

RETURN DATE:	OCTOBER 17, 2023	:	SUPERIOR COURT
		:	
APRIL ARRASATE		:	J.D. OF HARTFORD
Plaintiff,		:	
		:	AT HARTFORD
VS.		:	
		:	
LINARES FAYE FARMS, LLC;		:	
CONNECTICUT SOCIAL EQUITY, LLC;		:	
CONNECTICUT SOCIAL EQUITY		:	
HOLDINGS, LLC (DBA LINARES FAYE		:	
CAPITAL LLC); ARTHUR LINARES;		:	
LUIS LINARES; AND BRIAN FAYE,		:	
Defendants.		:	SEPTEMBER 13, 2023

COMPLAINT

INTRODUCTION

The Plaintiff, April Arrasate, brings this action against the Defendants, Luis Linares, Arthur Linares, Brian Faye, and the entities they control, Linares Faye Farms, LLC, Connecticut Social Equity, LLC, and Connecticut Social Equity Holdings, LLC (dba Linares Faye Capital, LLC).

Defendants made numerous promises to Ms. Arrasate as reflected in the parties' assumption agreement and lease in connection with Defendants' plan to operate a cannabis production facility in accordance with Connecticut's statutory scheme. Ms. Arrasate's background, experience, and reputation in the cannabis industry resulted in her bringing valuable business opportunity to Defendants, including the rights for Defendants to purchase a 60 acre property in Morris, Connecticut, for which Ms. Arrasate obtained zoning approval to grow cannabis. As part of the agreements, a portion of the property was to be partitioned and sold to Ms. Arrasate, including the house thereon, for her use as a residence with her young son (the "Carve-out Property"). Until the date of that partition, which was to be completed by August 23, 2023, Ms. Arrasate leases the Carve-out Property.

However, Defendants have violated numerous provisions of these contracts, including by refusing to partition and sell the Carve-out Property as promised, refusing to pay a contractually agreed \$125,000 fee, failing to install a residential well in the Carve-out Property, repeatedly interfering with Ms. Arrasate's quiet enjoyment of the Carve-out Property, and damaging the Carve-out Property in various other ways. Worse yet, the manner in which Defendants have conducted themselves is in bad faith, unethical and unscrupulous, as set forth more fully herein.

PARTIES

1. The Plaintiff, April Arrasate, is an individual and resides at 266 Watertown Road, Morris, Connecticut.

2. The Defendants, Arthur Linares, Luis Linares, and Brian Faye, are individuals who, upon information and belief, reside in Connecticut. Linares Faye Farms, LLC, Connecticut Social Equity, LLC, and Connecticut Social Equity Holdings, LLC (dba Linares Faye Capital, LLC), are Connecticut limited liability companies, with a principal place of business in Southington, Connecticut, and whose controlling members include Arthur Linares, Luis Linares, and Brian Faye.

COUNT ONE: BREACH OF CONTRACT – ASSIGNMENT AND ASSUMPTION AGREEMENT

3. On or about August 23, 2022, the Plaintiff, April Arrasate, entered into an assignment and assumption agreement with Connecticut Social Equity, LLC (and executed on its behalf by "backer" Arthur Linares).

4. The contract was amended in or about September, 2022, to include LinaresFaye Farms, LLC as a party.

5. Prior to the creation of the assignment and assumption agreement, Ms. Arrasate obtained the rights to purchase a 60 acre property in Morris, Connecticut, located at 266 Watertown

Road (the “Property”).

6. Ms. Arrasate obtained zoning approval from the Town of Morris for the Property to be used to grow cannabis pursuant to Connecticut’s statutory scheme, the Responsible and Equitable Regulation of Adult-Use Cannabis Act (or “RERACA”), codified at Conn. Gen. Stat. § 21a-420 *et seq.*

7. Via the assignment and assumption agreement, Ms. Arrasate transferred the purchase rights to the Property to Defendants, in exchange for, among other things: (a) partition of a 15 acre portion of the Property, to be sold to Ms. Arrasate (the “Carve-out Property”); (b) sale of the Carve-out Property to Ms. Arrasate for \$1.00; and (c) payment of a \$125,000 penalty if (a) and (b) were not accomplished within one year.

8. Defendants purchased the Property, and have begun operations, including growing cannabis pursuant to Connecticut’s statutory scheme.

9. Despite demand, and an opportunity to cure, Defendants have breached the agreement in numerous ways, including, but not limited to, by failing and refusing to partition and sell the Carve-out Property to Ms. Arrasate, failing and refusing to install a residential well on the Carve-out Property and, refusing to make a required \$125,000 payment.

10. Ms. Arrasate has been damaged by Defendants’ breaches of the assignment and assumption agreement.

COUNT TWO: BREACH OF CONTRACT – LEASE

11. On or about August 23, 2022, Ms. Arrasate entered into a 20 year lease agreement with Arthur Linares, to lease the Carve-out Property until its partition and sale to Ms. Arrasate as required under the assignment and assumption agreement.

12. On or about September 29, 2022, the parties amended the agreement to include

Linares Faye Farms, LLC as a counter-party to the lease.

13. Ms. Arrasate has timely paid all rent due under the lease, and fulfilled all her obligations as tenant under the lease and under Connecticut's statutory scheme governing the landlord-tenant relationship, as codified at Conn. Gen. Stat. §47a-1 *et seq.*

14. Defendants have violated the terms of the lease and their obligations as landlord under Conn. Gen. Stat. §47a-7, including, but not limited to, by repeatedly trespassing, damaging Ms. Arrasate's personal property, damaging the Carve-out Property, including violations of local ordinances, and by repeatedly interfering with her quiet enjoyment of the Carve-out Property, where she resides with her small child.

15. Ms. Arrasate has been damaged by Defendants' breaches of the lease agreement and Conn. Gen. Stat. §47a-7.

COUNT THREE: BREACH OF THE IMPLIED COVENANT OF GOOD FAITH AND FAIR DEALING

16. Paragraphs 1-15 are incorporated herein as Paragraphs 1-15 of Count Three.

17. The assignment and assumption agreement and lease agreement entered into between Ms. Arrasate and Defendants both include an implied covenant of good faith and fair dealing.

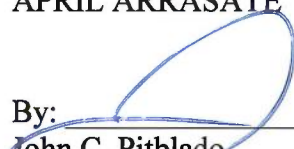
18. Defendants' have repeatedly engaged in bad faith conduct by the manner in which they have breached the agreements, including by acting with malice, deception, and by their intentional evasion of the spirit of the bargains set forth in the parties' contracts.

19. Ms. Arrasate has been damaged by Defendants' breach of the implied covenant of good faith and fair dealing, including by being compelled to expend attorneys' fees to enforce her rights under the contracts and her statutory rights as tenant.

COUNT FOUR: VIOLATION OF CUTPA

20. Paragraphs 1-19 are incorporated herein as Paragraphs 1-19 of Count Four.
21. Defendants' obligations under the lease are governed by Conn. Gen. Stat. §47a-7.
22. Defendants' violations of their contractual and statutory responsibilities are unscrupulous, unethical, and in bad faith.
23. Defendants' violations as described herein violate the Connecticut Unfair Trade Practices Act, codified at Conn. Gen. Stat. § 42-110a et seq. ("CUTPA")
24. Plaintiff has been damaged by Defendants' violations of CUTPA, including by being compelled to expend attorneys' fees to enforce her rights under the contracts and her statutory rights as tenant.
25. Plaintiff brings this Count pursuant to Conn. Gen. Stat. §42-110g.

PLAINTIFF,
APRIL ARRASATE

By: 

John C. Pitblado
Carlton Fields, P.A.P.C.
1 State Street, Suite 1800
Hartford, CT 06103
Tel: 860-392-5000
Fax: 860-392-5058
Juris No. 420124

PRAYER FOR RELIEF

WHEREFORE, Plaintiff claims money damages.

WHEREFORE, Plaintiff claims specific performance of Defendants' obligation to partition and sell her the Carve-out Property.

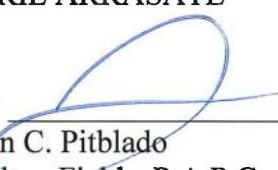
WHEREFORE, Plaintiff claims punitive damages as to Count Three as prescribed by law, including attorney's fees.

WHEREFORE, Plaintiff claims punitive damages, including attorney's fees and double and treble damages as to Count Four as prescribed under Conn. Gen. Stat. §42-110g.

The amount in demand, exclusive of interests and costs, is in excess of fifteen thousand dollars (\$15,000.00)

I hereby certify that I have knowledge of the financial responsibilities of the Plaintiff and deem them sufficient to pay the costs.

THE PLAINTIFF,
APRIL ARRASATE

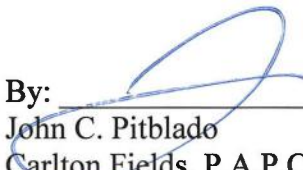
By: 
John C. Pitblado
Carlton Fields, P.A.P.C.
1 State Street, Suite 1800
Hartford, CT 06103
jpitblado@carltonfields.com
Tel: 860-392-5000
Fax: 860-392-5058
Juris No. 420124

RETURN DATE:	OCTOBER 17, 2023	:	SUPERIOR COURT
		:	
APRIL ARRASATE		:	J.D. OF HARTFORD
Plaintiff,		:	
		:	AT HARTFORD
VS.		:	
		:	
LINARES FAYE FARMS, LLC;		:	
CONNECTICUT SOCIAL EQUITY, LLC;		:	
CONNECTICUT SOCIAL EQUITY		:	
HOLDINGS, LLC (DBA LINARES FAYE		:	
CAPITAL LLC); ARTHUR LINARES;		:	
LUIS LINARES; AND BRIAN FAYE,		:	
Defendants.		:	SEPTEMBER 13, 2023

STATEMENT OF AMOUNT IN DEMAND

The amount, legal interest or property in demand is \$15,000.00 or more, exclusive of interest and costs.

THE PLAINTIFF,
APRIL ARRASATE

By: 
 John C. Pitblado
 Carlton Fields, P.A.P.C.
 1 State Street, Suite 1800
 Hartford, CT 06103
jpitblado@carltonfields.com
 Tel: 860-392-5000
 Fax: 860-392-5058
 Juris No. 420124