

# Namaste Technologies Inc

07:54 08 Oct 2018

## Short-seller Andrew Left's Citron Research doubles down on Namaste Technologies, calls it a 'fraud'

Short-seller Andrew Left's Citron Research is doubling down on claims that cannabis e-commerce platform Namaste Technologies Inc (CVE:N, OTCQB:NXTTF) is a fraud.

Citron proves without a doubt the fraud being committed at Namaste Tech \$Nxttf. This \$700 mil company will be a 0 one regulators and accountants read. <https://t.co/c7c2uphNzM>

— Citron Research (@CitronResearch) October 4, 2018

In a research report, Citron said it had never seen such a blatant fraud being perpetrated and referred to Namaste's CEO Sean Dollinger as "a walking securities violation."

READ: Namaste Technologies CEO Sean Dollinger fires back after Andrew Left calls the stock a 'joke'

The report suggested that if Vancouver-based Namaste was a US company, its shares would be halted, and its CEO would face charges.

Nasdaq listing

Last month, Namaste confirmed its plans to uplist to the Nasdaq, citing its jump in sales and increase in share price.

The company reported revenue of \$1.65 million for the month of August, 50% higher than the year-ago period.

Citron's no-holds-barred report said the uplisting claim was fake and used for the sole purpose of luring investors into buying the stock, going on to say that the exchange would "laugh Dollinger out of the room given his seedy background and the company's opaque finances."

Namaste's share price as of Thursday afternoon was \$1.70, below the Nasdaq listing requirement of \$4 per share, but has reached a 52-week high of \$3.47.

Divesting its US assets

In November 2017, Namaste said that it reached a \$400,000 agreement with ESC Hughes Holdings Limited to sell its wholly-owned US subsidiary, Dollinger Enterprises US Inc.

The US asset operated two vaporizer websites that had yet to generate a profit.

The company **stated** that the uncertain climate of the US cannabis market had led to the decision to divest its US assets and focus on the legal cannabis markets.

The report includes a document that appears to show that Namaste executive David Hughes bought Dollinger Enterprises, not a European group as the company had stated.

Price: 0.52

Market Cap: \$168.36 m

### 1 Year Share Price Graph



January 2019 July 2019 January 2020

### Share Information

Code: N

Listing: TSX-V

52 week	High	Low
	1.59	0.26

Sector: Cannabis

Website [www.namastetechnologies.com](http://www.namastetechnologies.com)

### Company Synopsis:

With headquarters in Toronto, ON, and offices in both B. C. and around the globe, Namaste Technologies is a leading online platform for cannabis products, accessories, and responsible education. The company's 'everything cannabis store', CannMart.com, provides customers with a diverse selection of hand-picked products from a multitude of federally-licensed cultivators, all on one convenient site.

action@proactiveinvestors.com

"By selling our US arm, not only will we be selling it at fair market value, which will give our company positive cash flow for the next twelve months, but the removal of the division will allow us to become profitable by the summer of 2018," said Dollinger on the November 2017 **call**.

The report highlights Namaste's losses and accuses the company of paying money to undisclosed parties, pointing to what it calls "\$2.6 million in inexplicable consulting fees."

#### Valuation

The report points to Turning Point Brands Inc's (NYSE:TPB) recent acquisition of Vapor Group, a company with \$48 million in revenue and \$5 million in EBITDA, in \$24 million deal.

Citron claims that based on this transaction, even if Namaste was a legitimate company with break-even revenue, it would only be worth \$0.26 per share.

#### History

Left and Dollinger have sparred before following Citron Research's tweet about Namaste in September.

Namaste \$N Canada. Some cannabis stocks are overvalued, and some are total jokes. This is a joke Drop it like its hot' after the pledge party prohibits listing in US, downside: 80%. That .50

— Citron Research (@CitronResearch) September 14, 2018

"Tell [Left] he can come and hang out with me on the weekend, travel around the world," Dollinger told Proactive Investors in an exclusive phone interview last month. "Tell him it's a formal invite from me. Have him videotape everything we're doing on site, we'll prove to him that he's the joke."

Citron Research stated it expects to release an additional report on Namaste.

Shares of Namaste fell more than 5% to \$1.71 in Thursday afternoon trading.

Cannabis companies CV Sciences Inc (OTCQB:CVSI), Cronos Group Inc (NASDAQ:CRON) and Tilray Inc (NASDAQ:TLRY) have all been targeted by the short-seller.

Namaste Technologies declined to comment on the story at this time.

--Updated to include recent share price and additional information

Contact Lenore Fedow at [lenore@proactiveinvestors.com](mailto:lenore@proactiveinvestors.com)

Follow her on Twitter: [@LenoreMariee](https://twitter.com/LenoreMariee)

Proactive Investors facilitate the largest global investor network across 4 continents in 4 languages. With a team of analysts journalists & professional investors Proactive produce independent coverage on 1000's of companies across every sector for private investors, private client brokers, fund managers and international investor communities.

Contact us +44 (0)207 989 0813 [action@proactiveinvestors.com](mailto:action@proactiveinvestors.com)

#### No investment advice

The Company is a publisher. You understand and agree that no content published on the Site constitutes a recommendation that any particular security, portfolio of securities, transaction, or investment strategy is suitable or advisable for any specific person. You understand that the Content on the Site is provided for information purposes only, and none of the information contained on the Site constitutes an offer, solicitation or recommendation to buy or sell a security. You understand that the Company receives either monetary or securities compensation for our services. We stand to benefit from any volume which

any Content on the Site may generate.

You further understand that none of the information providers or their affiliates will advise you personally concerning the nature, potential, advisability, value, suitability or profitability of any particular security, portfolio of securities, transaction, investment, investment strategy, or other matter.

You understand that the Site may contain opinions from time to time with regard to securities mentioned in other products, including Company-related products, and that those opinions may be different from those obtained by using another product related to the Company. You understand and agree that contributors may write about securities in which they or their firms have a position, and that they may trade such securities for their own account. In cases where the position is held at the time of publication and such position is known to the Company, appropriate disclosure is made. However, you understand and agree that at the time of any transaction that you make, one or more contributors may have a position in the securities written about. You understand that price and other data is supplied by sources believed to be reliable, that the calculations herein are made using such data, and that neither such data nor such calculations are guaranteed by these sources, the Company, the information providers or any other person or entity, and may not be complete or accurate.

From time to time, reference may be made in our marketing materials to prior articles and opinions we have published. These references may be selective, may reference only a portion of an article or recommendation, and are likely not to be current. As markets change continuously, previously published information and data may not be current and should not be relied upon.

The Site does not, and is not intended to, provide investment, tax, accounting, legal or insurance advice, and is not and should not be construed as providing any of the foregoing. You should consult an attorney or other relevant professional regarding your specific legal, tax, investment or other needs as tailored to your specific situation.

In exchange for publishing services rendered by the Company on behalf of Namaste Technologies Inc named herein, including the promotion by the Company of Namaste Technologies Inc in any Content on the Site, the Company receives from said issuer annual aggregate cash compensation in the amount up to  
Twenty Five Thousand dollars (\$25,000).