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SPECIAL COUNSEL
STEVE FOX, ESQ. (MA)
M. ALLEN HOPPER, ESQ. (CA)
PHILIP A. CHERNER, ESQ. (CO)

RECEIVED

November 17, 2016

NOV 17 2016

Department of Public Health
Medical Use of Marijuana Program
99 Chauncy Street, 11th floor
Boston, MA 02111

MA Dept of Public Health
99 Chauncy Street
Boston, MA 02111

Re: **November 10, 2016 Department of Public Health Request For Information
from Massachusetts Patient Foundation, Inc. (Applications 2 of 3 and 3 of 3)**

Dear Sir/Madam:

This correspondence is in response to the November 10, 2106 Request For Information to Massachusetts Patient Foundation, Inc. ("MPF") from the Department of Public Health ("DPH"). The DPH requested the following information, and MPF responds as follows:

DPH Request: *As stated in the December 14, 2015 letter from the Department, the applicant must submit a copy of the proposed loan agreement with Rachmil and Sarita Lekach and an independent legal opinion that the agreement is compliant with the non-profit requirements of 105 CMR 725.100(A)(1) and the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance (<http://www.mass.gov/eohs/docs/dph/quality-medical-marijuana/applications-non-profit-compliance-guidance.pdf>). Please be advised that you will need to submit these documents as soon as possible but prior to receiving a Provisional Certificate of Registration. An application will not be deemed complete until all materials requested by the Department are submitted.*

MPF Response: The applicant did not finalize a loan agreement with Rachmil and Sarita Lekach. Instead, as disclosed to DPH on September 7, 2016 with reference to Application 1 of 3, the applicant obtained a loan from ArtCan, LLC. The Loan Agreement with ArtCan, LLC will apply with respect to Applications 2 of 3 and 3 of 3 as well. A copy of the Loan Agreement with ArtCan, LLC is enclosed herewith, as well as an independent legal opinion from Ellen Sullivan, Esq. that the Loan Agreement is in compliance with the non-profit

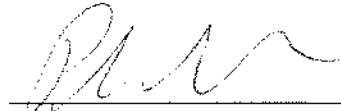
requirements of 105 CMR 725.100(A)(1) and the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance.

In order to reflect that ArtCan, LLC is the sole capital contributor with respect to Applications 1 of 3, 2 of 3 and 3 of 3, MPF is also submitting herewith:

- a. An updated Section D. Initial Capital Requirement Forms on MPF's Application of Intent for Applications 2 of 3 and 3 of 3;
- b. A verification of assets letter from Bank of America;
- c. An updated response to Question 12 on MPF's Management and Operations Profile for Applications 1 of 3, 2 of 3 and 3 of 3; and
- d. An updated Section F. Capital Contributors on MPF's Management and Operations Profile for Applications 2 of 3 and 3 of 3.

Thank you for your assistance and please do not hesitate to contact me if you have any questions regarding this matter.

Very Truly Yours,



Philip C. Silverman

PCS/tc
Enclosures


Application 2 of 3 Applicant Non-Profit Corporation _____

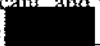
SECTION D. INITIAL CAPITAL REQUIREMENT

Describe the sources, types, and amounts of required initial capital in the table below, showing that the Corporation has at least \$500,000 in its control and available for this *Application of Intent* and at least \$400,000 in its control and available for each additional *Application of Intent*, if any, as evidenced by bank statements, lines of credit, or financial institution statements. Add more tables if needed.

If the required funds are being held in an account in the name of an individual or entity other than the Corporation, the individual or authorized signatory of the entity must provide their signature in the "Signature of Account Holder" column. Their signature below indicates that they are committing the amount of their funds identified in the table to the applicant.

In addition to completing this table, submit a **one-page** financial account summary for each account listed below documenting the available funds, dated no earlier than 30 days prior to the date the *Application of Intent* was submitted to the Department.

Name on Account	Financial Institution	Type of Account	Amount	Signature of
ArtCan, LLC	Bank of America	Business Checking	\$ 400,000.	
-----	-----	TOTAL:	\$ 400,000.00	----

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: 

Bus Platinum Privileges



P.O. Box 16284
Wilmington, DE 19850

ARTCAN LLC
2001 TYLER ST STE 5
HOLLYWOOD, FL 33020-4566

Customer service information

☎ 1.888.BUSINESS (1.888.287.4637)

🌐 bankofamerica.com

✉ Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

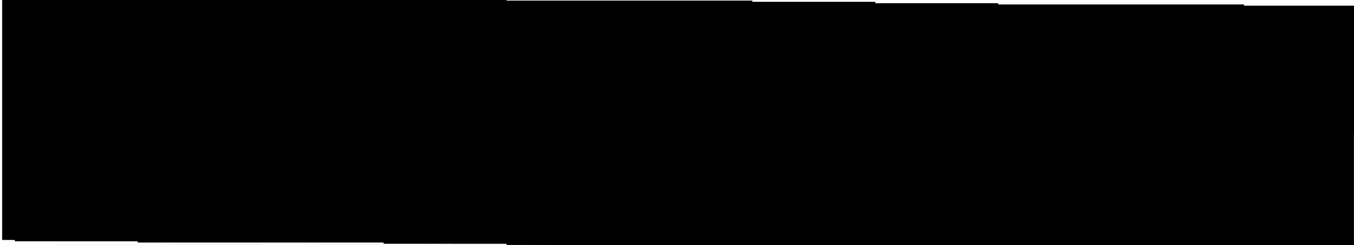
Your Business Advantage Checking Bus Platinum Privileges

for October 1, 2016 to October 31, 2016

ARTCAN LLC

Account number: [REDACTED]

Account summary



Ending balance on October 31, 2016 **\$3,517,007.75**

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SSM-07-16-0098B | ARM19ML7


Application 3 of 3 Applicant Non-Profit Corporation _____

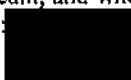
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Bus Platinum Privileges



P.O. Box 15284
Wilmington, DE 19850

ARTCAN LLC
2001 TYLER ST STE 5
HOLLYWOOD, FL 33020-4566

Customer service information

1 888.BUSINESS (1.888.287.4637)

bankofamerica.com

Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

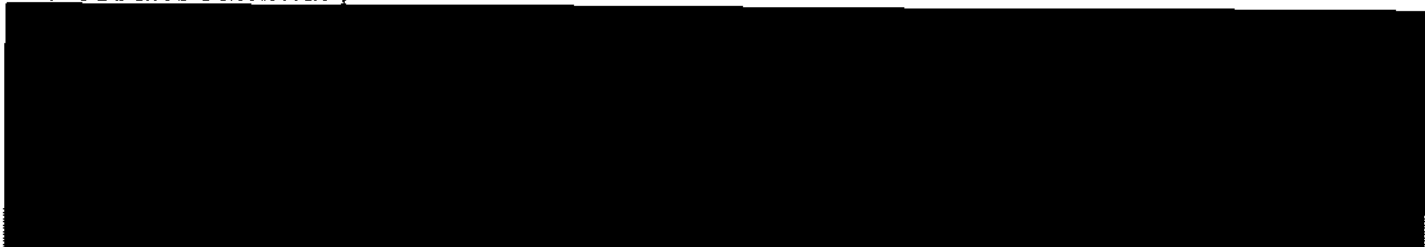
Your Business Advantage Checking Bus Platinum Privileges

for October 1, 2016 to October 31, 2016

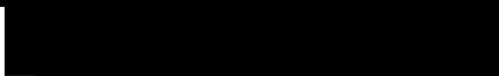
ARTCAN LLC

Account number: [REDACTED]

Account summary



Ending balance on October 31, 2016 \$3,517,007.75



Show your #troopthanks

We're helping veterans transition back to civilian life with financial education, career opportunities and support of military nonprofit organizations around the country.

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SSM-07-16-0098,B | ARM79ML7

Application 1 of 3 Applicant Non-Profit Corporation _____

12. Please identify any agreements or contracts, executed or proposed, in which the applicant will engage in a Related Party Transaction and summarize the terms of each such agreement.

_____ who is the President and a director of MPF) are both managers _____ is the President) of Artcan, L.L.C, a capital contributor to MPF of greater than 5%. MPF has executed a Loan Agreement with Artcan, LLC for a \$2,000,000 loan, representing all funds provided to MPF. The loan is payable over a 7-year period following the one-year anniversary that MPF begins selling medicine to patients and accrues interest at 18 percent (18%) per annum.

MPF has provided a copy of the Loan Agreement to the Department as well as an independent legal opinion from Ellen Sullivan, Esq. that the Loan Agreement is 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.

Application 2 of 3 Applicant Non-Profit Corporation _____

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Application 3 of 3 Applicant Non-Profit Corporation _____

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[REDACTED] who is the President and a director of MPF) are both managers [REDACTED] of Artcan, LLC, a capital contributor to MPF of greater than 5%. MPF has executed a Loan Agreement with Artcan, LLC for a \$2,000,000 loan, representing all funds provided to MPF. The loan is payable over a 7-year period following the one-year anniversary that MPF begins selling medicine to patients and accrues interest at 18 percent (18%) per annum.

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

Application 2 of 3 Applicant Non-Profit Corporation _____

SECTION F. CAPITAL CONTRIBUTORS

List all persons and entities known to date that are committed to contributing 5% or more of initial capital to operate the proposed RMD. For entities contributing initial capital to operate the proposed RMD, list the entity’s Chief Executive Officer/Executive Director and President/Chair of the Board of Directors.

Attach additional tables if needed.

Individual Name	Amount of Initial Capital Committed	Percentage of Initial Capital Committed
n/a	\$	
n/a	\$	
n/a	\$	
n/a	\$	
n/a	\$	

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Application 2 of 3

Applicant Non-Profit Corporation _____

Entity Name	Leadership Names	Amount of Initial Capital Committed	Percentage of Initial Capital Committed
ArtCan, LLC	<div style="background-color: black; width: 100%; height: 20px; margin-bottom: 5px;"></div> Entity President/Chair: Joseph Lekach	\$ 400,000.00	100%
	Entity CEO/ED: Entity President/Chair:	\$	
	Entity CEO/ED: Entity President/Chair:	\$	
	Entity CEO/ED: Entity President/Chair:	\$	
	Entity CEO/ED: Entity President/Chair:	\$	

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Application 3 of 3 Applicant Non-Profit Corporation _____

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n/a	\$	
n/a	\$	
n/a	\$	
n/a	\$	

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Application 3 of 3

Applicant Non-Profit Corporation _____

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	Entity CEO/ED: Entity President/Chair:	\$	
	Entity CEO/ED: Entity President/Chair:	\$	
	Entity CEO/ED: Entity President/Chair:	\$	
	Entity CEO/ED: Entity President/Chair:	\$	

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