

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

FORM 10-Q/A
(Amendment No. 1)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended May 31, 2020

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___ to ___

Commission File Number: **000-55418**



KUSHCO HOLDINGS, INC.
(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction of incorporation or organization)

46-5268202
(I.R.S. Employer Identification No.)

6261 Katella Avenue, Suite 250, Cypress, CA 90630
(Address of principal executive offices, including zip code)

(714) 462-4603
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.001 per share	KSHB	OTCQX

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)
Yes No

The number of outstanding shares of the Registrant's common stock as of July 7, 2020 was 125,576,568 shares.

KuschCo Holdings, Inc. (the "Company") filed its Quarterly Report on Form 10-Q for the period ended May 31, 2020 with the Securities and Exchange Commission on July 9, 2020 (the "Original Filing"). The Company is filing this Amendment No. 1 on Form 10-Q/A (this "Amendment") to (i) indicate by check mark on the cover of the Amendment that the Company had not filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the 12 months preceding the Original Filing, (ii) amend Item 5(a) of Part II to disclose information that was required to be disclosed in a Current Report on Form 8-K during the period covered by this Quarterly Report on Form 10-Q, but which was not timely reported on a Current Report on Form 8-K during that period, and (iii) amend Item 6 of Part II to include Exhibit 10.2, Severance Agreement, dated April 10, 2020, by and between the KIM International Corporation, a subsidiary of Company, and Christopher Tedford, which should have been filed as an exhibit to the Form 8-K discussed in (ii) above.

Pursuant to Rule 12b-15 under the Securities Exchange Act of 1934, as amended, this Amendment contains only the changes noted above. Those sections or exhibits of the Original Filing that are unaffected by this Amendment (including the unaudited condensed consolidated financial statements included in the Original Filing, which did reflect the payments described in Item 5(a) of this Amendment) are not included herein.

This Amendment continues to speak as of the date of the Original Filing, and the Company has not updated the disclosure contained herein to reflect events that have occurred since the filing of the Original Filing. Accordingly, this Amendment should be read in conjunction with the Company's other filings made with the Securities and Exchange Commission subsequent to the filing of the Original Filing.

PART II. OTHER INFORMATION

Item 5. Other Information.

As previously reported in a Current Report on Form 8-K filed with the Commission on March 26, 2020, on March 20, 2020, it was determined that Christopher Tedford would step down from his position as Chief Financial Officer of the Company. Mr. Tedford's separation from the Company became effective on April 10, 2020

On April 10, 2020, KIM International Corporation, a subsidiary of the Company, and Mr. Tedford entered into a Severance Agreement and Release (the "Severance Agreement"). The Severance Agreement provides that, among other things, upon Mr. Tedford's execution of the Severance Agreement and his return of all Company property (as defined in the Severance Agreement) and subject to his compliance with all of the terms of the Severance Agreement, including that he not revoke his acceptance of the Severance Agreement within the applicable seven-day revocation period, Mr. Tedford will receive the following severance benefit(s) (less appropriate taxes and withholdings as authorized by law) (the "Severance") in accordance with the following schedule:

- On or before 10 business days following the Effective Date (as defined below), the Company will pay Mr. Tedford \$87,500.00;
 - On or before the date which is 90 days following the Effective Date, the Company will pay Mr. Tedford \$25,000.00;
 - On or before the date which is 180 days following the Effective Date, the Company will pay Mr. Tedford \$25,000.00;
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- On or before May 13, 2020, the Company will pay Mr. Tedford a cash payment of \$27,123.00, which represents the value of the 15,769 shares of restricted Company common stock previously issued to Mr. Tedford as a discretionary bonus.
- Following the Effective Date, the Company will pay Mr. Tedford six equal cash payments equal to \$1,722.00 (the “Cash Benefit Payments”) on a monthly basis, which represents the cash value of Mr. Tedford’s requested health benefits following his employment termination date. Notwithstanding anything to the contrary should Mr. Tedford obtain full-time employment and health benefit from a new employer, any unpaid Cash Benefit Payments will be null and void.

For purposes of the Severance Agreement, “Effective Date” means the date immediately following the expiration of the Revocation Period.

The Severance Agreement also contains a general release in favor of the Company.

The foregoing is a summary only and does not purport to be a complete description of all of the terms, provisions, covenants and agreements contained in the Severance Agreement, and is subject to and qualified in its entirety by reference to the complete text of the Severance Agreement, a copy of which is filed as Exhibit 10.2 to this Quarterly Report on Form 10-Q and is incorporated by reference herein.

Item 6. Exhibits

The following exhibits are filed as part of this Quarterly Report on Form 10-Q. Where such filing is made by incorporation by reference to a previously filed document, such document is identified.

Exhibit Number	Description of Exhibit
3.1.1	Amended and Restated Bylaws of KushCo Holdings, Inc., amended and restated as of July 6, 2020.
3.1.2	Amended and Restated Bylaws of KushCo Holdings, Inc., with changes marked against original bylaws of KushCo Holdings, Inc. dated as of March 7, 2014.
4.1	Form of Third Exchange Note (incorporated by reference to Exhibit 4.1 to the Current Report on Form 8-K (File No. 000-55418) filed on June 10, 2020).
10.1	Form of Securities Purchase Agreement dated February 6, 2020 (incorporated by reference to Exhibit 10.1 to the Current Report on Form 8-K (File No. 000-55418) filed February 10, 2020).
10.2*	Severance Agreement and Release, dated April 10, 2020, by and between KIM International Corporation, a subsidiary of KushCo Holdings, Inc., and Christopher Tedford.
31.1*	Certification of principal executive officer pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of principal financial and accounting officer pursuant to Rules 13a-15(e) and 15d-15(e), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of principal executive officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to Exhibit 32.1 to the Quarterly Report on Form 10-Q (File No. 000-555418), filed on July 9, 2020).
32.2	Certification of principal financial and accounting officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (incorporated by reference to Exhibit 32.2 to the Quarterly Report on Form 10-Q (File No. 000-555418), filed on July 9, 2020).
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Labels Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

* Filed herewith.

* This certification shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, or otherwise subject to the liability of that section, nor shall it be deemed to be incorporated by reference into any filing under the Securities Act of 1933 or the Securities Exchange Act of 1934.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: January 11, 2021

By: /s/ Nicholas Kovacevich
Nicholas Kovacevich
Chairman and Chief Executive Officer
(principal executive officer)

Date: January 11, 2021

By: /s/ Stephen Christoffersen
Stephen Christoffersen
Chief Financial Officer
(Principal Financial Officer)

SEVERANCE AGREEMENT AND RELEASE

This Severance Agreement and Release (this "Agreement"), dated as of the last date set forth on the signature page hereof but effective as of the Effective Date defined in Section 3 below, is hereby made and entered into by and between KIM International Corporation, a subsidiary of KushCo Holdings, Inc. (collectively, the "Company") and Christopher Tedford, an individual ("Employee").

RECITALS

- A. Employee was employed by the Company and last held the position of Chief Financial Officer;
- B. Employee was an at-will employee and Employee's employment with the Company ended on April 10, 2020 (the "Termination Date");
- C. Employee and the Company are parties to the Restricted Stock Agreement dated December 2, 2019, attached hereto as an attachment (the "RSA"). Pursuant to the RSA, Employee was issued 15,769 shares of KushCo Holdings, Inc. common stock as a discretionary bonus. The Company has agreed to issue a cash payment in lieu of the shares of KushCo Holdings common stock pursuant to the RSA as set forth in Section 2 below.
- D. Employee acknowledges the receipt of all wages, salary, bonuses, benefits, vacation pay, expense reimbursement or any other monies owed by the Company to Employee. Aside from the Severance described below, Employee acknowledges that Employee is not entitled to any additional future compensation from the Company; and
- E. The Company has offered, and Employee has accepted, the Severance as described below in exchange for a waiver and release of all claims and other provisions in this Agreement. This Agreement is therefore entered into by the Company and Employee to document the parties' agreement regarding the terms of Employee's separation from the Company.

NOW, THEREFORE, IN RELIANCE OF THE ABOVE RECITALS AND IN CONSIDERATION of the promises, covenants and agreements herein contained, the parties agree as follows:

1. **General Release.** In consideration of the Company's payment to Employee of the Severance as described in Section 2 the sufficiency for which is hereby acknowledged, Employee on Employee's own behalf and on behalf of Employee's dependents, heirs, successors and assigns, hereby releases and covenants not to sue the Company, or its subsidiaries, parents or affiliated entities (including but not limited to: KIM International Corporation, KushCo Holdings, Inc., Kush Supply Co., LLC, KCH Energy, LLC, The Hybrid Creative LLC, Koletto LLC, Celeritas Industries, Inc. and KCH Distribution, Inc. (Canada)), or their respective past, present or future directors, officers, members, managers, owners, shareholders, partners, trustees, supervisors, employees, attorneys, consultants, receivers, insurers, and agents, and all persons acting by, through, under or in concert with any of them, and each of their respective heirs, predecessors, successors, and assigns (hereinafter collectively "Releasees") from and for all rights, claims, liabilities, actions and suits of all kinds and descriptions that Employee may have against any or all Releasees arising on or prior to the date Employee signs this Agreement or

arising out of Employee's employment with the Company or the termination thereof ("Claim" or "Claims"), including, but not limited to, any claim for wages, bonus, incentive compensation, commissions, accrued vacation pay, sick leave, holiday pay, meal/rest periods, severance pay, overtime, penalties, any wage and/or hour violation, breach of contract, breach of quasi contract, breach of implied contract, entitlement under any leave laws, health or medical insurance, pension or retirement benefits, or any other employment benefits, any claim for employment discrimination, whether on the basis of race, age, sex, national origin, religion, sexual orientation, marital status, veterans status, disability, union membership, or any other protected basis, retaliation or harassment of any kind, wrongful termination, slander, defamation, invasion of privacy, or emotional distress. Without limiting the generality of the foregoing, Employee acknowledges and agrees that among the claims released are those arising under Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Fair Labor Standards Act, the Age Discrimination in Employment Act, the Equal Pay Act, the Americans with Disabilities Act, the Employee Retirement and Income Security Act, the Worker Adjustment and Retraining Notification Act, the Older Workers Benefit Protection Act, the Family and Medical Leave Act, the Genetic Information Non-Discrimination Act, the Lilly Ledbetter Fair Pay Act of 2009, the Fair Credit Reporting Act, the False Claims Act, the Sarbanes-Oxley Act, the Uniformed Services Employment and Reemployment Rights Act, the Occupational and Safety Health Act, the California Worker Adjustment and Retraining Notification Act, the California Fair Employment and Housing Act, the California Labor Code and Industrial Welfare Commission Orders, the California Constitution, the California Family Rights Act, the California Business and Professions Code, or any other claim based upon any federal, state, or local law or any alleged wrongful conduct or injury arising out of or in any way connected with any acts or omissions occurring on or prior to the date Employee signs this Agreement.

This general release and waiver of claims however excludes, and the Employee does not waive, release, or discharge: (A) any right to file an administrative charge or complaint with the Equal Employment Opportunity Commission, the California Department of Fair Employment and Housing, the Occupational Safety and Health Administration, and the Securities and Exchange Commission ("SEC"), or other similar federal or state administrative agencies, although the Employee waives any right to monetary relief related to such a charge or administrative complaint; provided, however, that nothing herein shall be construed to waive or limit Employee's ability to receive any bounty or award for information provided to the SEC concerning suspected violations of law; (B) claims which cannot be waived by law; and (C) any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of the applicable plan documents and award agreements.

2. **Severance and Acknowledgment.** Upon Employee's execution of this Agreement and the return of all Company property referenced in Section 10 below, subject to Employee's compliance with all of the terms of this Agreement, and further provided that Employee signs and does not revoke this Agreement pursuant to Section 3 below, in consideration of the promises made herein, Employee shall receive the following severance benefit(s) (less appropriate taxes and withholdings as authorized by law) (the "Severance") in accordance with the following schedule:

- On or before ten (10) business days following the Effective Date the Company shall issue Employee Eighty-Seven Thousand Five Hundred and No/100 Dollars (\$87,500.00);

- On or before the date which is ninety (90) days following the Effective Date the Company shall issue Employee Twenty-Five Thousand and No/100 Dollars (\$25,000.00);
- On or before the date which is one hundred eighty (180) days following the Effective Date the Company shall issue Employee Twenty-Five Thousand and No/100 Dollars (\$25,000.00);
- On or before May 13, 2020, the Company shall issue Employee a cash payment of Twenty- Seven Thousand One Hundred Twenty Three and No/100 Dollars (\$27,123.00), which represents the value of the 15,769 shares of KushCo Holdings, Inc. common stock issued to Employee as a discretionary bonus pursuant to the RSA.
- Following the Effective Date, the Company shall issue Employee six (6) equal cash payments equal to One Thousand Seven Hundred Twenty-Two and No/100 Dollars (\$1,722.00) (the “Cash Benefit Payments”) on a monthly basis, which represents the cash value of Employee’s requested health benefits following Employee’s Termination Date. Notwithstanding anything to the contrary should the Employee obtain full-time employment and health benefits from such new employer, any unpaid Cash Benefit Payments shall be null and void.

Employee affirms and warrants that Employee has reported all hours worked and appropriately received all compensation, wages, overtime pay (if applicable), expense reimbursements, bonuses, commissions, incentive compensation, vacation pay/PTO, sick pay, meal and rest breaks, benefits and other payments to which Employee was entitled (hereinafter “Monies”), including, but not limited to, those under the Fair Labor Standards Act and any other federal, state, or local wage and hour law, regulation or ordinance. Except for the Severance set forth herein in this Section 2, Employee expressly acknowledges and agrees that the Company does not now owe and will not in the future owe Employee any additional Monies of any kind whatsoever. Employee further affirms and warrants that Employee has appropriately received any leave (paid and unpaid) to which Employee was entitled, including, but not limited to, leave under the Family and Medical Leave Act and any other federal, state, or local leave or disability accommodation law, regulation or ordinance. Employee further acknowledges and agrees that Employee shall not be entitled to and shall not seek any other benefits or Monies from the Company.

3. **Older Workers’ Benefit Protection Act/Age Discrimination in Employment Act Waiver**. This Agreement is intended to satisfy the requirements of the Older Workers’ Benefit Protection Act, 29 U.S.C. sec. 626(f). The following general provisions, along with the other provisions of this Agreement, are agreed to for this purpose:

- A. Employee acknowledges and agrees that Employee has read and understands the terms of this Agreement.
- B. Employee acknowledges that this Agreement advises Employee that Employee may consult with an attorney before executing this Agreement, and that Employee has obtained and considered such legal counsel as Employee deems necessary, such that Employee is entering into this Agreement knowingly and voluntarily.

- C. Employee acknowledges that Employee has been given at least twenty-one (21) days to consider this Agreement. Employee understands that Employee may elect not to use the 21-day period, and Employee has so elected.
- D. This Agreement shall not become effective or enforceable as to Employee until the eighth day after Employee signs this Agreement. Revocation must be in writing and received by Rhiana Barr, KIM International Corporation, 6261 Katella Ave., Suite 250, Cypress CA 90630, Rhiana.Barr@kushco.com, by 5:00 p.m. pacific standard time on the seventh day in order to be effective. If Employee does not revoke acceptance within the seven (7) day period, Employee acceptance of this Agreement shall become binding and enforceable on the eighth day ("Effective Date").
- E. This Agreement does not waive or release any rights or claims that Employee may have under the Age Discrimination in Employment Act ("ADEA") that arise after the execution of this Agreement.

4. **Civil Code Section 1542.** It is understood and agreed that this is a full, complete and final general release of any and all claims described as aforesaid, and that Employee agrees that it shall apply to all unknown, unanticipated, unsuspected and undisclosed claims, demands, liabilities, actions or causes of action, in law, equity or otherwise, as well as those which are now known, anticipated, suspected or disclosed. This release includes a release under § 1542 of the Civil Code of the State of California. Section 1542 reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

Employee hereby expressly waives and relinquishes all rights and benefits under that section and any law or legal principle of similar effect in any jurisdiction with respect to the release granted in this Agreement.

5. **No Pending Claims.** Employee acknowledges and agrees that Employee has no pending lawsuit, administrative charge, or complaint against the Company or any of the other Releasees, in any court or with any governmental agency. Employee also agrees that, to the extent permitted by law and subject to the provisions in Sections 1 and 18, Employee will not allow any lawsuit, administrative charge, or complaint to be pursued on Employee's behalf. Employee further agrees that Employee will not participate, cooperate, or assist in any litigation against the Releasees in any manner, to the extent permitted by law and subject to the provisions in Sections 1 and 18. If lawfully subpoenaed by a court of this jurisdiction, Employee agrees to provide the Company written notice of such a subpoena within five days of receipt.

6. **Confidential Information.** Employee acknowledges that Employee has acquired information, in the course of Employee's employment with the Company, regarding the Releasees, which constitutes Confidential Information (as defined below), and which is and remains the exclusive property of the Releasees. Employee acknowledges that this Confidential Information could be used to the detriment of the Releasees. Therefore, Employee agrees that, subject to the exceptions stated in Section 18, and except as required by law, Employee shall not divulge to any other person, firm, corporation or legal entity, any Confidential Information or

trade secret of any Releasee. The term “Confidential Information” as used herein, means all information or material not generally known by the public which: (a) gives any Releasee some competitive business advantage or the opportunity of obtaining such advantage or the disclosure of which could be detrimental to the interests of any Releasee; and (b) is owned by any Releasee or in which any Releasee has an interest; and (c) is either marked “Confidential Information,” “Proprietary Information” or with other similar marking, is known by Employee to be considered confidential and proprietary by any Releasee, or from all the relevant circumstances should reasonably be assumed by Employee to be confidential and proprietary to any Releasee. Confidential Information includes, but is not limited to, the following types of information and other information of a similar nature (whether or not reduced to writing): trade secrets, inventions, drawings, file data, documentation, diagrams, specifications, know how, processes, formulas, models, flow charts, products in various stages of development, source codes, object codes, research and development procedures, research or development and test results, marketing techniques and materials, marketing and development plans, price lists, tax information (including, without limitation, tax strategies, tax planning, tax structuring and tax returns), Company strategies, Company structuring, inter-Company relations and agreements, pricing policies, billing practices, business plans, information and lists relating to potential or actual clients, customers’ identities, characteristics and agreements, insurance information, risk management information, human resources and personnel information (other than pay information regarding the Employee himself/herself, financial information and projections, legal department information, audit information, trust information, income information and employee files. Confidential Information also includes any confidential, non-public information described above which any Releasee obtains from another party and treats as proprietary or designates as Confidential Information, whether or not owned or developed by such Releasee. Employee acknowledges that, notwithstanding this Agreement, Employee shall continue to be bound by the covenants and other provisions of any Employee Non-Disclosure and Invention Assignment Agreement that Employee entered into during Employee’s employment with the Company.

7. **Confidentiality.** The terms of the Agreement shall be confidential, subject to the exceptions stated in Section 18. Accordingly, Employee agrees to not make any public statement about, not disclose to any third party, the fact of, or contents or terms of this Agreement, unless necessary to implement or enforce its terms, or to seek tax or legal advice regarding this Agreement. Employee will not disclose information about this Agreement to Employee’s spouse or Employee’s financial, tax and legal advisors, until they have first been advised of this confidentiality provision. Specifically, Employee will not disclose any information about this Agreement, or the Severance made pursuant to this Agreement, to any current or former employee of the Company. In the event that Employee’s attorney, financial or tax advisor, or spouse engages in conduct that would breach this section, such conduct shall constitute a breach of this section just as if Employee had engaged in such conduct. Employee understands and agrees that any disclosures in violation of this section shall constitute and be treated as a material breach of this Agreement. Employee and the Company agree that a breach of this confidentiality provision would constitute irreparable harm to Company and that, in the event of any breach of this Section, Company may obtain an injunction prohibiting future breaches.

8. **Reports.** Employee further represents that Employee (i) has reported to the Company any and all work-related injuries incurred during employment; (ii) the Company properly provided any leave of absence because of Employee or a family member’s health condition and Employee has not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave; and (iii) Employee has provided the Company with written notice of any and all concerns regarding suspected bank fraud, wire fraud, mail fraud, securities fraud, any

violation of a rule or regulation of the SEC, any violation of federal law, or any violation of the Company's Code of Business Conduct, or any other ethical and compliance issues or violations on the part of the Company or any released person or entity.

9. Additional Benefit. Employee represents and agrees that the Company's payment of the Severance described above is not required by any agreement or by any of the Company's policies or procedures or by any act or omission by the Company or any Releasee, or any of them. Employee understands that the Severance is an additional benefit for which Employee is not eligible unless Employee elects to sign this Agreement.

10. Return of Company Property. Employee represents and warrants that Employee will return to the Company any and all of the Company's equipment, cellular telephone, iPhone/blackberry, tablets, laptop computers, hand-held electronic devices, files, documents, and other materials which were given to Employee by the Company for Employee's use during Employee's employment or which are otherwise in Employee's possession, custody or control on the Termination Date, including, without limitation, all corporate credit cards, employee identification badges, and all building keys and access cards, in each case, in the same condition as such materials were in when given to Employee by the Company (normal wear and tear excepted). Employee will also provide the Company with the location of any security information which Employee used in connection with Employee's employment. Employee also agrees to promptly return any subsequently discovered Company property.

11. No Disparagement; Social Media. To the fullest extent permitted by law, and subject to the exceptions stated in Section 18, Employee agrees that, from and after the date Employee signs this Agreement, Employee will not disparage or publish or disseminate information, whether oral or written (which includes, but is not limited to, statements made directly, indirectly or through any third person on or through any online, social media, electronic, digital or other media), that is derogatory in any manner to any Releasee or its business or his/her personal reputation, whether such information was acquired before, during or after Employee's employment with the Company. In addition, on the Termination Date, Employee agrees to update Employee's profile on social media websites (such as LinkedIn) to reflect that Employee is no longer an employee of the Company. The Company agrees that, from and after the date Employee signs this Agreement, the Company's executive members (c-level executives and above) will not disparage or publish or disseminate information, whether oral or written (which includes, but is not limited to, statements made directly, indirectly or through any third person on or through any online, social media, electronic, digital or other media), that is derogatory in any manner to the Employee, whether such information was acquired before, during or after Employee's employment with the Company. Employee and the Company agree that the non-disparagement provision set forth in this section is a material term of this Agreement and that breach of this section of the Agreement constitutes a material breach of this Agreement.

12. Confirmation. Subject to the exceptions stated in Section 18, Employee represents and warrants that Employee is not aware, to the best of Employee's knowledge, of any conduct on Employee's part or on the part of another Company employee that violated the law or otherwise exposed the Company to any liability, whether criminal or civil, whether to any government, individual or other entity, and that Employee is not aware of any material violations by the Company and/or its employees, officers, directors and agents of any statute, regulation or other rules that have not been addressed by Company through appropriate compliance and/or corrective action. Further, Employee represents and warrants that Employee has not suffered any sexual harassment or sexual abuse in connection with Employee's employment by the Company,

or by any officer, manager, employee, agent, customer or supplier of the Company; that Employee is not currently aware of any facts or circumstances that would give rise to a sexual harassment or sexual abuse claim against the Company and/or any of the Releasees; and that this Agreement and the Severance is not a settlement or payment related to a sexual harassment or sexual abuse claim.

13. Reference. Employee agrees that any request for a reference from a prospective employer shall be directed to the Company's Human Resources Department. The Company agrees that in response to any inquiry from a prospective employer to the Company's Human Resources Department, the Company shall make no comment other than to confirm dates of employment and last position held. The Company may provide, at its sole discretion, a recommendation upon written request by Employee.

14. Cooperation. In the event that the Company or any of its affiliates becomes involved in any civil or criminal litigation, administrative proceeding or governmental investigation, Employee shall, upon request, provide reasonable cooperation and assistance to the Company, including without limitation, furnishing relevant information, attending meetings and providing statements and testimony. The Company will reimburse Employee for all reasonable and necessary expenses Employee incurs in complying with this Section 14. If necessary for any employer of Employee, the Company will provide Employee with a proper subpoena in order to obtain Employee's reasonable cooperation with and assistance to the Company.

15. No Admission. Employee acknowledges that neither this Agreement nor anything contained herein shall be admissible in any proceeding as evidence of or an admission by the Company of any wrongdoing or violation of its policies and procedures, or of any law or regulation. Notwithstanding the foregoing, this Agreement may be introduced into a proceeding solely for the purpose of enforcing this Agreement.

16. Dispute Resolution. Any disagreement, controversy, claim, action, proceeding or dispute between Employee and any Releasee, brought to interpret or enforce the provisions of this Agreement, shall be resolved by way of final binding arbitration. The parties will exercise their best efforts to mutually agree upon the selection of an arbitrator. If no such agreement can be reached, then a third-party provider will be contacted for the purpose of securing an arbitrator. The arbitrator selected shall be a retired judge or attorney with substantial experience in the subject matter of the dispute. The prevailing party or parties shall recover his, her or its reasonable attorneys' fees and costs.

17. Unemployment and Disability. The releases set forth in Sections 1 and 3 do not include any claims for state or federal unemployment or disability compensation to which Employee may be entitled under the law or Employee's rights to continuation coverage under the Company's group health plan which, if applicable, will be offered in accordance with the provisions of COBRA or other applicable law. The Company agrees it will not oppose Employee's claim for unemployment benefits.

18. No Prohibition. Employee is hereby advised, and by Employee's signature below, Employee acknowledges that, nothing in this Agreement or in any agreement between Employee and the Company prohibits or limits Employee (or Employee's attorney) from initiating communications directly with, responding to any inquiry from, volunteering information to, or providing testimony before, the Securities and Exchange Commission, the Department of Justice, the Financial Industry Regulatory Authority Inc., or any other self-regulatory Company,

governmental, law enforcement, or regulatory authority, regarding this Agreement and its underlying facts and circumstances, or any reporting of, investigation into, or proceeding regarding suspected violations of law, and that Employee is not required to advise or seek permission from the Company before engaging in any such activity. Employee further recognizes that, in connection with any such activity, Employee must inform such authority of the confidential nature of any confidential information that Employee provides, provided, further, that Employee is not permitted to reveal any information that is protected by the attorney-client privilege or attorney- work product protection or any other privilege belonging to the Company. Furthermore, nothing contained in this Agreement is intended to prohibit or restrict Employee in any way from making any disclosure of information required by law. Additionally, Employee understands and acknowledges that Employee is hereby notified that, under the Defend Trade Secrets Act (specifically, 18 USC §1833), Employee cannot be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law. Employee also understands that Employee may not be held so liable for disclosures made in a complaint or other document filed in a lawsuit or other proceeding, if that filing is made under seal.

19. Choice of Law. This Agreement shall be construed and enforced in accordance with, and governed by, the laws of the State of California, without regard to its conflicts of law provisions.

20. No Assignment. Employee represents and agrees that Employee has not heretofore assigned or transferred, or purported to have assigned or transferred, to any person whomsoever, any Claim or portion thereof or interest therein, and Employee agrees to indemnify, defend and hold harmless each and all of the Releasees against any and all Claims based on, arising out of, or in connection with any such transfer or assignment, or purported transfer or assignment, of any Claims or any portion thereof or interest therein.

21. Binding. This Agreement shall be binding upon Employee and Employee's heirs, representatives, executors, administrators, successors and assigns, and shall inure to the benefit of each and all of the Releasees, and to their heirs, representatives, executors, administrators, successors and assigns.

22. Severability. Should any part, term or provision of this Agreement, with the exception of the releases embodied in Sections 1 and 3, be declared or determined by any Court or other tribunal of appropriate jurisdiction to be invalid or unenforceable, any such invalid or unenforceable part, term or provision shall be deemed stricken and severed from this Agreement and any and all of the other terms of the Agreement shall remain in full force and effect to the fullest extent permitted by law. The releases embodied in Sections 1 and 3 are the essence of this Agreement and should Sections 1 or 3 be deemed invalid or unenforceable, this Agreement may be declared null and void by the Company and any consideration received under this Agreement shall be returned to the Company.

23. Entire Agreement. This Agreement and its Attachments constitutes and contains the entire agreement and understanding between the parties and supersedes all prior negotiations and all agreements proposed or otherwise, whether written or oral, concerning the subject matter hereof. The Company has made no promises to Employee other than those contained in this Agreement. This Agreement may not be modified, or any provision waived, except by a signed written agreement of the affected parties. Notwithstanding the foregoing, the continuing

obligations contained in any arbitration agreement and confidential information and/or privacy agreement between the parties, shall remain in full force and effect whether or not Employee executes this Agreement.

24. No Presumption against Drafter. Employee agrees that this Agreement has been negotiated and that no provision contained herein shall be interpreted against any party because that party drafted the provision.

25. Acknowledgment. Employee acknowledges and affirms that Employee has no known workplace injuries or occupational diseases for which Employee has not already filed a claim.

26. Breach of Post-Termination Obligations. If the Employee breaches any terms of this Agreement or the post-termination obligations referenced in it, to the extent authorized by California law, the Employee will be responsible for payment of all reasonable attorneys' fees and costs that the Company incurred in the course of enforcing the terms of the Agreement, including demonstrating the existence of a breach and any other contract enforcement efforts, provided, however, that this provision shall not apply to any action by Employee challenging the validity of this Agreement pursuant to the Older Workers Benefit Protection Act.

27. Signatories' Authority . Each of the individuals signing this Agreement represents and warrants to the others that he or she has the right, power and authority to sign this Agreement on his or her behalf, or on behalf of the Company or other business entity for which he or she has signed, as the case may be, and to sign all other documents and perform all other acts as may be necessary in relation to this Agreement.

28. Capacity. Employee represents and warrants that in negotiating and executing this Agreement, Employee is not, and has not been, under the influence of any drugs, medications or other substances which might in any way impair Employee's judgment or ability to understand the terms of this Agreement.

29. Further Documents and Acts. Each of the parties will cooperate in good faith with each other, and execute and deliver such further documents and perform such other acts as may be reasonably necessary or appropriate to consummate and carry into effect the transactions contemplated by this Agreement.

30. No Reliance. Employee represents and acknowledges that in executing this Agreement Employee does not rely upon, and has not relied upon, any representation or statement not set forth herein made by any Releasee or by their agents, representatives, or attorneys with regard to the subject matter, basis or effect of this Agreement or otherwise.

31. Interpretation. The language in all parts of this Agreement will be in all cases construed simply according to its fair meaning and not strictly for or against any party. Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the paragraphs of this Agreement are for the convenience only and will not affect the construction or interpretation of any of the provisions herein.

32. Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended (Section 409A), or an exemption thereunder and shall be construed and administered in accordance with Section 409A. Notwithstanding any other

provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation pay due to an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute, shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. To the extent required under Section 409A, any payments to be made under this Agreement upon a termination of employment shall only be made upon a "separation from service" under Section 409A. Notwithstanding the foregoing, the Company makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Company be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A.

33. Costs. Each of the parties to this Agreement will pay his, her, or its own costs and expenses, if any, relative to the negotiation and preparation of this Agreement.

34. Counterparts. This Agreement may be executed in any number of counterparts, all of which together shall constitute one original Agreement, and it may be executed by a signature transmitted via facsimile or email transmission.

35. Certification. Employee certifies that Employee has received any advice of counsel Employee deems necessary regarding this Agreement and has read and understands all of this Agreement and freely, voluntarily and knowingly entered into this Agreement, having full knowledge and understanding of its contents, its effect, and the rights Employee may be waiving.

36. Deadline. Employee has until 5:00 p.m. on April 29, 2020 to sign and return this agreement to:

Rhiana Barr
KIM International Corporation
6261 Katella Ave., Suite 250
Cypress, CA 90630
Rhiana.barr@kushco.com

If the signed Agreement is not returned by that date, the offer is rescinded.

IN WITNESS WHEREOF, each of the parties hereto has executed this Agreement as of the date written below.

PLEASE READ CAREFULLY. THIS SEVERANCE AGREEMENT AND RELEASE INCLUDES A RELEASE OF ALL KNOWN AND UNKNOWN CLAIMS.

EMPLOYEE FREELY AND KNOWINGLY, AND AFTER DUE CONSIDERATION, ENTERS INTO THIS AGREEMENT INTENDING TO WAIVE, SETTLE AND RELEASE ALL CLAIMS EMPLOYEE HAS OR MIGHT HAVE AGAINST RELEASEES.

By signing this Agreement before the 21-day period described above in Section 3 expires, Employee waives Employee's right under the ADEA to twenty-one (21) days to consider the terms of this Agreement. In any case, however, Employee retains the right to revoke this Agreement within seven (7) days, as described above in Section 3.

/s/ Christopher Tedford
Christopher Tedford

Date: April 10, 2020

KIM INTERNATIONAL CORPORATION

By: /s/ Rhiana Barr
Name: Rhiana Barr

Its: Chief People Officer

Date: April 10, 2020

**Certification of Principal Executive Officer Required by
Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended,
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Nicholas Kovacevich, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of KushCo Holdings, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: January 11, 2021

/s/ Nicholas Kovacevich

Nicholas Kovacevich
Chairman and Chief Executive Officer
(Principal Executive Officer)

**Certification of Principal Financial Officer Required by
Rule 13a-14(a) of the Securities Exchange Act of 1934, as amended,
as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002**

I, Stephen Christoffersen, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of KushCo Holdings, Inc.; and
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report.

Date: January 11, 2021

/s/ Stephen Christoffersen

Stephen Christoffersen
Chief Financial Officer
(Principal Financial Officer)