



Vicente Sederberg, LLC  
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January 11, 2016

Medical Use of Marijuana Program  
Department of Public Health  
99 Chauncy Street, 11<sup>th</sup> Floor  
Boston, MA 02111

**Re: Response to DPH's Request for Information of GTI – Massachusetts NP Corp. (Application 2 of 2)**

Dear Department:

We are writing in response to your Request for Information of GTI- Massachusetts NP Corp. (GTI) dated January 11, 2016. We truly appreciate your prompt attention to our submission.

The Department has requested the following:

1. A copy of the loan agreement and an independent legal opinion that the agreement is in compliance with non-profit requirements of 105 CMR 725.100(A)(1) and the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance identified in response to Question C. 12.

GTI's Response: At this time, the capital contributor of the non-profit has **not** entered into a loan agreement or executed a promissory note. Funds have only been committed to GTI. Prior to receiving a Provisional Certificate of Registration, GTI will negotiate and enter into an agreement with these capital contributors and obtain an independent legal opinion that the agreement(s) are in compliance with the non-profit requirements of 105 CMR 725.100(A)(1) and the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance. GTI understands that the agreement, along with the independent legal opinion, must be submitted to the DPH prior to receiving a provisional Certificate of Registration.

2. Revised response to Question E. 40 (attached).

Please do not hesitate to contact our office with any questions. Thank you for your attention to this matter.

Very truly yours,

Lesley Scott Gordon, Esq.

RECEIVED

LSG/tc  
Enclosures

JAN 11 2016

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Application 2 of 2

Applicant Non-Profit Corporation \_\_\_\_\_

38. Will the Corporation provide worker's compensation coverage to the RMD's Dispensary Agents?

Yes  No

39. Will the Corporation obtain professional and commercial insurance coverage?

Yes  No

40. Describe the Corporation's plan to obtain liability insurance or place in escrow the required amount to be expended for coverage of liabilities.

Per 105 CMR 725.105(Q), GTI will contract with an insurance provider to maintain general liability insurance coverage for no less than \$1,000,000 per occurrence & \$2,000,000 in aggregate annually & product liability coverage for no less than \$1,000,000 per occurrence & \$2,000,000 in aggregate annually. The deductible will be no higher than \$5,000 per occurrence.

If adequate coverage is unavailable in the marketplace at a reasonable rate, GTI will place in escrow at least \$250,000.00 to be expended for coverage of liabilities. Any withdrawal from escrow will be replenished within 10 business days.

GTI will carry automobile coverage, as well as property and casualty coverage. Coverage to include business interruption protection. Replacement cost will be used to value all property ensuring a full recovery in event of a catastrophe. Business interruption coverage will allow GTI to continue paying employees, vendors, taxes, & fees during reconstruction, if necessary. It will also provide capital for any necessary emergency inventory purchases from another RMD.

GTI will also carry employment practice liability coverage for directors & officers. GTI will consider additional coverage based on availability & a cost-benefit analysis.

GTI will keep reports documenting compliance with 725.105(Q) made in a manner & form determined by the DPH pursuant to 725.105(M).

Information on this page has been reviewed by the applicant and where provided by the applicant, is accurate and complete, as indicated by the initials of the authorized signatory here [redacted]