here fore known as "We".

Re: Pending Insolvency and Breach of State Chapter Agreement and Guidelines

Dear HIA Board,

Statements made by Rick Trojan in the May 13, 2020 monthly state chapter phone call, stated that the HIA is facing potential insolvency. Also stated was that state chapters would not receive 1st quarter membership share until July. These statements imply the HIA's intent to use state chapter's membership dues for HIA expenses and payroll.

Per HIA State Chapter Agreement Section 2.3, "After a new member has elected to join the Chapter, beginning at the next calendar quarter thereafter, and provided the new member has paid the required dues to HIA, HIA will remit to Chapter 50% of the amount of the dues that have been paid to HIA by the member. The foregoing percentage of dues that HIA will remit to Chapter may be changed at any time by the HIA Board of Directors, but no such change will be put into effect less than sixty (60) days after the date on which the Chapter is notified of the change."

We have received no such notice.

This email is to serve as notice of breach of contract of the state chapter agreement and guidelines, breach of fiduciary duty, and misappropriation of funds by the HIA.

In a good faith attempt to aid the HIA during this financial hardship and deferment of further legal action, we, the aforementioned leadership submit the following resolution :

1. A formal forensic audit to be completed by a 3rd party entity, paid for by the HIA. The entity will be selected and approved by majority of state membership leadership by June 1st. The goal would be for the audit to be completed by July 1st.
2. All pending payments of 1st quarter memberships, that were due April 1st 2020, shall be submitted to the state chapters immediately, unless deferred for delayed payment by written consent of each individual state chapter.
3. If the audit or the payment is not possible, a statement by HIA board as to just cause shall be emailed to each state chapter leadership.
4. Starting June 1, each state chapter, may at their own discretion, self-manage membership enrollment and receive 100% payment via the state chapters website "Join" page.
 - a. The newly enrolled member's contact data file and 50% of membership dues will be submitted to the HIA monthly by each self-managing state chapter by the 10th of the following month.
 - b. For each state chapter self-managing their membership enrollment, the HIA's current membership page, shall have a link to the state chapters "Join" page no later than June 1st.

- c. Enrollment to be a state chapter member or to HIA only member shall be by opt-in options of the new member.

These actions will help the HIA by leveraging the resources of the state chapters while the HIA continues its transition and fundraising.

Our hope is for the above terms to be amenable to the board and we can move swiftly to aid in much needed restructuring of the HIA through increased membership enrollment.

If the above actions are not acknowledged with a notice of agreement emailed to each aforementioned state chapter leaders by 5:00 PM PST, Friday May 22nd, we will seek a vote of no confidence, resolution per agreement guidelines contained in the HIA bylaws, and available legal actions per California law.

We look forward to our continued support to the HIA by growing our state chapter membership and appreciate this amicable resolution.

Respectfully,

Arizona HIA	Michigan HIA
California HIA	Nebraska HIA
Colorado HIA	New Jersey HIA
Florida HIA	New York HIA
Illinois HIA	Pacific North West HIA
Kentucky HIA	Tennessee HIA
Louisiana HIA	Texas HIA