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9 UNITED STATES DISTRICT COURT
10 CENTRAL DISTRICT OF CALIFORNIA

11 DANIEL GABBARD, Individually and
12 on behalf of all others similarly
13 situated,
14 Plaintiff,
15 v.
16 PHARMACIELO LTD., DAVID
17 ATTARD, and SCOTT LAITINEN,
18 Defendants.

No.

**CLASS ACTION COMPLAINT
FOR VIOLATIONS OF THE
FEDERAL SECURITIES LAWS**

CLASS ACTION

JURY TRIAL DEMANDED

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1 Plaintiff Daniel Gabbard (“Plaintiff”), individually and on behalf of all
2 other persons similarly situated, by Plaintiff’s undersigned attorneys, for
3 Plaintiff’s complaint against Defendants (defined below), alleges the following
4 based upon personal knowledge as to Plaintiff and Plaintiff’s own acts, and
5 information and belief as to all other matters, based upon, *inter alia*, the
6 investigation conducted by and through his attorneys, which included, among
7 other things, a review of the Defendants’ public documents, conference calls and
8 announcements made by Defendants, public filings, wire and press releases
9 published by and regarding PharmaCielo Ltd. (“PharmaCielo” or the
10 “Company”), and information readily obtainable on the Internet. Plaintiff
11 believes that substantial evidentiary support will exist for the allegations set forth
12 herein after a reasonable opportunity for discovery.

13 **NATURE OF THE ACTION**

14 1. This is a class action on behalf of persons or entities who purchased
15 or otherwise acquired publicly traded PharmaCielo securities from June 21, 2019
16 and March 2, 2020, inclusive (the “Class Period”). Plaintiff seeks to recover
17 compensable damages caused by Defendants’ violations of the federal securities
18 laws under the Securities Exchange Act of 1934 (the “Exchange Act”).

19 **JURISDICTION AND VENUE**

20 2. The claims asserted herein arise under and pursuant to Sections
21 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule
22 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

23 3. This Court has jurisdiction over the subject matter of this action
24 pursuant to 28 U.S.C. § 1331, and Section 27 of the Exchange Act (15 U.S.C.
25 §78aa).

26 4. This Court has jurisdiction over each defendant named herein
27 because each defendant has sufficient minimum contacts with this District so as
28

1 to render the exercise of jurisdiction by this Court permissible under traditional
2 notions of fair play and substantial justice.

3 5. Venue is proper in this judicial district pursuant to 28 U.S.C. §
4 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)) as the alleged
5 misstatements entered and the subsequent damages took place in this judicial
6 district.

7 6. In connection with the acts, conduct and other wrongs alleged in this
8 complaint, Defendants, directly or indirectly, used the means and
9 instrumentalities of interstate commerce, including but not limited to, the United
10 States mails, interstate telephone communications and the facilities of the
11 national securities exchange.

12 **PARTIES**

13 7. Plaintiff, as set forth in the accompanying Certification, purchased
14 the Company's securities at artificially inflated prices during the Class Period and
15 was damaged upon the revelation of the alleged corrective disclosure.

16 8. Defendant PharmaCielo, through its subsidiary, PharmaCielo
17 Colombia Holdings S.A.S., purports to cultivate, process, produce, and supply
18 medicinal-grade cannabis oil extracts and related products in Colombia and
19 internationally.

20 9. The Company is incorporated in Canada and its head office is
21 located at 1 Toronto Street, Suite 805, Toronto, Ontario, Canada M5C 2E3.
22 PharmaCielo's securities trade on the OTCQX Best Market ("OTCGX") under
23 the ticker symbol "PCLOF" and previously traded under the ticker symbol
24 "PHCEF."
25

26 10. Defendant David Attard ("Attard") has served as the Company's
27 Chief Executive Officer ("CEO") and as a Director during the Class Period.
28

1 11. Defendant Scott Laitinen (“Laitinen”) has served as the Company’s
2 Chief Financial Officer (“CFO”) during the Class Period.

3 12. Defendants Attard and Laitinen are collectively referred to herein as
4 the “Individual Defendants.”

5 13. Each of the Individual Defendants:

- 6 (a) directly participated in the management of the Company;
7 (b) was directly involved in the day-to-day operations of the
8 Company at the highest levels;
9 (c) was privy to confidential proprietary information concerning
10 the Company and its business and operations;
11 (d) was directly or indirectly involved in drafting, producing,
12 reviewing and/or disseminating the false and misleading
13 statements and information alleged herein;
14 (e) was directly or indirectly involved in the oversight or
15 implementation of the Company’s internal controls;
16 (f) was aware of or recklessly disregarded the fact that the false
17 and misleading statements were being issued concerning the
18 Company; and/or
19 (g) approved or ratified these statements in violation of the federal
20 securities laws.

21 14. The Company is liable for the acts of the Individual Defendants and
22 its employees under the doctrine of *respondeat superior* and common law
23 principles of agency because all of the wrongful acts complained of herein were
24 carried out within the scope of their employment.
25

26 15. The scienter of the Individual Defendants and other employees and
27 agents of the Company is similarly imputed to the Company under *respondeat*
28 *superior* and agency principles.

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