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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 1-U

Current Report Pursuant to Regulation A

**Date of Report: April 12, 2019**  
(Date of earliest event reported)

**HIGHTIMES HOLDING CORP.**  
(Exact name of issuer as specified in its charter)

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**Delaware**

(State or other jurisdiction of  
incorporation or organization)

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**81-4706993**

(I.R.S. Employer  
Identification No.)

**10990 Wilshire Blvd**  
**Penthouse**  
**Los Angeles, California 90024-3898**  
(Full mailing address of principal executive offices)

**(844) 933-3287**  
(Issuer's telephone number, including area code)

Title of each class of securities issued pursuant to Regulation A: Class A voting Common Stock, par value \$0.0001 per share

This Current Report on Form 1-U is issued in accordance with Rule 257(b)(4) of Regulation A, and is neither an offer to sell any securities, nor a solicitation of an offer to buy, nor shall there be any sale of any such securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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## ITEM 9. OTHER EVENTS

### *Appointment of Neil T. Watanabe as Chief Financial Officer and Chief Operating Officer*

On Friday, April 12, 2019, Hightimes Holding Corp. (the “Company”) entered into an employment agreement (the “Employment Agreement”) with Neil T. Watanabe, pursuant to which Mr. Watanabe was formally hired as Chief Financial Officer and Chief Operating Officer of the Company. The Company had previously held a special joint meeting of the majority stockholders and members of the board of directors where Mr. Watanabe was appointed to the position of Chief Financial Officer and Chief Operating Officer of the Company. The Employment Agreement has an effective date as of April 8, 2019 (the “Effective Date”).

Mr. Watanabe has more than 30 years’ experience in retail finance, accounting and operations, having served as chief financial officer for both public and private national retail companies. Most recently, Mr. Watanabe served as chief financial officer at U.S. Autoparts Network, Inc. from March 2015 until joining the Company. Previously, from 2006 through 2014, Mr. Watanabe served as chief financial officer and executive vice president at Anna’s Linens. In addition, Mr. Watanabe has served as chief financial officer for Mac Frugal’s Bargain Closeout, PetSmart, Elizabeth Arden Red Door Spas, and chief operating officer for National Stores, Sears Health and Nutrition, and Motherhood Maternity. Mr. Watanabe is a graduate of the University of California Los Angeles, where he received a Bachelor of Arts, and obtained certification as a public accountant at the University of Illinois at Urbana-Champaign.

Pursuant to the terms of Mr. Watanabe’s Employment Agreement, Mr. Watanabe will receive a base salary of \$300,000 per year (the “Base Salary”), payable in equal monthly installments. Notwithstanding the foregoing, until such time as after March 15, 2019 that the Company shall have raised in the aggregate a minimum of \$10,000,000 through the sale of equity securities, Mr. Watanabe’s base salary shall be fixed at \$215,000 annually. In addition to the Base Salary, Mr. Watanabe shall be entitled to receive (i) an annual bonus equal to up to 50% of the Base Salary depending on the Company’s achievement of certain performance goals, (ii) an option to purchase 335,000 shares of the Company’s common stock at an exercise price of \$11.00 per share, which stock options shall be issued under the Company’s 2019 Equity Incentive Plan and shall vest over a three-year period with one-third of the option shares vesting on April 8, 2020 and the balance of such option shares vesting in equal monthly increments over the remaining two years of the vesting period, and (iii) the right to participate in other equity grants or incentive bonus plans, as may be determined by the Board. In addition, as of the close of business on the Effective Date, Mr. Watanabe received a restricted stock unit award with respect to 75,000 shares of the Company’s common stock (which number of shares of the Company’s common stock shall be adjusted from time to time to take into account any stock dividends, forward stock splits and reverse stock splits) which shall vest 50% on April 8, 2020 and 50% on April 8, 2021, subject to Mr. Watanabe’s continued employment through each of those periods. The Employment Agreement has an initial term of five years.

A copy of the Employment Agreement is filed as Exhibit 6.1 to this Current Report on Form 1-U and any summary of the terms of such agreement is subject to and qualified in their entirety by the full text of such document, which is incorporated by reference herein. A copy of the press release announcing Mr. Watanabe’s appointment is attached as Exhibit 15.1 to this Current Report on Form 1-U.

**SIGNATURES**

Pursuant to the requirements of Regulation A, the issuer has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**Hightimes Holding Corp.**  
a Delaware corporation

By: /s/ Adam E. Levin  
Name: Adam E. Levin  
Its: Executive Chairman  
Date: April 15, 2019

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**Exhibits to Form 1-U**

**Index to Exhibits**

<b><u>Exhibit No.</u></b>	<b><u>Description</u></b>
6.1	<a href="#">Employment Agreement, dated as of April 8, 2019, between Hightimes Holding Corp. and Neil T. Watanabe.</a>
15.1	<a href="#">Press Release, dated April 15, 2019, announcing appointment of Neil Watanabe as CFO.</a>

**EMPLOYMENT AGREEMENT**

**THIS EMPLOYMENT AGREEMENT** (the “*Agreement*”) is effective April 8, 2019, (the “*Effective Date*”) by and between Hightimes Holdings Corp. a Delaware corporation (the “Company”), and Neil T. Watanabe, an individual residing at 30231 Cheret Place, Rancho Palos Verdes, CA 90275 (the “Executive”).

**WHEREAS**, the parties hereto desire to enter into a written agreement to document the terms of Executive’s employment with the Company.

**1. Duties and Responsibilities.**

A. Executive shall serve as the Company’s Chief Financial Officer and Chief Operating Officer, reporting directly to the Company’s Chief Executive Officer. Executive shall have the duties and powers at the Company that are customary for an individual holding such positions.

B. Executive agrees to use his best efforts to advance the business and welfare of the Company, to render his services under this Agreement faithfully, diligently and to the best of his ability.

C. Executive shall be based at the Company’s current executive office located at 10990 Wilshire Boulevard, Los Angeles, California 90024, or at such other offices of the Company located within 30 miles of such current executive office.

D. Executive may also engage in other business and activities which can include advisory memberships consistent with his prior practices while employed by the Company so long as such activities do not adversely affect the performance by the Executive of his duties and responsibilities or are deemed to be performed for a competitor to the Company.

2. **Employment Period.** Following the Effective Date, Executive’s employment with the Company shall be governed by the provisions of this Agreement for the period commencing as of the date hereof and continuing until the earlier of (i) Executive’s termination of employment with the Company for any reason, or (ii) the fifth anniversary of the Effective Date (the “*Employment Period*”). Provided that Executive’s employment has not been or is not being terminated for any reason, Executive and the Company agree to negotiate in good faith prior to the end of the Employment Period to enter into a new Employment Agreement to take effect after the Employment Period.

**3. Cash Compensation.**

A. **Annual Salary.** Executive’s base salary shall be \$300,000 per year (the “*Annual Salary*”), which shall be payable in accordance with the Company’s standard payroll schedule (but in no event less frequent than on a monthly basis). Notwithstanding the foregoing, until such time as the Company shall, following March 15, 2019, raise, in the aggregate, a minimum of \$10,000,000 of capital from the sale of equity securities.(the “*Additional Capital*”) the Executive’s Annual Salary shall be fixed at \$215,000 annually. The Compensation Committee shall review Executive’s Annual Salary not less frequently than on each December 31st during the Employment Term. Executive will be eligible for periodic increases in his Annual Salary under the Company’s normal policies and procedures for executive salary increases which currently provides for annual reviews of executive salaries. Executive’s Annual Salary for any year may not be reduced below the Executive’s Annual Salary for the prior year without the written consent of both Executive and the Company.

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**B. Annual Target Bonus.** Executive shall also be entitled to receive an annual target incentive bonus of 50% of the Executive's current salary for each calendar year of his employment by the Company. For calendar year 2019 such annual target bonus will be based on the annual salary of \$300,000. Thus, Executive's target incentive bonus for the 2019 calendar year shall be \$150,000. The annual bonus shall be based upon the Company achieving the budgeted goals for the Company established from time to time by the board of directors for such measurement year: goals (which, for calendar year 2019, will be disclosed to Executive no later than June 30, 2019 and for each subsequent calendar year no later than January 31st of such calendar year), and Executive meeting the annual personal performance goals determined by the Compensation Committee for calendar year 2019 and disclosed to Executive no later than April 26, 2019 and for each subsequent calendar year no later than January 31st of such calendar year. The amount of the annual target bonus payable to Executive with respect to any given calendar year shall be determined by the Compensation Committee based on the foregoing provisions of this Section 3.B. of this Agreement. The annual bonus earned with respect to each calendar year shall be paid no later than the end of the 90-day period immediately following the end of such calendar year. Executive shall have a fully-vested and non-forfeitable interest in each annual target bonus earned with respect to a particular calendar year if he is in the active employ of the Company on the last day of such calendar year.

**C. Applicable Withholdings.** The Company shall deduct and withhold from the compensation payable to Executive hereunder any and all applicable federal, state and local income and employment withholding taxes and any other amounts required to be deducted or withheld by the Company under applicable statutes, regulations, ordinances or orders governing or requiring the withholding or deduction of amounts otherwise payable as compensation or wages to employees.

#### **4. Equity Compensation.**

**A. Initial Grant.** As of the close of business on the date of the Executive's first day of employment with the Company, the Company's Compensation Committee shall grant Executive a non-statutory stock option (the "**Initial Option**") to purchase 335,000 shares of the Company's common stock as defined in the Plan referenced in the immediately following sentence (the "**Common Stock**") at an exercise price of \$11.00 per share. Executive's right to purchase shares of Common Stock under the Initial Option shall vest over three years, as follows: the right to purchase 33.3% of such shares of Common Stock shall vest on the first anniversary of the grant date and the balance shall vest in 24 equal monthly installments thereafter. The Initial Option will be granted pursuant to the Company's 2019 Equity Incentive Plan (the "Plan") and will be subject to the terms and conditions of the Plan in effect as of the grant date and the related stock option agreements. The exercise price for all future stock options granted under the Plan shall be equal to either the then trading price of the Common Stock or the most recent appraisal done for Section 409A compliance process prior to the date of each such grant (which appraisals having been completed within the 12-month period preceding each such grant date). Furthermore, as of the close of business on the date of the Executive's first day of employment with the Company, the Company's Compensation Committee shall grant Executive a restricted stock unit award (the "Initial Restricted Stock Unit Award") with respect to 75,000 shares of the Company's Common Stock (which number of shares of the Company's common Stock shall be adjusted from time to time to take into account any stock dividends, forward stock splits, and reverse stock splits) which shall vest 50% on April 8, 2020 with the remaining 50% on April 8, 2021, subject to Executive's service through such dates. The Initial Restricted Stock Unit Award is subject to the terms and conditions set forth in the Plan and the related stock unit award agreement. (the "Award Agreement"); provided, however, notwithstanding anything in the Plan or the Award Agreement to the contrary, (A) Executive may elect to satisfy any tax withholdings payable in connection with the issuance of shares of the Company's Common Stock to Executive by having the Company withhold a number of shares of Common Stock that have a fair market value equal to the taxes required to be withheld by the Company, and (B) to the extent of any differences between this Agreement and the Plan or the Award Agreement the provisions of this Agreement shall govern.

**B. Other Equity Compensation.** Executive shall also be entitled to participate in any other equity incentive plans of the Company. All such other options or other equity awards will be made at the discretion of the Company's Compensation Committee of the Board of Directors pursuant and subject to the terms and conditions of the applicable equity incentive plan, including any provisions for repurchase thereof. The option exercise price or value of any equity award granted to Executive will be established by the Company's Board of Directors as of the date such interests are granted but shall not be less than the fair market value (determined as of the date such interests are granted) of the class of equity underlying such award. Except with respect to any restricted stock unit awards granted to Executive (the "**RSUs**") (the terms of which shall be governed by the applicable award agreements), all stock options and other equity compensation awards (both time-based vesting and performance-based vesting at target level) granted to Executive that are outstanding on the date of Executive's termination or resignation shall become 100% vested in the event that the Executive's employment is terminated without Cause (as defined herein) or Executive resigns for Good Reason (as defined herein) within the period beginning three months before, and ending twelve months following, a Change in Control (as defined in the Company's Equity Incentive Plan (the "**Plan**") (each, a "**Change in Control Termination**"). In the event of Executive's termination or resignation for any reason, all stock options granted to Executive that are outstanding on the date of such termination or resignation shall remain exercisable until the earlier of (i) the expiration date set forth in the applicable stock option agreement or (ii) the expiration of two (2) year measured from the date of Executive's termination or resignation. The provisions of this Section 4.B. of this Agreement shall govern the acceleration of Executive's stock options and other equity compensation awards (other than the RSUs) in the event of a Change in Control Termination and the period during which Executive's stock options remain exercisable following Executive's termination or resignation for any reason and shall supersede any provisions to the contrary in any other agreement or document.

**C. Equity Bonus Eligibility.** Executive shall also be eligible to receive an annual target incentive bonus in the form of Common Stock as determined by the Compensation Committee, additionally or in the alternative to cash payments described in Section 3.B. of this Agreement (other than with respect to the annual bonus payable for calendar year 2019).

**5. Expense Reimbursement.** In addition to the compensation specified in Section 3 of this Agreement, Executive shall be entitled to receive reimbursement from the Company for all reasonable business expenses incurred by Executive in the performance of Executive's duties hereunder, provided that Executive furnishes the Company with vouchers, receipts and other details of such expenses in the form reasonably required by the Company to substantiate a deduction for such business expenses under all applicable rules and regulations of federal and state taxing authorities.

#### **6. Fringe Benefits.**

**A. Group Plans.** Executive and his spouse and dependents shall, throughout the Employment Period, be eligible to participate in all of the group term life insurance plans, group health plans, accidental death and dismemberment plans, short-term disability programs, retirement plans, profit sharing plans or other plans (for which Executive qualifies) that are available to the executive officers of the Company. During the Employment Period, the Company will pay for 100% of the coverage for Executive and his spouse and dependents (collectively, the "**Dependents**") under the Company's health plan and pay for 100% of the coverage cost for Executive under the Company's accidental death and dismemberment plan and for short-term/long term disability. In the event Executive elects not to participate in the Company's health plan, the Company shall reimburse Executive for the cost of alternative health care coverage of his choosing for Executive, spouse and his Dependents in an amount up to \$2,000 per month. Payment for all other benefit plans will be paid in accordance with the Company's policy in effect for similar executive positions.

**B. Vacation.** Executive shall be entitled to at least three weeks paid vacation per year. Vacation shall accrue pursuant to the Company's vacation benefit policies.

**C. Life Insurance.** Executive maintains a GVUL life insurance policy that is portable to transfer from his former employer. The Company agrees to pay the annual premium on this policy with a limit not to exceed \$9,995 per year. If the amount of the annual policy exceeds this amount the Executive is required to reimburse the Company for the excess which the Company pays over the \$9,995.

**D. Indemnification.** As of the Effective Date, the Company and Executive shall enter into the Company's standard indemnification agreement for its key executives. The Company shall cover the Executive under such insurance policies as the Company may procure for executive liability and indemnification insurance, to the same extent and providing limits of liability, deductibles and exclusions as may be provided for the Company's Senior Executive Officers and outside directors. For purpose of this Agreement, the term "Senior Executive Officers" of the Company shall be the four officers of the Company having the highest annual base salaries. These covenants shall survive the termination of this Agreement for any reason for a period of five years from the date of such termination.

7. **Termination of Employment.** Executive's employment with the Company is "at-will." This means that it is not for any specified period of time and can be terminated by Executive or the Company at any time, with or without advance notice, and for any or no particular reason or cause. Upon such termination, Executive (or, in the case of Executive's death, Executive's estate and beneficiaries) shall have no further rights to any other compensation or benefits from the Company on or after the termination of employment except as follows:

A. **Termination For Cause.** In the event the Company terminates Executive's employment with the Company prior to expiration of the Employment Period for Cause (as defined below), the Company shall pay to Executive the following: (i) Executive's unpaid Annual Salary that has been earned through the termination date of his employment; paid out on the Company's normal payroll cycle (ii) Executive's accrued but unused vacation; (iii) any accrued expenses pursuant to Section 5 above, and (iv) any other payments as may be required under applicable law (subsections (i) through (iv) above shall collectively be referred to herein as the "**Required Payments**"). The Required Payments shall be paid to Executive within 10 days after the date of Executive's termination of employment with the Company. For purposes of this Agreement, "**Cause**" shall mean that Executive has engaged in any one of the following: (i) intentional misconduct involving the Company or its assets, including, without limitation, material misappropriation of the Company's funds or property; (ii) reckless or willful misconduct in the performance of Executive's duties in the event such conduct continues after the Company has provided 30 days written notice to Executive and a reasonable opportunity to cure such misconduct; (iii) conviction of, or plea of nolo contendere to, any felony or misdemeanor involving dishonesty or fraud; (iv) the material violation of any of the Company's policies, including without limitation, the Company's policies on equal employment opportunity and the prohibition against unlawful harassment; (v) the material breach of any provision of this Agreement after 30 days written notice to Executive of such breach and a reasonable opportunity to cure such breach; or (vi) any other misconduct that has a material adverse effect on the business or reputation of the Company after 30 days written notice to Executive of such breach and a reasonable opportunity to cure the adverse effects of such misconduct.

B. **Termination Upon Death or Disability.** If Executive dies during the Employment Period, the Executive's employment with the Company shall be deemed terminated as of the date of death, and the obligations of the Company to or with respect to Executive shall terminate in their entirety upon such date except as otherwise provided under this Section 7.B. If Executive becomes Disabled (as defined below), then the Company shall have the right, to the extent permitted by law, to terminate the employment of Executive upon 30 days prior written notice in writing to Executive. Upon termination of employment due to the death or Disability of Executive, Executive (or Executive's estate or beneficiaries in the case of the death of Executive) shall be entitled to receive (i) the Required Payments within 10 days after the date of Executive's termination of employment with the Company and (ii) the following: (A) any unpaid annual target bonus described under Section 3.B. hereof for the year immediately prior to the year of such termination (in an amount equal to the bonus percentage accrued by the Company, pursuant to GAAP, for such prior year) and a pro-rated share of Executive's annual target bonus described under Section 3.B. hereof for the year of such termination (in an amount equal to the bonus percentage accrued by the Company, pursuant to GAAP, through the last closed accounting month prior to the time of such termination but with such bonus percentage being deemed to be fully accrued if the Company is at least on target to attain the appropriate financial targets for such year), which bonus amounts shall be paid on the earlier of (1) such date as the Company regularly pays bonuses or (2) March 15th of the calendar year immediately following the calendar year in which the termination occurs; (B) continuation of Executive's Annual Salary following such termination for a period of one year, which shall be payable beginning on the payroll date immediately following the date of Executive's termination of employment in accordance with the Company's standard pay schedules; and (C) in the case of termination due to Disability, the Company shall reimburse either the Executive's COBRA payments for Executive's (and/or his spouse's and dependents') health insurance benefits or the amount that Executive was paying and getting reimbursed for health care coverage as outlined in Section 6.A. hereof at the Executive's discretion for a period of one year following the date of the termination of Executive's employment with such reimbursements being paid to Executive within 10 days after such payments are made by Executive. For the purposes of this Agreement, "**Disability**" shall mean a physical or mental impairment which, the Board of Directors reasonably determines, after consideration and implementation of reasonable accommodations, precludes the Executive from performing his essential job functions for a period longer than three consecutive months or a total of one hundred twenty (120) days in any twelve-month period.



**C. Termination for Any Other Reason: Resignation for Good Reason.** Should the Company terminate Executive's employment (other than for Cause or as a result of Executive's Death or Disability), or in the event Executive resigns for Good Reason (as defined below) within two years following the initial occurrence of the event giving rise to such resignation for Good Reason, then the Company shall pay to Executive (i) the Required Payments within 10 days after the date of Executive's termination of employment with the Company; and (ii) the following: (A) (1) a bonus for any prior year that has been earned but is unpaid which such bonus will be paid within 10 days after the date of Executive's termination of employment with the Company, and (2) assuming the Performance target Goals are achieved in the year in which termination without "Cause" or for "Good Reason" shall have occurred, a bonus payable within 90 days following the end of such year, pro-rated based on the number of months in which the Executive worked in such year, (B) continuation of Executive's Annual Salary, which shall be payable beginning on the payroll date immediately following the date of Executive's termination of employment in accordance with the Company's standard pay schedules for a period of one year and (C) the Company shall also reimburse Executive's actual COBRA payments for Executive's (and/or his spouse's and dependents') health insurance benefits or the cost of health care the Executive was paying and getting reimbursed for health care coverage as outlined in Section 6.A. hereof at the Executive's discretion for a period of one year following the date of the termination of Executive's employment with such reimbursements being paid to Executive within 10 days after such payments are made by Executive. This Section 7.C. is intended to qualify as an involuntary separation pay arrangement that is exempt from application of Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**") because certain severance payments are treated as paid on account of an involuntary separation (including a separation for Good Reason) or paid in a lump sum within the "short-term deferral" period following the time the Executive obtains a vested right to such payments. For the purposes of this Agreement. For purposes of this Section 7.0 of this Agreement, "**Good Reason**" shall mean Executive's voluntary resignation for any of the following events that results in a material negative change to the Executive; (i) a reduction without Executive's prior written consent in either his level of Annual Salary or his target annual bonus as a percentage of Annual Salary; (ii) a reduction in the scope of Executive's authorities, duties and responsibilities or a reduction in the authority, duties or responsibilities of the supervisor to whom the Executive is required to report, (iii) a relocation of Executive more than thirty (30) miles from the Company's current corporate headquarters as of the date hereof, (iv) a material breach of any provision of this Agreement by the Company, (v) the failure of the Company to have a successor entity specifically assume this Agreement or (vi) the Company requiring Executive to engage in any illegal or unethical act or omission. Following a Change in Control (as defined in the Plan), Good Reason shall be defined in the manner described in the immediately preceding sentence and shall also include (i) a material negative change in authority, duties or responsibilities resulting from the Executive no longer being the chief operating officer and chief financial officer of a publicly-traded company and (ii) the Company's chief executive officer (immediately prior the Change in Control) no longer being the chief executive officer of the successor publicly-traded company. Notwithstanding the foregoing, the Executive shall be entitled to benefits described in this Section 7.C. hereof and in Section 3.B. hereof due to a resignation clauses (i) or (ii) of the immediately preceding sentence only if such resignation occurs during the 12-month period following the Change in Control. Notwithstanding the foregoing, "Good Reason" shall only be found to exist if prior to Executive's resignation for Good Reason, the Executive has provided, not more than 90 days following the initial occurrence thereof, written notice to the Company of such Good Reason event indicating and describing the event resulting in such Good Reason, and the Company does not cure such event within 90 days following the receipt of such notice from Executive.

**D. Health Care Reform Compliance.** Notwithstanding the foregoing, if the Company determines, in its sole discretion, that the Company cannot provide the health insurance premium reimbursement benefits under this Section 7 without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall in lieu thereof pay Executive a taxable cash amount, which payment shall be made regardless of whether Executive elects or pays for health insurance benefits following termination (the "**Health Care Benefit Payment**"). The Health Care Benefit Payment shall be paid in monthly installments on the same schedule that the health insurance premium reimbursement amounts would otherwise have been paid. The Health Care Benefit Payment shall be equal to the amount that the Executive would have otherwise paid for health insurance premiums (which amount shall be calculated based on the premium for the first month of coverage) and shall be paid until the expiration of the one-year period following Executive's termination.

**8. Non-Competition During the Employment Period.** Executive acknowledges and agrees that given the extent and nature of the confidential and proprietary information he will obtain during the course of his employment with the Company, it would be inevitable that such confidential information would be disclosed or utilized by the Executive should he obtain employment from, or otherwise become associated with, an entity or person that is engaged in a business or enterprise that directly competes with the Company. Consequently, during any period for which Executive is receiving payments from the Company, either as wages or as a severance benefit, Executive shall not, without prior written consent of the Chief Executive Officer, directly or indirectly own, manage, operate, control or participate in the ownership, management, operation or control of, or be employed by or provide advice to, any enterprise that is engaged in any business directly competitive to that of the Company; provided, however, that such restriction shall not apply to any passive investment representing an interest of less than 1% of an outstanding class of publicly-traded securities of any company or other enterprise where Executive does not provide any management, consulting or other services to such company or enterprise.

**9. Proprietary Information.** Executive has executed or is concurrently executing the Company's standard Confidential Information and Assignment of Inventions Agreement (the "**Confidentiality Agreement**"), which is attached hereto and is hereby incorporated by this reference as if set forth fully herein. Executive's obligations pursuant to the Confidentiality Agreement will survive termination of Executive's employment with the Company. Executive agrees that he will not use or disclose to the Company any confidential or proprietary information from any of his prior employers.

**10. Successors and Assigns.** This Agreement is personal in its nature and the Executive shall not assign or transfer his rights under this Agreement. The provisions of this Agreement shall inure to the benefit of, and shall be binding on, each successor of the Company whether by merger, consolidation, transfer of all or substantially all assets, or otherwise, and the heirs and legal representatives of Executive.

**11. Notices.** Any notices, demands or other communications required or desired to be given by any party shall be in writing and shall be validly given to another party if served either personally or via overnight delivery service such as Federal Express, postage prepaid, return receipt requested. If such notice, demand or other communication shall be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication is given by overnight delivery, such notice shall be conclusively deemed given two business days after the deposit thereof addressed to the party to whom such notice, demand or other communication is to be given as hereinafter set forth:

To the Company:

Hightimes Holdings Corp.  
10990 Wilshire Blvd  
Suite 1800  
Los Angeles, CA 90024  
Attn: Chief Executive Officer

To Executive:

At Executive's last residence as provided by Executive to the Company for payroll records.

Any party may change such party's address for the purpose of receiving notices, demands and other communications by providing written notice to the other party in the manner described in this Section 11.

12. **Governing Documents.** This Agreement, along with the documents expressly referenced in this Agreement, constitute the entire agreement and understanding of the Company and Executive with respect to the terms and conditions of Executive's employment with the Company and the payment of severance benefits, and supersedes all prior and contemporaneous written or verbal agreements and understandings between Executive and the Company relating to such subject matter. This Agreement may only be amended by written instrument signed by Executive and an authorized officer of the Company. Any and all prior agreements, understandings or representations relating to the Executive's employment with the Company are terminated and canceled in their entirety and are of no further force or effect. If any provision of this Agreement is invalid or unenforceable, the balance of the Agreement shall remain in effect, and if any provisions is inapplicable to any person or circumstance, it shall nevertheless remain applicable to all other person and circumstances.

13. **Governing Law.** The provisions of this Agreement will be construed and interpreted under the laws of the State of California. If any provision of this Agreement as applied to any party or to any circumstance should be adjudged by a court of competent jurisdiction to be void or unenforceable for any reason, the invalidity of that provision shall in no way affect (to the maximum extent permissible by law) the application of such provision under circumstances different from those adjudicated by the court, the application of any other provision of this Agreement, or the enforceability or invalidity of this Agreement as a whole. Should any provision of this Agreement become or be deemed invalid, illegal or unenforceable in any jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision will be stricken and the remainder of this Agreement shall continue in full force and effect.

14. **Remedies.** All rights and remedies provided pursuant to this Agreement or by law shall be cumulative, and no such right or remedy shall be exclusive of any other. A party may pursue any one or more rights or remedies hereunder or may seek damages or specific performance in the event of another party's breach hereunder or may pursue any other remedy by law or equity, whether or not stated in this Agreement.

15. **No Waiver.** The waiver by either party of a breach of any provision of this Agreement shall not operate as, or be construed as, a waiver of any later breach of that provision.

16. **Counterparts.** This Agreement may be executed in more than one counterpart, each of which shall be deemed an original, but all of which together shall constitute but one and the same instrument. Executed copies of the signature pages of this Agreement sent by facsimile or transmitted electronically in either Tagged Image Format Files ("TIFF") or Portable Document Format ("PDF") shall be treated as originals, fully binding and with full legal force and effect, and the parties waive any rights they may have to object to such treatment. Any party delivering an executed counterpart of this Agreement by facsimile, TIFF or PDF also shall deliver a manually executed counterpart of this Agreement but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Agreement.

17. **Section 409A.**

A. Notwithstanding anything to the contrary herein, the following provisions apply to the extent severance benefits provided herein are subject to Section 409A of Code and the regulations and other guidance thereunder and any state law of similar effect (collectively "**Section 409A**"). Severance benefits shall not commence until Executive has incurred a "separation from service" as such term is defined in Treas. Reg. Section 1.409A-1(h). Each installment of severance benefits is a separate "payment" for purposes of Treas. Reg. Section 1.409A-2(b)(2)(i), and the severance benefits are intended to satisfy the exemptions from application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9). However, if such exemptions are not available and Executive is, upon separation from service, a "specified employee" for purposes of Section 409A, then, solely to the extent necessary to avoid adverse personal tax consequences under Section 409A, the timing of the severance benefits payments shall be delayed until the earlier of (i) the date which is six (6) months and one day after Executive's separation from service, or (ii) the date of Executive's death and such delayed severance benefits shall be paid to Executive in one lump sum within 10 days after the first to occur of such dates. The parties acknowledge that the exemptions from application of Section 409A to severance benefits are fact specific, and any later amendment of this Agreement to alter the timing, amount or conditions that will trigger payment of severance benefits may preclude the ability of severance benefits provided under this Agreement to qualify for an exemption. All taxable reimbursements and in-kind benefits provided under this Agreement shall be made or provided in accordance with Section 409A including, where applicable, the requirement that (i) any reimbursement is for expenses incurred during the period of time specified in this Agreement, (ii) the amount of expenses available for reimbursement, or the in-kind benefits provided, during a calendar year may not affect the expenses eligible for reimbursement, or in-kind benefits provided, in any other calendar year, (iii) the reimbursement of an eligible expense will be made no later than the last day of the calendar year following the year in which the expense is incurred, and (iv) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit.

B. It is intended that this Agreement shall comply with the requirements of Section 409A, and any ambiguity contained herein shall be interpreted in such manner so as to avoid adverse personal tax consequences under Section 409A. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Executive for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code to payments made pursuant to this Agreement. To the extent that any severance benefit payments are delayed as required by this Agreement due to the application of Section 409A, all suspended payments shall earn and accrue interest at the prevailing "Prime Rate" of interest as published by The Wall Street Journal at the time the payment is made, and any suspended payment when so made, shall be made as a lump sum payment, including accrued interest.

18. **Section 280G.**

A. If any payment or benefit Executive will or may receive from the Company or otherwise (a "**280G Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then any such 280G Payment pursuant to this Agreement (a "**Payment**") shall be equal to the Reduced Amount. The "Reduced Amount" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "**Reduction Method**") that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "**Pro Rata Reduction Method**").

**B.** Notwithstanding any provision of Section 18.A. to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A of the Code that would not otherwise be subject to taxes pursuant to Section 409A of the Code, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A of the Code as follows: (i) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (ii) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (iii) as a third priority, Payments that are “deferred compensation” within the meaning of Section 409A of the Code shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A of the Code.

**C.** Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within fifteen (15) calendar days after the date on which Executive’s right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

**D.** If Executive receives a Payment for which the Reduced Amount was determined pursuant to clause (x) of Section 18.A. and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Executive shall promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of Section 18.A. so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) of Section 18.A. Executive shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

**19. Certain Rules of Construction.**

**A.** The headings and subheadings set forth in this Agreement are inserted for the convenience of reference only and are to be ignored in any construction of the terms set forth herein.

**B.** Wherever applicable, the neuter, feminine or masculine pronoun as used herein shall also include the masculine or feminine, as the case may be. Furthermore, where appropriate, the singular shall refer to the plural and vice versa.

**C.** The words “hereof,” “herein,” “hereunder” and similar words refer to this Agreement as a whole and not to any particular provision of this Agreement; and any subsection, Section, Schedule, Appendix or Exhibit references are to this Agreement unless otherwise specified.

**D.** The term “including” is not limiting and means “including without limitation.”

**E.** References in this Agreement to any statute or statutory provisions include a reference to such statute or statutory provisions as from time to time amended, modified, reenacted, extended, consolidated or replaced (whether before or after the date of this Agreement) and to any subordinate legislation made from time to time under such statute or statutory provision.

**F.** References to this Agreement or to any other document include a reference to this Agreement or to such other document as varied, amended, modified, novated or supplemented from time to time.

**G.** References to “writing” or “written” include any non-transient means of representing or copying words legibly, including by facsimile or electronic mail.

**H.** References to times of day are Los Angeles times and references to a day are to a period of twenty-four (24) hours running from midnight.

**I.** References to “\$” are to United States Dollars.

**J.** References to “%” are to percent.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

**HIGHTIMES HOLDING CORP.,**  
a Delaware corporation

By: /s/ Adam E. Levin

Name: Adam E. Levin

Title: Executive Chairman

Date: 4/12

**EXECUTIVE**

/s/ Neil Watanabe

Name: Neil Watanabe

Date: 4/8/19

**Hightimes Holding Corp. Announces Retail Veteran Neil Watanabe as New Executive ahead of Public Listing**

LOS ANGELES, CA - April 15, 2019 -- Hightimes Holding Corp., the most well known brand in Cannabis, today announced Neil Watanabe is joining the organization as its new Chief Operating Office (COO) and Chief Financial Officer (CFO), effective immediately.

Watanabe joins Hightimes from US Auto Parts, Inc. (NASDAQ: PRTS), where he served as CFO for one of the largest e-commerce aftermarket automotive parts resellers through their proprietary ecommerce sites including eBay and Amazon. Watanabe brings with him an extensive background in retail operations, strategic planning and operational management, along with a deep appreciation for High Times and its unique position in the growing cannabis ecosystem.

"I couldn't be more thrilled to welcome Neil to Hightimes, where he will undoubtedly make an immediate impact as we prepare to become a publicly traded company," said Adam Levin, Executive Chairman of Hightimes. "I believe Neil's leadership in growing both private and public companies as well as his background overseeing thousands of retail locations both domestic and international will be uniquely advantageous as we continue to look at new opportunities for the company."

Prior to US Auto Parts, Watanabe served as EVP and CFO of Anna's Linens, Inc., the leading home textile specialty retailer with hundreds of locations across the United States. In this position he reduced monthly financial closing by three weeks, and achieved the single highest EBITDA financial performance for any year in the companies history.

"I can't imagine a more exciting time to join Hightimes," mentioned Neil Watanabe. "I have grown up reading the flagship publication and believe in the strength of leveraging the brand to achieve profitable revenue growth. I am excited to join Kraig and Adam as they continue to build a world renowned operation. I recognize the tremendous opportunity toward improving operating performance."

Watanabe will report directly to Kraig Fox. He will succeed David Newberg, who has served as Hightimes's CFO for the past two years. Newberg will remain at Hightimes and will report to Watanabe as the Vice President of Finance.

"David's commitment to Hightimes has been vital to everything this company has achieved during the time he served as CFO," said Levin. "I am grateful for all he has done."

Watanabe has held various other retail executive positions, including serving as the COO of National Stores, Inc, Motherhood Maternity and Sears Health and Nutrition. Watanabe has also held CFO positions at Anna's Linens, Mac Frugal's Bargain Closeout, Petsmart and Shoe Pavillion. Watanabe is also a Certified Public Accountant, and has a degree from the University of California, Los Angeles.

**About High Times**

For more than 44 years High Times has been the world's most well-known cannabis brand - championing the lifestyle and educating the masses on the benefits of this natural flower. From humble beginnings as a counterculture lifestyle publication, High Times has evolved into hosting industry-leading events like the Cannabis Cup and the High Times Business Summit, while providing digital TV and social networks, globally distributed merchandise, international licensing deals, and millions of fans and supporters across the globe. In the world of Cannabis, High Times is the arbiter of quality.

**Forward Looking Statements**

This press release may contain information about Hightimes Holding Corp.'s view of its future expectations, plans and prospects that constitute forward-looking statements. Actual results may differ materially from historical results or those indicated by these forward-looking statements as a result of a variety of factors including, but not limited to, risks and uncertainties associated with its ability to maintain and grow its business, variability of operating results, its development and introduction of new products and services, marketing and other business development initiatives, among other things. For further information about Hightimes, Hightimes encourages you to review its filings with the Securities and Exchange Commission, including its Form 1-A Offering Circular dated July 26, 2018 and all subsequent filings, including its Current Reports on Form 1-U.

For more information on High Times visit <http://www.hightimes.com>.

For Hightimes financial information visit <http://www.hightimesinvestor.com>.