

# NEW ENGLAND CANNABIS CORPORATION

Ronald Lipof, 186 Meadowbrook Road, Weston, MA 02493

Department Of Public Health  
Medical Use of Marijuana Program  
RMD Applications  
Eric Sheehan, Jr.  
Bureau Director  
99 Chauncy Street, 11th Floor  
Boston, MA 02111

February 3, 2017

RECEIVED

FEB 03 2017

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

Re: Request For Information

Dear Mr. Sheehan:

Regarding your request for additional information in connection with our *Management and Operations Profile* (Application 1 of 2 and 2 of 2), enclosed please find:

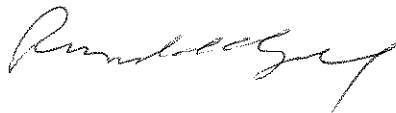
1. The resubmission of the respective pages of the *Management and Operations Profile* for the particular questions requested in your letter dated January 26, 2017.
2. The resubmission of the Employment and Education Form for Kenneth Stevens to clarify that he is no longer our Chief Cultivation Officer as he has been replaced by Ray Parsons.
3. The resubmission of the Employment and Education Form for Ray Parsons to specify the degree acquired.
4. The related third party agreements.
5. An Independent Legal Opinion.
6. A Conflict of Interest Policy.

Additionally, please note that the Articles of Incorporation on file with the Secretary of State's office, demonstrating incorporation as a non-profit corporation pursuant to G.L. c.180, have been updated to reflect and match the Articles that have been submitted to your department.

If you have any additional questions, you can reach me directly at (617) 716-6117 or via Email at rclipof@gmail.com.

Thank you for your timely and thoughtful review of our application.

Sincerely,



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.

Kenneth V. Stevens, Chief Executive Officer, Chief Financial Officer and Director, and Kuldip K. Vaid, Chief Operating Officer, Chief Security Officer, and Director, are also contributors of 5% or more of initial capital to operate the proposed RMD. The agreements between these individuals and the applicant are attached. Also attached is an independent legal opinion that the agreements 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.

13. Please identify whether any members of the Board of Directors are also serving as employees of the proposed RMD and, if so, their title and role with the proposed RMD.

Kenneth V. Stevens, Chief Executive Officer and Chief Financial Officer of New England Cannabis Corporation and a member of its board of directors will also serve as the Chief Financial Officer of the RMD. His role will include all day-to-day management decisions, implementing the Company's long and short term plans, and acting as a direct liaison between the board of directors and management. As CEO, Mr. Stevens will work with the board of directors of the RMD to implement the initiatives determined by the board of directors to further the financial health of the non profit, and maximize the patient-focused goals and objectives.

Kuldip K. Vaid , Chief Operating Officer of New England Cannabis Corporation and a member of its board of directors will also serve as the Chief Medical Officer of the RMD. His role will include the overall daily management and operations of the RMD.

Our conflict of interest policy that addresses the potential conflicts raised by the answer to this question is attached.

**SECTION D. EXPERIENCE**

- 16. Attach an *Employment and Education* form (use template provided) for each of the following individuals: The Corporation’s Chief Executive Officer, Chief Operations Officer, Chief Financial Officer, individual/entity responsible for marijuana for medical use cultivation operations, and individual/entity responsible for the RMD security plan and security operations.
- 17. Describe the experience, and length of experience, of the Corporation’s Chief Executive Officer, Chief Operations Officer, and Chief Financial Officer with running a non-profit organization or business.

Chief Executive Officer and Chief Financial Officer - Kenneth Stevens has significant business operational expertise. He is the founder and CEO of Boston based Kenneth Stevens Custom Homes, which acquires and develops high-end custom built homes. In this role, he is responsible for managing all operational, financial and developmental aspects of the business, including the management and coordination of multiple on-going homes and up to 20+ subcontractors and their crews at any given time. Mr. Stevens was also the founder, Board Member and Managing Director of Kennedy-Wilson International, one of the largest real estate auction marketing firms in the world, managing up to 300+ employees from Northern California, Australia, UK and Hong Kong. He also served as the founder and Board Member of Diablo Valley Bank, which was purchased by Heritage Bank of Commerce; and Vice President of the Real Estate Owned Department of Imperial Bank, Inglewood, CA, where he managed the marketing and disposition of an over \$400 million dollar portfolio. He graduated with a Bachelor of Economics degree, majoring in Marketing and Economic Statistics, from Monash University in Melbourne, Australia, and he holds a Trained Secondary Teachers Certificate. Mr. Stevens does not have experience running a non-profit organization or business.

Chief Operations Officer - Dr. Ken Vaid is a Phi Beta Kappa graduate of Boston University and a Alpha Omega Alpha graduate of the Boston University School of Medicine. He completed a residency in ophthalmology at the Eye and Ear Institute of the University of Pittsburgh and went on to complete a retina fellowship at Tufts New England Medical Center, followed by additional fellowship in cataract surgery at the Newman Eye Institute in Florida. He opened his private practice in 1993 and sees patients at The Massachusetts Eye and Ear Infirmary, Massachusetts General Hospital, Melrose Wakefield Hospital, Malden Hospital, Lawrence Memorial Hospital, and Whidden Memorial Hospital. He was promoted to Chief of Ophthalmology at Widden Memorial Hospital in 2001. Dr. Vaid is well published and has co-authored several chapters in ophthalmic textbooks. In 2002 he co-founded the Northshore Cataract and Laser Center (NCLC) which performs more than 7,500 ophthalmic procedures annually. At NCLC, he is actively involved in all aspects of daily operations, peer review, and quality control. Dr. Vaid is well familiar with all HCFA and hospital and surgery center regulations and has worked closely with the JCAH and the Massachusetts Board of Public Health. He is in actively involved in all aspects of daily function including Peer review and Quality control for The Northshore Cataract and Laser Center.

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: KVS

20. Describe the experience, and length of experience, of the Corporation's individual/entity responsible for marijuana for medical use cultivation operations and individual/entity responsible for the RMD security plan and security operations with providing services for marijuana for medical purposes.

Individual responsible for marijuana for medical use cultivation operations - Raymond Parsons has been a cultivation consultant, plant geneticist and organic growing specialist for the past 10 years in California. He has been involved in designing and developing cultivation centers, including the build out of hydroponic, soil based, and aeroponic grow facilities. Mr. Parson's focus for his clients has been the organic growth, health and overall plant genetics for maximum relief for medical marijuana patients. He has crossed multiple strains of cannabis to produce robust, pest resistant and organically grown plants with a focus on patient needs and symptoms.

Chief Security Officer - Kuldip Vaid currently serves as our Chief Security Officer. New England Cannabis Corporation will identify and hire an appropriate individual to be responsible for the RMD security plan and security operations for providing services for marijuana for medical purposes. We will implement sufficient security measures to properly meet all requirements prescribed by Massachusetts General Laws 105 CMR 725.000, Implementation of an Act for the Humanitarian Medical Use of Marijuana, including but not limited to deterring and preventing unauthorized entrance into areas containing marijuana and theft of marijuana at the RMD; and security measures to protect the premises, registered qualifying patients, personal caregivers, and dispensary agents of the RMD.

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22. Describe the types and forms of Marijuana Infused Products (“MIPs”) that the RMD intends to produce, if any.

The New England Cannabis Corporation dispensary intends to produce the following MIPS, all of which shall comply with the DPH guideline:

Transdermal/topical salve and patches, creams and lotions, tinctures, vaporizer oils, food, candy, bakery items and beverages.

**LABELING AND PACKAGING** - All labels will have printing in fonts that are at least 1/16” in size (minimum size will be a 12 point font with proportional size to Times Roman), per 105 CMR 725.105(E)(2). All packaging will be child-resistant and light-resistant, and labeled as containing cannabis. All products will provide a warning to keep away from children and store in a child proof place.

All MIPS will contain a label in English that states:

- (1) The manufacturer's name and address;
- (2) A unique serial tracking number that will match the product with a producer batch and lot number so as to facilitate any warnings or recalls the department or producer deem appropriate;
- (3) The final testing and packaging date;
- (4) The expiration date;
- (5) The product weight;
- (6) A list of all active ingredients, including a terpenes profile, tetrahydrocannabinol (THC), tetrahydrocannabinol acid (THCA), cannabidiol (CBD), cannabidiolic acid (CBDA), and any other active ingredient that constitute at least 1% of the marijuana batch used in the product.
- (7) A listing of all non-cannabis ingredients.

All MIPS will conform to the 105 CMR 725.105(E)(3) labeling requirements.

## 23. Provide a summary of the RMD's methods of producing MIPs, if the RMD intends to produce MIPs.

Pursuant to 105 CMR 725.100(A)(4), only the New England Cannabis Corporation cultivation center will produce MIPs that will be sold at its dispensaries.

**MIP COMMERCIAL KITCHEN FACILITY SPECIFICATIONS** - New England Cannabis Corporation will build a MIP commercial kitchen facility that fully complies to both M.G.L. 105 CMR 590.000 and 105 CMR 725. Sinks, hand-washing stations, storage, testing, wall coverings, bathroom requirements, HVAC, refrigeration and freezer, cooking areas, insect control, personnel uniforms, packaging areas, etc. will all follow and comply with all State and Federal guidelines (1999 Food Code and supplements). All employees making or handling MIPS will be SafeServ certified.

New England Cannabis Corporation will use the Heilodelph Precision PX1 and Roto Vape extraction machine to separate trichomes and release cannabinoids from the products, creating a processed extract to be used to infuse edibles. All MIPS will be prepared using commercial recipes for candies, edibles, liquids, bakery items, etc., supported by specialty MIP technicians. All MIP batches will be recorded and tracked in a kitchen recording system, and all products will have a label containing the batch and production date. All batches will be tested with in-house equipment and through an independent third party commercial lab.

New England Cannabis Corporation will create an HACCP plan (Hazard Analysis and Critical Control Points) which will be available for review by the DPH.



29. Provide a summary of the RMD's operating procedures for quality control and testing of product for potential contaminants.

New England Cannabis will utilize an outside third party lab for testing.  
In house the SOP's for quality control and testing include:  
All nutrients will be examined for contents & potential contaminants.  
Only biological pesticides will be applied.  
Filtered water will be used to prevent contamination.  
All workers will walk through a ceiling blower to remove potential contaminants before entering facility.  
Workers will walk through a special container of a water/chlorine mix to kill shoe borne contaminants.  
Application of gamma irradiation equipment to kill 99% of all micro-organisms.  
All testing performed subject to the Cannabis Inflorescence and Leaf monograph (American Herbal Pharmacopoeia) standards.  
Limit tests will include foreign organic matter, total ash, & acid-insoluble ash.  
All external testing done by state approved labs.  
All crops batch tested for pests, contaminants, mold and potency.  
Soil testing before use for contaminants and pests.  
Determination of sample size for internal and external testing.  
Written procedure for responding to contaminated samples.  
Additional batch sampled uniquely bar coded for further sampling.  
All testing documentation retained for five years  
Procedures in place for stability testing to determine shelf life for MIPS  
Random sampling of finished products currently for sale  
All nutrients and additives shelf life recorded and reviewed  
Expiration dates in large font on labels.

30. Provide a summary of the RMD's operating procedures for maintaining confidentiality of registered qualifying patients, personal caregivers, and dispensary agents, as required by law.

All agents will be trained in HIPAA compliance, and our SOP's for patient record confidentiality.  
Patient data will be entered into database only accessible by licensed dispensary agents.  
Network ports will be blocked for transmitting data except to the DPH.  
Paper records will be stored in locked file cabinets accessible only by designated employees.  
USB ports will be disabled to prevent copying files.  
Patient information will only be provided by subpoena.  
Paper records will be shredded after using.  
No medical records will be left unattended.  
Employees will be trained and tested on patient confidentiality.  
Passwords will be changed every thirty days.  
Workstations/computers must be signed off when unattended.  
No passwords may be written on any paper.  
Workstations/computers may only be positioned in secure areas.  
Software will provide a "digital trail".  
All disclosures require written authorization.  
Retention policies revised annually.

32. Provide a summary of the RMD's operating procedures for dispensing of marijuana for medical use.

Dispensary agents will be trained in the following operating procedures:

- Using the state's database to insure valid patient registration, and to look up patient's allowable medical marijuana purchases (based on the supply allowed by the state).
- Wear their ID badges at all times during their shift.
- Using the state's database to insure valid patient registration, and requesting a valid government issued ID that is current in date, and the physical description on it is compared to the individual who presents it.
- Pursuant to 105 CMR 725.100(F)(1)(a), we shall refuse to sell marijuana to anyone who is unable to produce a registration card and valid proof of identification, or who does not have a valid certification in the Department supported database.
- Transaction management and the point of sale system.
- CPR and first aid.
- Recommended dosages for patients for specific ailments.
- Safe food handling techniques for the sale of edibles.
- Patient record confidentiality and various information checklists.
- Emergency procedures and responses for burglary, theft, discovered diversion of product, accidents & any other issue that may arise during business hours.
- All product only available in pre-sealed bags.

Our Operations Manual is available for DPH review.



36. Provide a summary of the RMD's policies and procedures for the provision of marijuana for medical use to registered qualifying patients with verified financial hardship without charge or at less than the market price.

The New England Cannabis Financial Hardship Program will provide reduced cost marijuana to patients with documented, verified financial hardship. The recipient must meet those criteria listed in CMR 725.004. There will be a sliding scale based on state poverty levels providing assistance to those patients that receive MassHealth or Supplemental Social Security Income, or if the individual's income does not exceed 300% of the FPL, adjusted for family size. Patients who are at the level where their income is calculated to be 100% or less of the FPL will qualify for a free eighth of an ounce of medicine weekly. In the event a patient purchases more than the free product in a week, the medicine may be purchased at a 50% discount. The sliding scale provides for those earning 101% to 200% of the FPL will qualify for a 75% discount on an eighth of an ounce purchase per week. Additional medicine beyond the original eighth of an ounce purchased during a given week will qualify for a 50% discount. Patients whose annual income falls in the the range of 201%-300% will qualify for a 50% discount on an eighth of an ounce of medicine per week. Any amount acquired above the eighth of an ounce during a given week can be purchased at a 25% discount. Former military members whose current income is 200% or less of the FPL will receive a full ounce of medicine every two weeks for free. All information concerning our hardship fee scale will be posted in the dispensary.

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.

New England Cannabis has obtained a commitment for liability insurance and other general coverage required by 105 CMR 725.105(Q). The policy will provide for general liability, property coverage, coverage for business income and additional expenses and product liability. The general liability policy will have no less than \$1,000,000 per occurrence, \$2,000,000 in aggregate annually, and product liability for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually. The deductible for the liability policy is \$5,000 per occurrence.

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**SECTION D. EMPLOYMENT AND EDUCATION FORM**

This Employment and Education form must be completed and signed by each of the following individuals: The Corporation's Chief Executive Officer, Chief Operations Officer, Chief Financial Officer, individual/entity responsible for marijuana for medical use cultivation operations, and individual/entity responsible for the RMD security plan and security operations. Submit one Employment and Education form for each of the above individuals when submitting a *Management and Operations Profile* to the Department of Public Health.

**Name**

Kenneth V. Stevens

**Residential Address**

[REDACTED]

**Title (at applicant non-profit corporation)**

CEO, CFO, DIRECTOR

**Name of Applicant Non-Profit Corporation**

NEW ENGLAND CANNABIS CORPORATION

**Highest Education Attained – Institution, Degree, and Year**

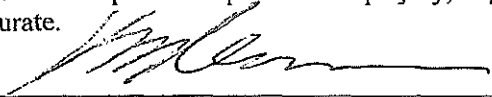
BACHELOR ECONOMICS, MARKETING  
MONASH UNIVERSITY  
MELBOURNE AUSTRALIA 1973

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

Past 10 Years of Employment by Employer, Title and Time Period. List chronologically, beginning with most recent employment. Add more forms if space is needed for additional employment history entries.

Employer	Title	Time Period
KENNETH <del>LAWREN</del> STEVENS CUSTOM HOMES	OWNER	2013 - PRESENT
MARKEN PACIFIC DEVELOPMENT, INC	OWNER	2000 - 2013

Signed under the pains and penalties of perjury, I agree and attest that all information included in this form is complete and accurate.

  
\_\_\_\_\_  
Signature of the Individual

12/4/16  
\_\_\_\_\_  
Date Signed

**SECTION D. EMPLOYMENT AND EDUCATION FORM**

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**Name**

Raymond A. Parsons

**Residential Address**

[REDACTED]

**Title (at applicant non-profit corporation)**

Chief Cultivation Officer

**Name of Applicant Non-Profit Corporation**

NEW ENGLAND CANNABIS CORPORATION

**Highest Education Attained – Institution, Degree, and Year**

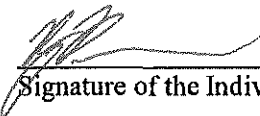
*Buckingham Charter, High School diploma, 2003*

Applicant Non-Profit Corporation

Past 10 Years of Employment by Employer, Title and Time Period. List chronologically, beginning with most recent employment. Add more forms if space is needed for additional employment history entries.

Employer	Title	Time Period
HTP Group	Budtender, Cannabis Educator, Grow/Extract consultant, stock / floor Manager	Oct 2016 - Sept 2016
Brayelton Builders	carpenter / Supervisor	April 2012 - Aug 2015
Shaw Construction	carpenter / Rigger, Assistant super	Sept 06 - Jan 2012
Cannabis grower / <del>Consultant</del> consultant for the design, build and operation of grow sites land store fronts		March 03 - current

Signed under the pains and penalties of perjury, I agree and attest that all information included in this form is complete and accurate.

  
 \_\_\_\_\_  
 Signature of the Individual

1-30-17  
 Date Signed

**NEW ENGLAND CANNABIS CORPORATION  
CONFLICT OF INTEREST POLICY**

**SECTION 1. PURPOSE:**

New England Cannabis Corporation, Inc. is a nonprofit organization. Therefore, state regulatory and tax officials view the operations as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between New England Cannabis Corporation, Inc and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of The New England Cannabis Corporation honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of The New England Cannabis Corporation, Inc. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with The New England Cannabis Corporation, Inc. or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

**SECTION 2. PERSONS CONCERNED:**

This statement is directed not only to directors and officers, but to all employees who can influence the actions of New England Cannabis Corporation, Inc. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning The New England Cannabis Corporation, Inc.

**SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:**

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to New England Cannabis Corporation, Inc.
2. Persons and firms from whom New England Cannabis Corporation, Inc leases property and equipment.
3. Persons and firms with whom New England Cannabis Corporation, Inc is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting New England Cannabis Corporation, Inc.
6. Agencies, organizations, and associations which affect the operations of New England Cannabis Corporation, Inc.
7. Family members, friends, and other employees.
8. Any situation where a member of the board of directors is also an employee.

#### **SECTION 4. NATURE OF CONFLICTING INTEREST:**

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with New England Cannabis Corporation, Inc.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with both the New England Cannabis Corporation itself or any third party dealing with New England Cannabis Corporation, Inc.
3. Receiving remuneration for services with respect to individual transactions involving New England Cannabis Corporation, Inc.
4. Using New England Cannabis Corporation, Inc's time, personnel, equipment, supplies, or good will for other than New England Cannabis Corporation, Inc. approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with New England Cannabis Corporation, Inc. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

#### **SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:**

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy. The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of New England Cannabis Corporation, Inc .

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

#### **SECTION 6. DISCLOSURE POLICY AND PROCEDURE:**

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and

4. The [board or a duly constituted committee thereof] has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the chief executive officer (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the [board or a duly constituted committee thereof]. Disclosure involving directors should be made to the board chair, (or if she or he is the one with the conflict, then to the board vice-chair) who shall bring these matters to the [board or a duly constituted committee thereof].

The [board or a duly constituted committee thereof] shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to New England Cannabis Corporation, Inc. The decision of the [board or a duly constituted committee thereof] on these matters will rest in their sole discretion, and their concern must be the welfare of New England Cannabis Corporation, Inc and the advancement of its purpose.

**New England Cannabis Corporation, Inc  
CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you. These persons are termed "affiliated persons" and include the following:

- 1. your spouse, domestic partner, child, mother, father, brother or sister;
- 2. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities;
- and
- 3. any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. NAME OF EMPLOYEE OR BOARD MEMBER: (Please print)

KULDIP K. VATH

2. CAPACITY:  board of directors \_\_\_ executive committee

officer

\_\_\_ committee member \_\_\_ staff (position): \_\_\_\_\_

3. Have you or any of your affiliated persons provided services or property to NECC in the past year?

\_\_\_ YES  NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Have you or any of your affiliated persons purchased services or property from NECC in the past year?

YES  NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which NECC was or is a party?

YES  NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Were you or any of your affiliated persons indebted to pay money to NECC at any time in the past year (other than travel advances or the like)?

YES  NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from NECC or as a result of your relationship with NECC, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to NECC?

YES  NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving NECC?

YES  NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by

NCC 's [board or a duly constituted committee thereof] in accordance with the terms and intent of \_\_\_\_\_'s conflict of interest policy?

YES  NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

I HERBY CONFIRM that I have read and understand New England Cannabis Corporation, Inc.'s conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify [designated officer or director] immediately.

[Signature] Signature

2/1/17 Date

**New England Cannabis Corporation, Inc.  
GIFT POLICY AND DISCLOSURE FORM**

As part of its conflict of interest policy, New England Cannabis Corporation, Inc. requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with New England Cannabis Corporation, Inc or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

**Section 1.** "Responsible Person" is any person serving as an officer, employee or a member of the board of directors of New England Cannabis Corporation, Inc.

**Section 2.** "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a Responsible Person.

**Section 3.** "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to New England Cannabis Corporation, Inc is not a "contract" or "transaction."

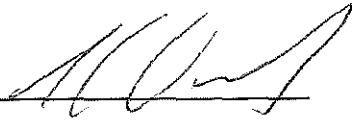
**Section 4.** Prohibited gifts, gratuities and entertainment. Except as approved by the Chairman of the Board or his designee or for gifts of a value less than \$50 which could not be refused without discourtesy, no Responsible Person or Family Member shall accept gifts, entertainment or other favors from any person or entity which:

1. Does or seeks to do business with New England Cannabis Corporation, Inc. or,
2. Does or seeks to compete with New England Cannabis Corporation, Inc. or,

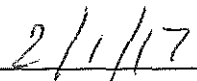
3. Has received, is receiving, or is seeking to receive a Contract or Transaction with New England Cannabis Corporation, Inc..

**GIFT STATEMENT**

I certify that I have read the above policy concerning gifts, and I agree that I will not accept gifts, entertainment or other favors from any individual or entity, which would be prohibited by the above policy. Following my initial statement, I agree to provide a signed statement at the end of each calendar year certifying that I have not received any such gifts, entertainment or other favors during the preceding year.

  
\_\_\_\_\_

Signature

  
\_\_\_\_\_

Date

**NEW ENGLAND CANNABIS CORPORATION**  
**CONFLICT OF INTEREST POLICY**

**SECTION 1. PURPOSE:**

New England Cannabis Corporation, Inc. is a nonprofit organization. Therefore, state regulatory and tax officials view the operations as a public trust, which is subject to scrutiny by and accountable to such governmental authorities as well as to members of the public.

Consequently, there exists between New England Cannabis Corporation, Inc and its board, officers, and management employees and the public a fiduciary duty, which carries with it a broad and unbending duty of loyalty and fidelity. The board, officers, and management employees have the responsibility of administering the affairs of The New England Cannabis Corporation honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of The New England Cannabis Corporation, Inc. Those persons shall exercise the utmost good faith in all transactions involved in their duties, and they shall not use their positions with The New England Cannabis Corporation, Inc. or knowledge gained therefrom for their personal benefit. The interests of the organization must be the first priority in all decisions and actions.

**SECTION 2. PERSONS CONCERNED:**

This statement is directed not only to directors and officers, but to all employees who can influence the actions of New England Cannabis Corporation, Inc. For example, this would include all who make purchasing decisions, all persons who might be described as "management personnel," and anyone who has proprietary information concerning The New England Cannabis Corporation, Inc.

**SECTION 3. AREAS IN WHICH CONFLICT MAY ARISE:**

Conflicts of interest may arise in the relations of directors, officers, and management employees with any of the following third parties:

1. Persons and firms supplying goods and services to New England Cannabis Corporation, Inc.
2. Persons and firms from whom New England Cannabis Corporation, Inc leases property and equipment.
3. Persons and firms with whom New England Cannabis Corporation, Inc is dealing or planning to deal in connection with the gift, purchase or sale of real estate, securities, or other property.
4. Competing or affinity organizations.
5. Donors and others supporting New England Cannabis Corporation, Inc.
6. Agencies, organizations, and associations which affect the operations of New England Cannabis Corporation, Inc.
7. Family members, friends, and other employees.
8. Any situation where a member of the board of directors is also an employee.

#### **SECTION 4. NATURE OF CONFLICTING INTEREST:**

A conflicting interest may be defined as an interest, direct or indirect, with any persons or firms mentioned in Section 3. Such an interest might arise through:

1. Owning stock or holding debt or other proprietary interests in any third party dealing with New England Cannabis Corporation, Inc.
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with both the New England Cannabis Corporation itself or any third party dealing with New England Cannabis Corporation, Inc.
3. Receiving remuneration for services with respect to individual transactions involving New England Cannabis Corporation, Inc.
4. Using New England Cannabis Corporation, Inc's time, personnel, equipment, supplies, or good will for other than New England Cannabis Corporation, Inc. approved activities, programs, and purposes.
5. Receiving personal gifts or loans from third parties dealing or competing with New England Cannabis Corporation, Inc. Receipt of any gift is disapproved except gifts of a value less than \$50, which could not be refused without discourtesy. No personal gift of money should ever be accepted.

#### **SECTION 5. INTERPRETATION OF THIS STATEMENT OF POLICY:**

The areas of conflicting interest listed in Section 3, and the relations in those areas which may give rise to conflict, as listed in Section 4, are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that the directors, officers, and management employees will recognize such areas and relation by analogy. The fact that one of the interests described in Section 4 exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of New England Cannabis Corporation, Inc .

However, it is the policy of the board that the existence of any of the interests described in Section 4 shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the board, officers, and management employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

#### **SECTION 6. DISCLOSURE POLICY AND PROCEDURE:**

Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:

1. The conflicting interest is fully disclosed;
2. The person with the conflict of interest is excluded from the discussion and approval of such transaction;
3. A competitive bid or comparable valuation exists; and

4. The [board or a duly constituted committee thereof] has determined that the transaction is in the best interest of the organization.

Disclosure in the organization should be made to the chief executive officer (or if she or he is the one with the conflict, then to the board chair), who shall bring the matter to the attention of the [board or a duly constituted committee thereof]. Disclosure involving directors should be made to the board chair, (or if she or he is the one with the conflict, then to the board vice-chair) who shall bring these matters to the [board or a duly constituted committee thereof].

The [board or a duly constituted committee thereof] shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair, and reasonable to New England Cannabis Corporation, Inc. The decision of the [board or a duly constituted committee thereof] on these matters will rest in their sole discretion, and their concern must be the welfare of New England Cannabis Corporation, Inc and the advancement of its purpose.

**New England Cannabis Corporation, Inc  
CONFLICT OF INTEREST DISCLOSURE STATEMENT**

Preliminary note: In order to be more comprehensive, this statement of disclosure/questionnaire also requires you to provide information with respect to certain parties that are related to you. These persons are termed "affiliated persons" and include the following:

1. your spouse, domestic partner, child, mother, father, brother or sister;
2. any corporation or organization of which you are a board member, an officer, a partner, participate in management or are employed by, or are, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities;
- and
3. any trust or other estate in which you have a substantial beneficial interest or as to which you serve as a trustee or in a similar capacity.

1. NAME OF EMPLOYEE OR BOARD MEMBER: (Please print)

KENNETH VINCENT STEVENS

2. CAPACITY:  board of directors \_\_\_ executive committee

officer

\_\_\_ committee member \_\_\_ staff (position): \_\_\_\_\_

3. Have you or any of your affiliated persons provided services or property to NECC in the past year?

\_\_\_ YES  NO

If yes, please describe the nature of the services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Have you or any of your affiliated persons purchased services or property from NECC in the past year?

YES  NO

If yes, please describe the purchased services or property and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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5. Please indicate whether you or any of your affiliated persons had any direct or indirect interest in any business transaction(s) in the past year to which NECC was or is a party?

YES  NO

If yes, describe the transaction(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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6. Were you or any of your affiliated persons indebted to pay money to NECC at any time in the past year (other than travel advances or the like)?

YES  NO

If yes, please describe the indebtedness and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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7. In the past year, did you or any of your affiliated persons receive, or become entitled to receive, directly or indirectly, any personal benefits from NECC or as a result of your relationship with NECC, that in the aggregate could be valued in excess of \$1,000, that were not or will not be compensation directly related to your duties to NECC?

YES  NO

If yes, please describe the benefit(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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8. Are you or any of your affiliated persons a party to or have an interest in any pending legal proceedings involving \_\_\_\_\_?

YES  NO

If yes, please describe the proceeding(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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9. Are you aware of any other events, transactions, arrangements or other situations that have occurred or may occur in the future that you believe should be examined by

NECC's [board or a duly constituted committee thereof] in accordance with the terms and intent of \_\_\_\_\_'s conflict of interest policy?

YES  NO

If yes, please describe the situation(s) and if an affiliated person is involved, the identity of the affiliated person and your relationship with that person:

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I HERBY CONFIRM that I have read and understand New England Cannabis Corporation, Inc.'s conflict of interest policy and that my responses to the above questions are complete and correct to the best of my information and belief. I agree that if I become aware of any information that might indicate that this disclosure is inaccurate or that I have not complied with this policy, I will notify [designated officer or director] immediately.

*Vincent Sten* Signature

2/1/17 Date

**New England Cannabis Corporation, Inc.  
GIFT POLICY AND DISCLOSURE FORM**

As part of its conflict of interest policy, New England Cannabis Corporation, Inc. requires that directors, officers and employees decline to accept certain gifts, consideration or remuneration from individuals or companies that seek to do business with New England Cannabis Corporation, Inc or are a competitor of it. This policy and disclosure form is intended to implement that prohibition on gifts.

**Section 1.** "Responsible Person" is any person serving as an officer, employee or a member of the board of directors of New England Cannabis Corporation, Inc.

**Section 2.** "Family Member" is a spouse, domestic partner, parent, child or spouse of a child, or a brother, sister, or spouse of a brother or sister, of a Responsible Person.

**Section 3.** "Contract or Transaction" is any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, receipt of a loan or grant, or the establishment of any other pecuniary relationship. The making of a gift to New England Cannabis Corporation, Inc is not a "contract" or "transaction."

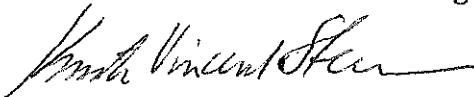
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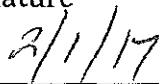
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Signature



Date