



The Commonwealth of Massachusetts
Executive Office of Health and Human Services
Department of Public Health
Bureau of Health Care Safety and Quality
Medical Use of Marijuana Program
99 Chauncy Street, 11th Floor, Boston, MA 02111

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Governor

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Lieutenant Governor

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Commissioner

Tel: 617-660-5370
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February 17, 2017

Mr. Robert H. Carp, Esq.
Life Essence, Inc.
540 VFW Parkway, Suite 7
West Roxbury, MA 02132

Re: Request for Information

Dear Mr. Carp,

This letter is to inform you that the Department of Public Health ("Department") has reviewed Life Essence, Inc.'s *Management and Operations Profile* (Application 1 of 3). The *Management and Operations Profile* requires the following information before the Department may complete its evaluation:

1. The Articles of Organization submitted are not consistent with those on file with the Secretary of State's office. Please submit Articles of Organization consistent with those on file with the Secretary of State.
2. The applicant did not submit the Employment and Education forms as required in Section D. 16. Please submit those forms for the required individuals.
3. In response to Section F of the *Management and Operations Profile*, the applicant does not include Robert Tannenbaum. In its *Application of Intent* the applicant discloses that he is contributing 5% or more of initial capital to operate the proposed RMD. Please clarify whether Mr. Tannenbaum still is contributing 5% or more of initial capital to operate the proposed RMD. If he is, update Section F with this information and submit all necessary forms to complete a background check on Mr. Tannenbaum.
4. Please clarify the information provided in Section F of the *Management and Operations Profile*. Both individuals are identified as contributing 100% of capital with a note underneath stating that they are "partners in the entirety." Under Massachusetts law, there is the term "tenancy by the entirety," which is used to connote a husband and wife jointly owning real estate with a right of survivorship, but the term "partners in the entirety" does not appear. Please explain how the individuals will be contributing the amount identified, and if both individuals are contributing more than 5% of the initial capital, please submit Character and Competency Forms for Sandy Goodman, as well as all necessary forms to complete a background check on Ms. Goodman.

5. In the applicant's response to Question C.12, the applicant states it "has no agreements or contracts, executed or proposed, in which the corporate entity will engage in a Related Party Transaction. In Section F of the *Management and Operations Profile*, the applicant has disclosed that it will be receiving a loan from Howard Heidenberg, its Chief Operating Officer. Please review the Guidance for Registered Marijuana Dispensaries Regarding Non-Profit Compliance regarding Related Party Transactions and reconcile the conflicting information provided by the applicant by resubmitting the applicant's response to Question C.12 or otherwise eliminating the contradiction between the information submitted. If his loan agreement is a related party transaction, please also submit a copy of the agreement and an independent opinion that the 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 (<http://www.mass.gov/eohhs/docs/dph/quality/medical-marijuana/applications/non-profit-compliance-guidance.pdf>). If you do not yet have a copy of the agreement, please be advised that you will need to submit the agreement and an independent opinion that it is compliant with the Non-Profit Guidance prior to receiving a Provisional Certificate of Registration.
6. Please submit a conflict of interest policy that addresses the potential conflicts raised by the applicant's response to Question C.13.
7. In response to Question D.18, the applicant did not state the *length* of experience of the Corporation's Chief Operations Officer with providing health care services Applicant must resubmit a completed response to Question D.18, including this information.
8. It is unclear who is serving as the individual responsible for marijuana for medical use cultivation operations. In its *Application of Intent* the applicant indicated that Matthew Skomurski was "Head Grower." In its response to D.20 in the *Management and Operations Profile*, the applicant indicated that the "Cultivation Director" is Jason Hancock. Please clarify who serves as the individual responsible for marijuana for medical use cultivation operations. If this person is Jason Hancock, please submit a Character and Competency form for him. If Matthew Skomurski serves in this role, please resubmit a complete response to D.20 with this information as well as submitting all necessary forms to complete a background check on Mr. Skmomurksi.
9. In its response to Question E.22, the applicant states, "All labels will be at least 1/16" in size...." It is unclear whether the applicant is referring to the size of the lettering on the labels, per 105 CMR 725.105(E)(2). Applicant must resubmit a completed response to Question E.22 that is in compliance with 105 CMR 725.105(E)(2).
10. Also in its response to Question E.22, the applicant states, "All MIPS will conform to 725.105(e)(2) labeling requirements." 105 CMR 725.105(E)(2) pertains to the labeling of marijuana, excluding MIPS. Applicant must resubmit a completed response to Question E.22 that identifies the correct section of the Regulations.

11. In its response to Question E.23, applicant states, “Life Essence Inc.’s dispensary will *produce* [emphasis added] and sell MIPs.” It is unclear whether the applicant intends to produce MIPs as both its dispensary location and its processing location, in violation of 105 CMR 725.100(A)(4). Pursuant to 105 CMR 725.100(A)(4), “A RMD may not have more than two locations in Massachusetts at which marijuana is cultivated, MIPs are prepared, and marijuana is dispensed. Each of these activities may occur at only one such location, which may be either the RMD’s principal place of business or one Department-approved alternate location in Massachusetts, but not both.” Applicant must resubmit a completed response to Question E.23 that is in compliance with 105 CMR 725.100(A)(4).

13. In its response to Question E.29, applicant states, “Calculation of the acceptable range utilizing ISO Guide 34:2009.” It is unclear to what range the applicant is referring. Further, the citation to ISO Guide 34.2009 is unclear. Applicant must resubmit a completed response to Question E.29 that clarifies what range the applicant is referring to and identifies the correct citation.

14. The citations referenced in the applicant’s response to Question E.30 do not appear to apply to RMDs. Applicant must resubmit a completed response to Question E.30 that is in compliance with Chapter 369, *An Act for the Humanitarian Medical Use of Marijuana*, and its implementing regulations 105 CMR 725.000, including 105 CMR 720.200.

15. In its response to Question E.32, applicant states, “Working with compliant individuals who produce state issued medical marijuana patient registration cards.” Pursuant to 105 CMR 725.105(F)(1)(a), “[a] RMD shall refuse to sell marijuana to any registered qualifying patient or personal caregiver who is unable to produce a registration card *and valid proof of identification* [emphasis added], or who does not have a valid certification in the Department supported interoperable database.” Applicant must resubmit a completed response to Question E.32 that complies with 105 CMR 725.105(F)(1)(a).

16. In its response to Question E.35, applicant states, “Upon arriving at the patient or caregiver’s home, the driver will request to view the registration card. If provided, and it is valid, the driver will collect the cash from the patient or caregiver, obtain a confirmation signature, and leave the medicine with the patient.” Pursuant to 105 CMR 725.105(F)(1)(a), “[a] RMD shall refuse to sell marijuana to any registered qualifying patient or personal caregiver who is unable to produce a registration card *and valid proof of identification* [emphasis added], or who does not have a valid certification in the Department supported interoperable database.” Applicant must resubmit a completed response to Question E.35 that complies with 105 CMR 725.105(F)(1)(a).

17. In its response to Question E.36, applicant states, “There will be a sliding scale based on federal poverty levels providing assistance to those patients that receive MassHealth or Supplemental Security Income, or if the individual’s income does not exceed 300% of the FPL, adjusted for family size *and geographical location* [emphasis added].” 105 CMR 725.004 defines “Verified Financial Hardship” to

mean “that an individual is a recipient of MassHealth, or Supplemental Security Income, or the individual’s income does not exceed 300% of the federal poverty level, adjusted for family size.” Applicant must resubmit a completed response to Question E.36 that complies with the definition of Verified Financial Hardship.

18. In its response to Question E.40, applicant states, “The general liability policy will have \$1,000,000 per occurrence, \$2,000,000 in aggregate annually, product liability for \$1,000,000 per occurrence and \$2,000,000 in aggregate.” Pursuant to 105 CMR 725.105(Q), “A RMD shall obtain and maintain general liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, annually, and product liability insurance coverage for no less than \$1,000,000 per occurrence and \$2,000,000 in aggregate, *annually* [emphasis added]....” Applicant must resubmit a completed response to Question E.40 that is in compliance with 105 CMR 725.105(Q).
19. As stated in the December 8, 2016 letter from the Department, Matthew Skomurski is affiliated with multiple RMDs. Please submit the agreement between the applicant and Mr. Skomurski for review for compliance with 105 CMR 725.100(A)(2). If there is no written agreement between the applicant and Mr. Skomuriki regarding his employment, please submit a written confirmation signed by an executive or member of the corporation for the applicant that there is no employment agreement and that Mr. Skomurski is not an executive as it is defined under the regulations, 105 CMR 725.004 (“[e]xecutive means the chair of a board of directors, chief executive officer, executive director, president, senior director, other officer, and any other executive leader of a RMD”) or a member of the corporation, and further, that he does not control an entity that directly or indirectly controls more than 3 RMDs. Please note that if information provided by the RMD is materially inaccurate, incomplete, or fraudulent, it may serve as the basis for denial of an initial application pursuant to 105 CMR 725.400(A) or revocation or denial of renewal pursuant to 105 CMR 725.405(B).

Please be advised that the applicant must submit this information 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. If anything regarding Mr. Skomurski’s status within the applicant’s organization changes, please further note that the applicant must inform the Department within 5 business days as required pursuant to 105 CMR 725.100(F)(4).

20. Further, as stated in the December 8, 2016 letter from the Department, Robert H. Carp, Esq. is affiliated with multiple RMDs. Please explain his role with Life Essence, Inc. Please also submit any agreement between Life Essence, Inc. and Attorney Carp for review for compliance with 105 CMR 725.100(A)(2). If there is no written agreement between the applicant and Attorney Carp regarding his employment, please submit a written confirmation signed by an executive or member of the corporation (other than the primary contact, as that is Attorney Carp) for the applicant that there is no employment agreement and that Attorney Carp is not an executive as it is defined under the regulations, 105 CMR 725.004 (“[e]xecutive means the chair of a board of directors, chief executive officer, executive director, president, senior director, other officer, and any other executive leader of a RMD”) or a member of the corporation, and further, that he does not control an entity that directly or indirectly controls more than 3 RMDs. Please note that if information provided by the RMD is materially inaccurate, incomplete, or fraudulent, it may serve as the basis for denial of an initial application pursuant to 105 CMR 725.400(A) or revocation or denial of renewal pursuant to 105 CMR 725.405(B).

Please be advised that you will need to submit this information 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. If anything regarding Attorney Carp's status within the applicant's organization changes, please further note that the applicant must inform the Department within 5 business days as required pursuant to 105 CMR 725.100(F)(4).

If the applicant has been requested to resubmit their response to a question, please do so using the page on the application form for that particular question, and include an initialed attestation at the bottom of the page. The applicant need not resubmit the entire application and may submit only the page for the particular question that needs to be submitted.

Please remember to type all responses in the information or materials resubmitted to the Department, other than any required signatures, as well as include the name of the Applicant Non-Profit Corporation *and* the number of the application (e.g., Application 1 of 1) at the top of each page of the resubmitted information or materials.

Please resubmit the additional or revised information as outlined above, via U.S. mail or hand-delivery, to:

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

Upon receipt, the Department will review the information and will notify the applicant if it is invited to submit a *Siting Profile* or if further information is required before the applicant may proceed.

If you have questions or need assistance, you may contact the Department at 617-660-5370 or RMDapplication@state.ma.us.

Sincerely,



Eric Sheehan, J.D.
Bureau Director
Bureau of Health Care Safety and Quality
Massachusetts Department of Public Health