

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA**

CHERYLANN BORGHETTI, et al.,)	
)	
Plaintiffs,)	
v.)	Civil No. 19-798
)	
CBD USA GROWN, INC., et al.)	
)	
Defendants.)	

ORDER AND FINDINGS ON DAMAGES

On September 8, 2020, the Court found Defendants CBD USA Grown, Inc., KMA Holdings Group, LLC, and Greenleaf Golden Enterprises, LLC (the Corporate Defendants) in Default, and that Default Judgment against said Defendants was warranted. Op. and Order, Sept. 8, 2020, ECF No. 62. The Clerk of Courts entered Default against the Corporate Defendants on September 11, 2020. ECF No. 66. An evidentiary hearing to determine Plaintiffs’ damages was held on October 8, 2020. Plaintiffs, Cherlyann Borghetti and Peter Borghetti, each submitted detailed Affidavits and Exhibits to support each of their request for damages. At the hearing, based on said Affidavits and Exhibits, Plaintiffs’ counsel set forth a detailed request for damages related to each Count in the Complaint. Counsel proffered the testimony of each Plaintiff, both of whom were present at the hearing, in support of their request for damages

I. Damages Sought

Peter Borghetti seeks damages from the Corporate Defendants’ violation of the Pennsylvania Wage Payment and Collection law by failing to pay him unpaid salary and by failing to provide him with a severance payment. Counts I and II. Peter Borghetti also claims damages for the Corporate Defendants breach of their contractual obligation to reimburse him

for business expenses, and to pay for healthcare as promised, resulting in personal healthcare expenditures for which he seeks reimbursement. Count III.

Cherlyann Borghetti seeks damages from CBD for breaching its contractual obligation to pay her dividends, and for committing fraud, violating Pennsylvania state securities laws, and violated Federal Securities law. Counts IV, VI, VIII, X, XII, and XIII.

Finally, Peter Borghetti seeks damages from CBD for breaching its contractual obligation to pay him dividends, and for committing fraud, violating Pennsylvania state securities laws, and violated Federal Securities law. Counts V, VI, VII, IX, XI, XII, and XIII.

II. Findings on Damages

Based on the evidence presented at the hearing, the Affidavits and Exhibits, and the proffered testimony of Plaintiffs, the Court makes the following findings with respect to damages.

A. Peter Borghetti v. the Corporate Defendants

With respect to Counts I, II, and III, asserted by Peter Borghetti against all three Corporate Defendants, Peter Borghetti is entitled to the following damages:

1. \$17,300.70 in unpaid back wages;
2. \$112,500.00 in wages due under the employment contract;
3. \$6,492.24 in health insurance under the employment contract;
4. \$225,000 in salary due upon severance;
5. \$12,973.08 in health insurance due upon severance;
6. \$15,000 in whole life insurance due upon severance;
7. \$1,579.31 for unreimbursed business expenses; and
8. \$2,173.52 for reimbursement of out-of-pocket health insurance payments.

B. Cherylann Borghetti v. CBD USA Grown, Inc.

With respect to Counts IV, VI, VIII, X, XII, and XIII, asserted by Cherylann Borghetti against CBD USA Grown, Inc., Cherylann Borghetti is entitled to the following damages:

1. \$20,000 the face value of stock amount due;
2. \$10,000 in unpaid 2018 dividends;
3. \$10,000 in unpaid 2019 dividends;
4. \$10,000 of unpaid 2020 dividends: and
5. \$2,000 representing an unpaid relinquishment bonus.

C. Peter Borghetti v. CBD USA Grown, In

With respect to Counts V, VI, VII, IX, XI, XII, and XIII, asserted by Peter Borghetti against CBD USA Grown, Inc., Peter Borghetti is entitled to the following damages:

1. \$70,000 the face value of stock amount due;
2. \$10,000 in unpaid 2018 dividends;
3. \$35,000 in unpaid 2019 dividends;
4. \$35,000 of unpaid 2020 dividends: and
5. \$7,000 representing an unpaid relinquishment bonus.

III. Conclusion

As to Counts I, II, and III, Judgment in the amount of \$393,018.85 will be entered in favor of Peter Borghetti and against all three Corporate Defendants.


As to Counts IV, VI, VIII, X, XII, and XIII, Judgment in the total amount of \$52,000.00 will be entered in favor of Cherylann Borghetti and against CBD USA Grown, Inc.

As to Counts V, VI, VII, IX, XI, XII, and XIII, Judgment in the total amount of \$157,000.00 will be entered in favor of Peter Borghetti and against CBD USA Grown, Inc.

An appropriate Judgment Order shall be entered.

IT IS SO ORDERED:

Dated: October 14, 2020



Marilyn J. Horan
United States District Court Judge

cc: CBD USA Grown, Inc. (by certified and regular mail)
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