City of Lansing
Medical Marihuana Commission
Friday, February 1, 2019 2:00 PM
2500 S Washington Avenue
City Clerk’s Training Room

Meeting Agenda

1. Call to Order
2. Approval of the Agenda
3. Approval of Minutes
5. Public Comment on Agenda Items
6. Commission Appeal Hearings
   Appeals are heard following the approved Medical Marihuana Commission Appeal Hearing Format
   Greenwave – 500 E Oakland Ave
   Edenz 2 – 5124 S Martin Luther King, Jr BLVD
   Lansing Provisioning Center – 6510 S Cedar St
7. Excused Absences
8. Public Comment
9. Adjournment
December 15, 2017 – Application submitted

December 21, 2017 – Department review of applications begins

October 29, 2018 – SOM Denies Application ................................................................. 1

November 9, 2018 – Denial Letter Sent ................................................................. 21

November 23, 2018 – Appeal submitted ................................................................. 24

December 10, 2018 – Appeal to Hearing Officer

December 26, 2018 – Hearing Officer Report & Denial Sent ................. 32

January 8, 2019 – Commission Hearing date letter sent .................. 42

January 25, 2019 – Commission Appeal submitted ................. 43
November 8, 2018

Greenwave Naturals, LLC
500 E Oakland Ave,
Lansing, MI

tom@greenwavemi.com; Janiszewski@dykema.com

Application No. ERGA-18-000234

Dear Greenwave Naturals, LLC:

On October 29, 2018, your February 15, 2018 application for pre-qualification status for a state operating license under the Michigan Marihuana Facilities Licensing Act, MCL 333.27101 et seq., was denied by the Michigan Medical Marihuana Licensing Board for the following reason(s):

Pursuant to Section 402(3)(a) of the Act, (personal and business probity to operate or maintain a marihuana facility, financial ability and experience to operate or maintain a marihuana facility, responsibility or means to operate or maintain a marihuana facility) and 402(3)(c) (sources and total amount of the applicant’s capitalization to operate and maintain the proposed marihuana facility), as evidenced by the sources of capital provided do not establish a reliable means for the operation of a facility under the Act.

Under section 407(3) of the Act and Rule 46 of the emergency rules promulgated thereunder, you have the right to request a public investigative hearing at which you have the opportunity to present testimony and evidence to establish by clear and convincing evidence your eligibility and suitability for a license.

A request for a public investigative hearing must be filed in writing within 21 days from the date of service of this letter as the following address: Department of Licensing and Regulatory Affairs, Bureau of Medical Marihuana Regulation, P.O. Box 30205, Lansing MI, 48909 or sent electronically to LARA-BMMR-Legal@michigan.gov.

[Signature]
Andrew Brisbo
Director
Bureau of Medical Marihuana Regulation

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MEDICAL MARIHUANA LICENSING BOARD

October 29, 2018 MEETING

APPROVED MINUTES

In accordance with the Open Meetings Act, 1976 PA 267, as amended, the Michigan Medical Marihuana Licensing Board met on October 29, 2018, at the Williams Building 1st Floor Auditorium, 525 West Ottawa Street Lansing, MI 48933.

CALL TO ORDER

Johnson, Chairperson, called the meeting to order at 1:02 p.m.

ROLL CALL

Members Present: Rick Johnson, Chairperson
David LaMontaine
Vivian Pickard
Nichole Cover
Donald Bailey

Staff Present: Andrew Brisbo, State Bureau Administrator
Erika Marzorati, Assistant Attorney General
Bridget Smith, Assistant Attorney General
Kelly Kronner, Departmental Analyst
Kris Jordan, State Administrative Manager
Brian Hanna, State Administrative Manager

PUBLIC COMMENT REMINDER

Johnson reviewed intent of public comment and reminded the audience that comments should not address items that are currently pending before the board or may be before the board at a future meeting.

APPROVAL OF AGENDA

MOTION by Bailey, seconded by Pickard, to approve the agenda, as presented. Roll
call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

OLD BUSINESS

A. Tabled Application

1. Applicant: Herbal Healing of River Rouge, LLC, File No: ERGA-18-000515
   License(s): Provisioning Center, File No: PCA-18-000130
   
   a. Motion by Pickard, seconded by Cover, to table and
do not discuss Herbal Healing of River Rouge, LLC’s application for a Provisioning Center license. Motion called vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

   MOTION PREVAILED

b. Discussion

c. Motion by Bailey, seconded by Johnson, to deny Herbal Healing of River Rouge, LLC’s application for a Provisioning Center license because the applicant is not qualified to receive a license under MMFLA sections 402(2)(c) and 402(3)(a).

   d. Discussion

   e. The applicant knowingly submitted a license application containing false information and personal and business probity to operate or maintain a marijuana facility, as evidenced by the selling of product that does not correlate to the MMFLA.

   f. Discussion

   g. Roll call vote: In Favor – LaMontaine, Cover, Bailey, Johnson, Opposed – Pickard.
MOTION PREVAILED

NEW BUSINESS

A. Board Scheduling Availability – 2019

1. Johnson discussed Board availability for the upcoming year. Suggested that all board members submit their availability to the Department in order to present for approval at the November 8, 2018 Licensing Board Meeting.

B. Pre-Qualification Applications

1. Applicant: Quality Roots LLC, File No: ERGA-17-000018
   a. Motion by Bailey, seconded by Pickard, that Quality Roots LLC, has prequalification status for a pending application. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.
      MOTION PREVAILED

2. Applicant: Frankfort Green LLC, LLC, File No: ERGA-18-000101
   a. Motion by Pickard, seconded by Cover, that Frankfort Green, LLC, has prequalification status for a pending application.
   b. Discussion
   c. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Johnson, Opposed – Bailey.
      MOTION PREVAILED

3. Applicant: Freddie’s, LLC, File No: ERGA-18-000633
   a. Motion by LaMontaine, seconded by Pickard, that Freddie’s, LLC, has prequalification status for a pending
application. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

4. Applicant: GR Vending, LLC, File No: ERGA-18-000203

   a. Motion by Pickard, seconded by Cover, that GR Vending, LLC, has prequalification status for a pending application. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

5. Applicant: Morenci Brothers Holding Group, LLC, File No: ERGA-18-000192

   a. Discussion

   b. Motion by Johnson, seconded by Pickard, that Morenci Brothers Holding Group, LLC, has prequalification status for a pending application. Roll call vote: In Favor – Pickard, Cover, Bailey, Johnson, Opposed – None, Abstain – LaMontaine.

MOTION PREVAILED


   a. Motion by Bailey, seconded by LaMontaine, to deny Northern Michigan Grow, LLC’s application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility), 403(3)(e) (the applicant has filed, or had filed against it, a proceeding for bankruptcy within the past 7 years, and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years), as evidenced by

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implausible business arrangements to support the capitalization. There is a pattern or history of failure to satisfy business and/or tax obligations when due.

b. Roll call vote: In favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

7. Applicant: Jacob Ottney, File No: IRGA-18-000544

a. Motion by LaMontaine, seconded by Cover, that Jacob Ottney, has prequalification status for a pending application. Roll call vote: In Favor – LaMontaine, Cover, Opposed – Pickard, Bailey, Johnson.

MOTION FAILED

b. Discussion

c. Motion by Bailey, seconded by Pickard, to discuss Jacob Ottney’s application. A voice vote followed.

MOTION PREVAILED

d. Discussion

e. Motion by Bailey, second by Pickard, to deny Jacob Ottney’s application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marijuana facility) and 402(3)(g) (the applicant has a history of noncompliance with regulatory requirements in Michigan or another jurisdiction) as evidenced by activity under the MMMA.

f. Roll call vote: In favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED
8. Applicant: Pegasus Green, LLC, File No: ERGA-18-000334
   a. Motion by Pickard, seconded by Cover, that Pegasus Green, LLC, has prequalification status for a pending application. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

   MOTION PREVAILED

9. Applicant: The Happiest Camper, LLC, File No: ERGA-18-000615
   a. Motion by Pickard, seconded by Cover, that The Happiest Camper, LLC, has prequalification status for a pending application. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

   MOTION PREVAILED

10. Applicant: Northern Specialty Provisioning Limited Partnership, File No: ERGA-18-000571
    a. Motion by Bailey, seconded by Cover, to discuss Northern Specialty Provisioning Limited Partnership, LLC’s, application. A voice vote followed.

   MOTION PREVAILED

   b. Discussion

   c. Motion by Bailey, to deny Northern Specialty Provisioning Limited Partnership, LLC’s application because the applicant is not qualified to receive a license under MMFLA section 402(3)(a) (based on the integrity, moral character, and reputation of the applicant). No support.

   MOTION FAILED

   d. Motion by Pickard, seconded by Cover, that Northern Specialty Provisioning Limited Partnership, LLC, has prequalification status for a pending application.
e. Discussion

f. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Johnson, Opposed – Bailey.

11. Applicant: Greenwave Naturals, LLC, File No: ERGA-18-000234

a. Motion by Pickard, seconded by Cover, to deny Greenwave Naturals, LLC, because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility, financial ability and experience to operate or maintain a Marihuana Facility, responsibility or means to operate or maintain a Marihuana Facility) and 402(3)(c) (sources and total amount of the applicant’s capitalization to operate and maintain the proposed marihuana facility) as evidenced by the sources of capital provided do not establish a reliable means for the operation of a facility under the Act. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

C. State Operating License Applications and Related Prequalification


Licenses(s): Provisioning Center, File No: PCA-18-000034

a. Motion by Bailey, seconded by Pickard, to deny JC3, LLC’s application because the applicant is not qualified to receive a license under the MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a Marihuana Facility, the financial ability and experience to operate or maintain a marihuana facility) and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years) as evidenced by a
failure to provide adequate records to demonstrate an ability to operate a marihuana business in a compliant manner.

b. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

2. Applicant: Montrowe, LLC, File No: ERGA-18-000056
Licenses(s): Provisioning Center, File No: PCA-18-000149

a. Motion by LaMontaine, seconded by Cover, to grant Montrowe, LLC’s application for a Provisioning Center license. Roll call vote: In Favor – LaMontaine, Cover, Johnson, Opposed – Pickard, Bailey.

MOTION PREVAILED

3. Applicant: Humblebee Products, LLC, File No: ERGA-18-000094
Licenses(s): Processor, File No: PRA-18-000014
Prequalification status for a pending application granted on July 12, 2018

a. Motion by LaMontaine, seconded by Cover, to grant Humblebee Products, LLC’s application for a Processor license. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Johnson, Opposed – Bailey.

MOTION PREVAILED

Licenses(s): Provisioning Center, File No: PCA-18-000120
Prequalification status for a pending application granted on July 12, 2018

a. Motion by LaMontaine, seconded by Cover, to grant 2540 RP, LLC’s application for a Provisioning Center license. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.
MOTION PREVAILED

5. Applicant: D. Savage, LLC, File No: ERGA-18-000255
   Licenses(s): Provisioning Center, File No: PCA-18-000193
   Prequalification status for a pending application granted on October 18, 2018

   a. Motion by LaMontaine, seconded by Cover, to grant D. Savage, LLC’s, application for a Provisioning Center license. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Johnson, Opposed – Bailey.

MOTION PREVAILED

6. Applicant: The Barn, LLC, File No: ERGA-18-000325
   Licenses(s): Provisioning Center, File No: PCA-18-000153

   a. Motion by Pickard, seconded by Cover, to grant The Barn, LLC’s application for a Provisioning Center license.

   b. Discussion

   c. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Johnson, Opposed – Bailey.

MOTION PREVAILED

7-10. Applicants:
   7. KTC Industries, LLC, File No: ERGA-18-000057
      Licenses(s): Provisioning Center, File No: PCA-18-000108
   8. KTC Industries, LLC, File No: ERGA-18-000057
      License(s): Grower Class C, GRA-C-18-000165
   9. KTC Industries, LLC, File No: ERGA-18-000057
      License(s): Grower Class C, File No: GRA-C-000166
   10. KTC Industries, LLC, File No: ERGA-18-000057
       License(s): Grower Class C, GRA-18-C-000167

   a. Motion by Pickard, seconded by Cover, to grant KTC Industries, LLC’s applications for a Provisioning Center and three Grower Class C licenses. Roll call vote: In
Favor – LaMontaine, Pickard, Cover, Bailey, LaMontaine, 
Opposed – None.

MOTION PREVAILED

11. Applicant: Cannalicious, Inc. File No: ERGA-18-000155 
Licenses(s): Processor, File No: PRA-18-000052

a. Motion by Pickard, seconded by Cover, to grant 
Cannalicious, Inc.’s application for a Processor license. 
Roll call vote: In Favor – LaMontaine, Pickard, Cover, 
Bailey, Johnson, Opposed – None.

MOTION PREVAILED

Licenses(s): Processor, File No: PRA-18-000027 
Prequalification status for a pending application granted on May 31, 2018

a. Motion by Cover, seconded by LaMontaine, to grant 
CLDD, LLC’s application for a Processor license.

b. Discussion

c. Roll call vote: In Favor – LaMontaine, Pickard, Cover, 
Bailey, Johnson, Opposed – None.

MOTION PREVAILED

License(s): Provisioning Center, File No: PCA-18-000136

a. Motion by Cover, seconded by LaMontaine, to deny 
District 3, LLC’s application because the applicant is not 
qualified to receive a license under MMFLA sections 
402(3)(a) (the personal and business probity to operate or 
maintain a marihuana facility) and 402(3)(f) (the applicant 
has been served with a complaint, or other notice filed 
with any public body regarding payment of any tax 
required under federal, state, or local law that has been 
delinquent for 1 or more years) as evidenced by a failure
to provide adequate records to demonstrate an ability to operate a marihuana business in a compliant manner. There is a pattern or history of failure to satisfy business and/or tax obligations.

b. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

License(s): Provisioning Center, File No: PCA-18-000067

a. Motion by Cover, seconded by LaMontaine, to deny District 7, LLC’s application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility) and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years) as evidenced by a failure to provide adequate records to demonstrate an ability to operate a marihuana business in a compliant manner and a pattern or history of failure to satisfy business and/or tax obligations. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

15. Applicant: 3967 Euclid, LLC, File No: ERGA-18-000508
License(s): Provisioning Center, File No: PCA-18-000135

a. Motion by Cover, seconded by Bailey, to deny 3967 Euclid, LLC’s application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility, the sources and total amount of the applicant’s capitalization to operate and maintain the proposed marihuana facility) and 402(3)(f) (the applicant has been served with a complaint, or other
notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years) as evidenced by a failure to provide adequate records to demonstrate an ability to operate a marihuana business in a compliant manner and a pattern or history of failure to satisfy business and/or tax obligations. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

16. Applicant: Erba Care, LLC, File No: ERGA-18-000289
Licenses(s): Provisioning Center, File No: PCA-18-000041

a. Motion by Cover, seconded by LaMontaine, to deny Erba Care, LLC’s application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility, the sources and total amount of the applicant’s capitalization to operate and maintain the proposed marihuana facility) and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years) as evidenced by a failure to provide adequate records to demonstrate an ability to operate a marihuana business in a compliant manner and the source of capital provided do not establish a reliable means for the operation of a facility under the Act. Roll call vote: LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

17. Applicant: The House of Mary Jane, LLC, File No: ERGA-18-000421
Licenses(s): Provisioning Center, File No: PCA-18-000102

a. Motion by LaMontaine, seconded by Pickard, to grant The House of Mary Jane, LLC’s application for a Provisioning Center license.
b. Discussion

c. Roll call vote: In favor – LaMontaine, Pickard, Cover, Opposed – Bailey, Johnson.

MOTION PREVAILED

18. Applicant: Great Lakes 101, LLC, File No: ERGA-18-000595
Licenses(s): Grower Class A, File No: GRA-A-18-000010

a. Motion by Pickard, seconded by LaMontaine, to deny Great Lakes 101, LLC’s application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a), (financial ability and experience to operate or maintain a marihuana facility, the responsibility or means to operate or maintain a marihuana facility), 402(3)(c) (the sources and total amount of the applicant’s capitalization to operate and maintain the proposed marihuana facility) and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years) as evidenced by the source of capital provided do not establish a reliable means for the operation of a facility under the Act. There is a pattern or history of failure to satisfy business and/or tax obligations when due. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

19. Applicant: Green Genie, LLC, File No: ERGA-18-000122
Licenses(s): Provisioning Center, File No: PCA-18-000009

a. Motion by LaMontaine, seconded by Pickard, to deny Green Genie, LLC’s application because the applicant is not qualified to receive a license under the MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility, the financial ability and experience to operate or maintain a marihuana facility).
facility, and the applicant has been served with a complaint) and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years), as evidenced by a failure to provide adequate records to support financial account transactions or demonstrate an ability to operate a marihuana facility in a compliant manner. There is a pattern or history of failure to timely file tax returns and/or satisfy tax obligations when due. Roll call vote: In favor – LaMontaine, Pickard, cover, Bailey, Johnson, opposed – None.

MOTION PREVAILED


a. Motion by Cover, seconded by LaMontaine, to deny Greencare Provisioning, LLC's application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility, the financial ability and experience to operate or maintain a marihuana facility, the responsibility or means to operate or maintain a marihuana facility), 402(3)(c) (sources and total amount of the applicant's capitalization to operate and maintain the proposed marihuana facility), and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years), as evidenced by implausible business arrangements to support the capitalization. The records provided by the applicant demonstrate an inability to operate a marihuana business in a compliant manner. There is a pattern or history of failure to timely file tax returns and/or satisfy tax obligations when due. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, opposed – None.
MOTION PREVAILED

   Licenses(s): Provisioning Center, File No: PCA-18-000116
   a. Motion by Cover, seconded by LaMontaine, to deny The House of Zen Care Center, LLC’s application because the applicant is not qualified to receive a license under MMFLA section 402(3)(a) (personal and business probity to operate or maintain a marihuana facility) as evidenced by a failure to provide adequate records to demonstrate an ability to operate a marihuana business in a compliant manner. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

22. Applicant: GS Ashley, LLC, File No: ERGA-18-000207
   Licenses(s): Provisioning Center, File No: PCA-18-000050
   a. Motion by Pickard, seconded by Cover, to grant GS Ashley, LLC’s application for a Provisioning Center license.
   b. Discussion
   c. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Opposed – Bailey, Johnson.

MOTION PREVAILED

   Licenses(s): Provisioning Center, File No: PCA-18-000119
   a. Motion by Pickard, seconded by LaMontaine, to deny Green Bean Company, Inc.’s application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility, the financial ability and experience to operate or maintain a marihuana

The meeting site and parking is accessible. Individuals attending the meeting are requested to refrain from using heavily scented personal care products in order to enhance accessibility for everyone. People with disabilities requiring additional services (such as materials in alternative format) in order to participate in the meeting should call Kelly Kronner at (517) 284-8584 at least 10 working days before the event.

BUREAU OF MEDICAL MARIJUANA REGULATION
2407 NORTH GRAND RIVER • P.O. BOX 1205 • LANSING, MICHIGAN 48909
www.michigan.gov/medicalmarijuana
facility) and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years), as evidenced by a pattern or history of failure to satisfy business and/or tax obligations when due and records provided by the applicant demonstrate an inability to operate a marihuana business in a compliant manner. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED


a. Motion by LaMontaine, seconded by Pickard, to deny Green Bean Company East, Inc.’s application because the applicant is not qualified to receive a license under MMFLA sections 402(3)(a) (personal and business probity to operate or maintain a marihuana facility, the financial ability and experience to operate or maintain a marihuana facility) and 402(3)(f) (the applicant has been served with a complaint, or other notice filed with any public body regarding payment of any tax required under federal, state, or local law that has been delinquent for 1 or more years), as evidenced by a pattern or history of failure to satisfy business and/or tax obligations when due and records provided by the applicant demonstrate an inability to operate a marihuana business in a compliant manner. Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

25. Applicant: Green Acres Wellness Center, LLC, File No: ERGA-18-000249 Licenses(s): Provisioning Center, File No: PCA-18-000174
a. Motion by LaMontaine, seconded by Johnson, to grant
Green Acres Wellness Center, LLC’s application for a
Provisioning Center license.

b. Discussion

c. Roll call vote: In favor – LaMontaine, Pickard, Cover,
Johnson, Opposed – Bailey.

MOTION PREVAILED

26. Applicant: Detroit Herbal Center, LLC, File No: ERGA-18-000225
Licenses(s): Provisioning Center, File No: PCA-18-000155

a. Motion by Pickard, seconded by LaMontaine, to deny
Detroit Herbal Center, LLC’s, application because the
applicant is not qualified to receive a license under
MMFLA section 402(3)(a) (financial ability and experience
to operate or maintain a marihuana facility), as evidenced
by the records provided by the applicant demonstrate an
inability to operate a marihuana business in a compliant
manner. Roll call vote: In Favor – LaMontaine, Pickard,
Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

27. Applicant: Capital Solutions Ypsilanti, LLC, File No: ERGA-18-000311
Licenses(s): Provisioning Center, File No: PCA-18-000088

a. Motion by LaMontaine, seconded by Pickard, to deny
Capital Solutions Ypsilanti, LLC’s application because the
applicant is not qualified to receive a license under
MMFLA section 402(3)(a) (financial ability and experience
to operate or maintain a marihuana facility and the
responsibility or means to operate or maintain a
marihuana facility), as evidenced by a failure to provide
adequate records to demonstrate an ability to operate a
marihuana business in a compliant manner. Roll call vote:
In favor – LaMontaine, Pickard, Cover, Bailey, Johnson,
Opposed – None.

MOTION PREVAILED

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personal care products in order to enhance accessibility for everyone. People with disabilities requiring additional services (such as
materials in alternative format) in order to participate in the meeting should call Kelly Kronner at (517) 284-8584 at least 10 working
days before the event.
 Applicant: HH Enterprises, LLC, File No: ERGA-18-000310
Licenses(s): (Prequalification Only)
a. Motion by LaMontaine, seconded by Pickard to deny HH Enterprises, LLC’s application because the applicant is not qualified to receive a license under MMFLA section 402(3)(a) (financial ability and experience to operate or maintain a marihuana facility and the responsibility or means to operate or maintain a marihuana facility), as evidenced by a failure to provide adequate records to demonstrate an ability to operate a marihuana business in a compliant manner. Roll call vote: In favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

DEPARTMENT REPORT
A. Brisco gave the board an update on the current volume of applications received by the Department and the applicants that are currently inactive. Brisco discussed the bulletin released by the Department on October 25, in relation to the online application process for registry cards. Chairman Johnson stated he does not intend to deny an application at the November 8, 2018, meeting solely because the applicant securely maintains existing marihuana product inventory until that time, if the applicant does not operate the facility after the October 31 deadline or transfer or receive any new marihuana product after October 31. As always, Chairman Johnson will evaluate each applicant’s overall qualification for licensure. LaMontaine and Pickard agreed. Bailey discussed public safety standards.

PUBLIC COMMENT
Don Kosmider – Discussed integrity and concern for patients. Explained that there are police officers who have entered the industry.

Jerome Russell – Stated that board members relationship with police should not negatively affect an applicant. Discussed patient access and caregivers.

Shoran Williams – Discussed the duties and responsibilities of the board.
Michael Pavlak – Discussed secure transport. Requested access to testing portals.
Jim Dimitriou – Discussed banking services.

Denise Pollicella – Discussed capitalization and requested a timeline to adopt a policy to release capital.

Brant Johnson – Discussed the October 31st deadline.

ADJOURNMENT

MOTION by LaMontaine, seconded by Bailey, to adjourn the meeting at 2:37 p.m.
Roll call vote: In Favor – LaMontaine, Pickard, Cover, Bailey, Johnson, Opposed – None.

MOTION PREVAILED

Next Meeting: November 8, 2018 at 9:30 a.m. at the Michigan Library & Historical Center
This message was sent to you at the request of Chris Swope, to notify you that they have shipped a package to you. For details about your shipment or to track your package, please refer to the information below.

**Shipment Details**

**Shipped To:** Greenwave Naturals LLC  
500 E Oakland Ave, Lansing, MI 48906-5246

**Mailing Date:** 11/9/2018

**Est. Delivery:** 2 days

**Service:** Priority Mail (R)

**Signature:** Not Required

**Tracking:** 9405511699000199260764

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November 9, 2018

Greenwave Naturals LLC
323 Fillley Street
Lansing, MI 48906

RE: Provisioning Center
500 E Oakland Avenue

Dear Provisioning Center Applicant,

This letter is to inform you that your application for a license to operate a Medical Marihuana Provisioning Center in the City of Lansing has been denied for failing to meet the definition of a provisioning center as outlined in the Lansing City ordinance and Michigan State law.

Lansing City Ordinance 1217 defines a provisioning center as “a commercial or business entity located in the City that is licensed or approved to operate by the State pursuant to the MMFLA and is licensed by the City pursuant to the terms and conditions of this chapter, that sells, supplies, or provides marihuana to registered qualifying patients only as permitted by State law. Medical marihuana provisioning center, as defined in the MMMA, MMFLA and MTA, includes any commercial property or business where marihuana is sold in conformance with State law and regulation. A noncommercial or nonbusiness location used by a primary caregiver to assist a qualifying patient, as defined in the MMMA, MMFLA or MTA connected to the caregiver through the State’s marihuana registration process in accordance with the MMMA, MMFLA or MTA is not a medical marihuana provisioning center for purposes of this chapter.”

The MMFLA defines a provisioning center as “(t) “Provisioning center” means a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients’ registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers.”

Additionally, 1300.15(b)(5) states:

“A license applied for or issued under this chapter may be denied or revoked on any of the following bases: . . . (5) Failure of the licensee or the medical marihuana establishment to obtain or maintain a license or approval from the State pursuant to the MMFLA”

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk’s Office a written statement setting forth fully the grounds for the appeal pursuant to Chapter 1300.15(c). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review any information submitted in the appeal as well as information submitted by the City Clerk. The hearing officer will consider the information submitted and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you would like the hearing officer to consider.
Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. The refund check will be issued to the name on the receipt received at the time of application submission. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope
CMMC/MMC
Lansing City Clerk

cc: M. Yankowski, Lansing Police Chief
    J. Smiertka, Lansing City Attorney

Deb Biehler
Medical Marihuana Specialist
Lansing City Clerk's Office
124 W. Michigan Avenue | Lansing, MI 48933
O: 517-483-4132  Fax: 517-377-0068
Deb.Biehler@lansingmi.gov
Website | Facebook | Twitter

Chris Swope, CMMC/CMC
Lansing City Clerk
November 23, 2018

Lansing City Clerk
c/o Lansing City Clerk's Office
Ninth Floor, City Hall
124 W. Michigan Ave.
Lansing, MI 48933-1695

Re: Initial Appeal Regarding the Denial of Greenwave Naturals, LLC’s Application for a Medical Marihuana Provisioning Center (the “Application”) dated November 9, 2018, per Chapter 1300.15.

Dear City Clerk:

Pursuant to Lansing City Ordinance and Letter of Denial, Greenwave Naturals, LLC hereby submits its initial appeal of denial.

1. Background

Greenwave applied for a provisioning center license with the City on December 15, 2017. On January 10, 2018, Deb Bieher signed Greenwave’s “Attestation B” affidavit provided by the Department of Licensing and Regulatory Affairs, Bureau of Medical Marihuana Regulation ("LARA" or "BMMR"), which confirmed that the City authorized and permitted Greenwave to continue temporary operations of its retail store under State Emergency Rule 19. Greenwave timely submitted its application for a provisioning center to LARA under the Medical Marihuana Facilities Licensing Act (“MMFLA”) on February 15, 2018, in compliance with State Emergency Rule 19.

At the Medical Marihuana Licensing Board (“MMLB”) meeting on October 29, 2018, the MMLB voted to deny Greenwave’s preapproval application request. In response, the City denied Greenwave’s pending Application (the “Denial Letter”), which Greenwave received on November 10, 2018.

The Denial Letter reasoned that the MMLB’s vote to deny Greenwave’s preapproval application constituted a “denial” under the MMFLA, thus triggering an automatic application denial pursuant to Lansing City Ordinance § 1300.15(b)(5) State Emergency Rule 19 and Executive Order 2017-02.” The City further instructed Greenwave to cease any business operations, “pursuant to State Emergency Rule 19 and Executive Order 2017-02.”

For context, the MMFLA allows for a public investigatory hearing process (“PIH”, further defined in Exhibit A) after the MMLB initially votes to deny an applicant licensure or prequalification. The end-result of the PIH process is the “final agency decision.” So, although the MMLB may have voted to deny an applicant a license, that is not a final denial unless and until the applicant either fails to request a PIH within 21 days of the initial vote, or the PIH concludes with the MMLB issuing a final decision. Unlike initial licensing denials under other
Michigan laws, the MMFLA provides a statutory appeal that results in the final agency decision; the MMLB’s vote to deny is not considered the final agency decision. BMMR’s treatment of denied applicants awaiting final disposition through a PIH allows for continued operation after the MMLB vote to deny an applicant licensure or prequalification since that vote is not a final agency decision. And on November 8, 2018, Greenwave formally and timely requested a PIH.

For the reasons detailed below, Greenwave’s preapproval application with LARA has not yet been officially “denied,” and Greenwave may still lawfully operate under State Emergency Rule 19 until LARA issues an enforceable rule that prohibits all temporary operations or the expiration of Greenwave’s right to apply for judicial review of LARA’s (yet to be issued) final agency decision denying Greenwave’s preapproval application.

2. Definition of Provisioning Center Pursuant to Lansing City Ordinance 1217

a. The City’s basis for a denial under this section is as follows:

“Lansing City Ordinance 1217 defines a provisioning center as “a commercial or business entity located in the City that is licensed or approved to operate by the State pursuant to the MMFLA and is licensed by the City pursuant to the terms and conditions of this chapter, that sells, supplies, or provides marihuana to registered qualifying patients only as permitted by State law. Medical marihuana provisioning center, as defined in the MMMA, MMFLA and MTA, includes any commercial property or business where marihuana is sold in conformance with State law and regulation. A noncommercial or nonbusiness location used by a primary caregiver to assist a qualifying patient, as defined in the MMMA, MMFLA or MTA connected to the caregiver through the State’s marihuana registration process in accordance with the MMMA, MMFLA or MTA is not a medical marihuana provisioning center for purposes of this chapter.”

b. Greenwave’s response to the City’s basis is as follows:

According to the City's definition, no business that provides marihuana to registered qualifying patients could possibly be considered a provisioning center in the City. So the City's denial of Greenwave’s application on that basis is arbitrary, capricious, and an abuse of discretion because the City has signed out Greenwave for a denial on that basis but has permitted other similar businesses to continue to have their applications remain in a pending status.

Further, the City violated Greenwave’s right to due process by depriving it of its property interest in operating its continuing business without notice and an opportunity to be heard before denying Greenwave’s application and forcing it to close. And the City also violated Greenwave’s right to equal protection under the law because the City singled out Greenwave but not other similar businesses for denial on this stated basis.

3. Definition of Provisioning Center Pursuant to MMFLA
a. The City’s basis for a denial under this section is as follows:

The MMFLA defines a provisioning center as “(t) “Provisioning center” means a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients’ registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers.”

b. Greenwave’s response to the City’s basis is as follows:

According to the City’s definition, no business that provides marihuana to registered qualifying patients could possibly be considered a provisioning center in the City. So the City’s denial of Greenwave’s application on that basis is arbitrary, capricious, and an abuse of discretion because the City has signed out Greenwave for a denial on that basis but has permitted other similar businesses to continue to have their applications remain in a pending status.

Further, the City violated Greenwave’s right to due process by depriving it of its property interest in operating its continuing business without notice and an opportunity to be heard before denying Greenwave’s application and forcing it to close. And the City also violated Greenwave’s right to equal protection under the law because the City singled out Greenwave but not other similar businesses for denial on this stated basis.

4. Definition of Denial Pursuant to Lansing City Ordinance 1300.15(b)(5)

a. The City’s basis for a denial under this section is as follows:

“A license applied for or issued under this chapter may be denied or revoked on any of the following bases: . . . (5) Failure of the licensee or the medical marihuana establishment to obtain or maintain a license or approval from the State pursuant to the MMFLA”

b. Greenwave’s response to the City’s basis is as follows:

Section 302 of the MMFLA grants the MMLB broad powers related to license, regulate, and enforce the MMFLA. But those powers are explicitly “subject to” the Administrative Procedures Act, MCL 24.201, et. seq. (the “APA”). MCL 333.27302.

The MMFLA also makes clear that when the MMLB denies a license application, it must do so according to the APA. MCL 333.27407(2).

1. MMFLA-Relevant Requirements of the APA

The APA provides for, among other things, judicial review for a party aggrieved by a final decision resulting from the exhaustion of an agency’s administrative remedies. MCL 24.301. But a preliminary agency action is not immediately reviewable, except by leave of court. Id.
Consistent with the APA, the Department of Licensing and Regulatory Affairs, Bureau of Medical Marihuana Regulation ("LARA" or "BMMR") proscribed its procedures for complying with the APA's hearing and review requirements by enacting – among others – Emergency Rules 44, 45, 46, and 51. In relevant part:

a. Rule 44(1) provides for a public investigative hearing ("PIH"), held before the MMLB, to provide "an applicant an opportunity to present testimony and evidence to establish suitability for a license, in accordance with MCL 333.27407(3);"

b. Rule 45(1) provides that LARA's rules apply to hearings involving the denial of a license . . . pursuant to [MCL 333.27407] . . . .";

c. Rule 46(1) provides that "[a]n applicant denied a license" (emphasis added) may request a PIH within 21 days of service of the denial on the applicant. The Rule's other subsections detail notices required for the applicant and the public of the PIH, procedures for issuing subpoenas, identifying that MMLB or an administrative judge designated by MMLB shall preside over the hearing, and places the burden of establishing the applicant's suitability for a license squarely on the applicant.

d. After the PIH is concluded, the MMLB board shall consider the matter at its next properly noticed meeting, at which the MMLB will again vote to affirm, reverse, or modify its initial denial. Rule 46(10).

e. When the MMLB considers the matter, it "must be based on the whole record . . . and not be limited to testimony and evidence submitted" at the PIH. Rule 46(11).

f. After the MMLB decides to affirm, reverse, or modify its initial denial, its decision must be served, in writing, on the applicant. Rule 46(12).

g. The MMLB's decision after review of the applicant's hearing (the PIH), "is deemed to be the final agency decision or order for purposes of judicial review . . . of the APA." (emphasis added) Rule 51(3). See MCL 24.301.

Taken together, LARA's rules provide for an initial decision by the MMLB. That initial decision can then be reviewed by timely filing a request for a PIH, which is a full-blown evidentiary hearing administered by the MMLB or its authorized designee. Once the PIH is completed, then the MMLB will review the record before the MMLB prior to the PIH, along with evidence presented at the PIH, where the burden to establish suitability for a license rests solely on the applicant, and again vote on whether to approve or deny the applicant. That subsequent vote and the resulting written decision is explicitly "deemed" to be the final agency decision, which then triggers judicial review rights for an applicant that may be denied by the resulting final agency decision.
2. The MMLB's Initial Denial Has Not Prevented Greenwave From Obtaining a License or Approval From the State Pursuant to the MMFLA

The MMFLA used the novel phrase of PIH. The only other law in Michigan that uses that phrase is one statute in the Michigan Gaming Control And Revenue Act, being MCL 432.206. Of the twelve cases citing to that statute, not one mentions any reference to a PIH. So guidance from that statute is of no help.

But Michigan Courts have been called on to determine the legal status and effect of an agency's initial decision, which was then challenged through an evidentiary hearing process under the APA, which subsequently yielded a final agency decision. So that analysis is both instructive and on-point.

In Nat'l Wildlife Fedn v Dep't of Environmental Quality, 306 Mich App 336, 343-44; 856 NW2d 252 (2014), the Court reviewed the “procedures for applying for a mining permit and for an initial agency decision on the application.” The relevant mining permit statute authorized “a person aggrieved by agency action or inaction relating to a mining permit” to file for a hearing1 pursuant to the APA’s provisions. The court cited to a companion case that more-fully set forth its reasoning and concluded that the administrative hearing had the legal status of, “an extension of the initial application process for purposes of arriving at a single final agency decision on the application . . . .” Id. The court’s reasoning was based on the fact that the subsequent judicial review of the final agency decision provides deference to the final agency decision, third parties could not intervene in the administrative hearing but could during the judicial review process, and that the APA’s “generous provisions for submission of new evidence[] better comport[s] with original actions than with appellate proceedings.” Id.

The companion case that the court referred to was Nat'l Wildlife Fedn v Dep't of Environmental Quality, 306 Mich App 369, 374-75; 856 NW2d 394 (2014), in which the “[a]ppellants suggest[ed] that the original application proceedings leading up to the initial decision to issue the groundwater discharge permit should be deemed a completed adjudication, with the contested case proceedings [provided by the APA] that followed then serving as the first stage of appellate review . . . .” The court rejected the appellants’ arguments, in part, because its “interpretation of those provisions as establishing an initial agency decision as a final order with the contested case hearing functioning as appellate review is a strained one.” Id. The court further noted that:

MCL 24.275 sets forth several general rules for the admission of evidence in contested case proceedings in the administrative setting, including incorporation by reference of ‘the rules of evidence as applied in a nonjury civil case in circuit court,’ and the statement that ‘an agency may admit and give probative effect to evidence of a type commonly relied upon by reasonably prudent men in the

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1 The hearing proscribed by the mining permit statute permitted a “contested case hearing” under the APA. The PIH process under the MMFLA also qualifies as a “contested case” hearing because it relates to a licensing decision that must be preceded by notice and an opportunity for hearing. MCL 24.291(1)
conduct of their affairs.' This statute is inclusive in nature, inviting further evidentiary development.

Id. at 376 (2014). Further, the court made crystal clear that, "an applicant for a permit retains that status, and the attendant burden of proof, throughout the permitting process in connection with proving entitlement to the permit . . . ." Id. at 382 (2014).

The same logic applies to Greenwave and its application process under the MMFLA as with the applicants in the above two cited cases. Greenwave received an initial agency decision, has requested a PIH, but has not yet received that. At the PIH, Greenwave will be able to present further developed evidence, maintains the burden of proof, and has yet to receive a final agency decision from which it is entitled to judicial review under the APA.

In addition, all of LARA’s rules related to the PIH process refer to “applicant” and not “appellant.” Even LARA’s October 1st Emergency Rule 3(5) states that, “[a]ny applicant under this rule that has been denied licensure, whether or not subject to appeal, ... shall cease and desist any temporary operation under the act and these rules” (emphasis added). No such language required temporary operators to close in the previous iterations of LARA’s emergency rules. So there would be no reason for LARA to require temporary operators that have received a final agency decision denying licensure to cease operations if it did not consider those denials to not yet be final while the applicants were timely pursuing their administrative and judicial appeal rights.

A simple call to Andrew Brisbo at LARA would also confirm LARA’s understanding and interpretation of an initial denial as separate from a final agency decision, which can only be rendered after a PIH.

3. The City is not Applying the Law as Required

The City is choosing its own interpretation of the MMFLA’s requirements before a final agency decision issues that serves as an applicant’s denial. The City has not chosen to follow the actual law that governs the MMFLA which proscribes when an applicant has had a final agency decision resulting in a denial.

Greenwave still has ample opportunity to obtain and maintain a license or approval from the state under the MMFLA. It seems that the timing of Greenwave’s ability to do that is inconvenient for the City because of the position that the City put its self in because of the way it worded its Marihuana Ordinances. That is not Greenwave’s fault. But the City has made it Greenwave’s problem. That is not right under the law, which the City has a duty to fairly and correctly administer.

5. Conclusion

For all of the reasons stated, Greenwave should have the City's Application denial reversed.
Sincerely,

[Signature]

David Szostek
November 8, 2018

Via Email: LARA-BMMR-Legal@michigan.gov
State of Michigan
Dept of Licensing & Regulatory Affairs
Bureau of Medical Marihuana Regulation
c/o Colleen Curtis, Manager Legal Division
P.O. Box 30205
Lansing, MI 48909

Re: Notice of Denial of Application for a State Operating License
Greenwave Naturals, LLC
Application No: ERGA-18-000234

To Whom It May Concern:

We represent Greenwave Naturals, LLC, in licensure and regulatory matters before the Bureau of Medical Marihuana Regulation ("BMMR") and the Medical Marihuana Licensing Board (the "Board"). Pursuant to Section 407 of the Medical Marihuana Facilities Licensing Act, 2016 PA 281, MCL 333.27407(3) and Rules 44-46 of the Emergency Rules filed with the Secretary of State on May 30, 2018, please consider this correspondence a formal request by Greenwave Naturals, LLC, for a Public Investigative Hearing following the Board’s denial of the above-referenced application during its October 29, 2018 meeting. This request is being filed within 21 days of service of the Notice of Denial, which was electronically served November 8, 2018.

In advance, thank you for your assistance with this matter. Please do not hesitate to contact me if you have any questions.

Respectfully,

DYKEMA GOSSETT PLLC
John A.
Janiszewski
John A. Janiszewski

Exhibit 1
December 26, 2018

Greenwave Naturals LLC
323 Filley Street
Lansing, MI 48906

Dear Provisioning Center Applicant,

I have reviewed the report and recommendation of the hearing officer on your appeal of the denial of your application to operate a Medical Marihuana Provisioning Center in the City of Lansing at 500 E Oakland Avenue. I have determined your appeal is denied.

You have the right to appeal this denial of licensure to the Medical Marihuana Commission within thirty (30) days of the date of this letter by filing a written statement to the Commission with the City Clerk’s Office. The Medical Marihuana Commission Appeal will become a matter of public record. The Commission’s review of an appeal shall not be de novo. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope, CMMC
City Clerk

cc: M. Yankowski, Lansing Police Chief
    J. Smiertka, Lansing City Attorney
CITY OF LANSING
HEARING OFFICER
DECISION RECOMMENDATION

In Re: Greenwave Naturals, L.L.C.
Provisioning Center Application
Licensee Denial

The within decision is for purposes of recommending a decision to the Lansing City Clerk on an appeal of a denial of a license under the provisions of the Lansing Medical Marihuana Establishments Ordinance. (Chapter 1300) This decision is a Recommendation for a decision to the City Clerk provided authority to appoint a hearing officer to hear and evaluate the appeal and make such a recommendation. (Section 1300.15(c.)). This Recommended decision is to deny the appeal of the applicant Greenwave Naturals, L.L.C. 500 East Oakland Avenue, Lansing, MI 48906-5246 based upon the current application and record.

PRELIMINARY DISCUSSION

The within Recommendation is pursuant to the Lansing Medical Marihuana Establishments Ordinance. Section 1300.15 (c) provides the specific authority of appointed hearing officers. It states:

“Appeal of denial of an application or revocation of a license: the City Clerk shall notify an applicant of the reason(s) for denial of an application for a license or license renewal or for revocation of a license or any adverse decision under this chapter and provide the applicant with the opportunity to be heard. Any applicant aggrieved by the denial or revocation of a license or adverse decision under this chapter may appeal to the City Clerk, who shall appoint a hearing officer to hear and evaluate the appeal and make a recommendation to the Clerk. Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action complained of has been mailed to the applicant's last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The Clerk shall review the report and recommendation of the hearing officer and make a decision on the matter. The Clerk’s decision may be further appealed to the commission if applied for in writing to the commission no later than 30 days from the Clerk’s decision. The review on appeal of a denial or revocation or adverse action shall be by the commission pursuant to Section 1300.03. Any decision by the commission on an appeal shall be final for purposes of judicial review. The Clerk may
engage professional experts to assist with the proceedings under this Section 1300.15.

The Ordinance provides multistage process for an Applicant to address the evaluation of an application for a license. It includes:

1. An initial decision;
2. The Recommendation of an appointed Hearing officer;
3. The review by the City Clerk; and,
4. The final determination resting with the Commission.

Final judgment rests with the Commission to insure the decision is not arbitrary or capricious determine and further that it is supported by competent material and substantial evidenceon the whole record. Chapter 1300.03(e). The stages give the Applicant an opportunity to present clarification to the ultimate body lawfully holding the final authority to grant or deny a license under the application. There has been no authority presented to call in to question the legality of the mechanism created.

Provision 1300(5)(b) of the Ordinance requires the application to contain “all” required material in conjunction with the original application. No new evidence is accepted upon appeal. The application stands on its merits based upon the evidence submitted at the time of the original application.

The process used to evaluate and consider applicants for licensure are set forth in Section 1300.06. It indicates that:

“(a) The City Clerk shall assess, evaluate, score and rank all applications submitted according to the provisions of this chapter. No application shall be accepted for assessment, evaluation, scoring, and ranking unless such application contains the approvals required by Section 1300.05.

(b) In its application assessment, evaluation, scoring, and ranking, deliberations, the Clerk shall assess, evaluate, score, and rank each application based upon a scoring and ranking procedure developed by the Clerk consistent with the requirements, conditions, and provisions of this chapter in each of the categories set forth below in this subsection. Overall scoring and ranking shall be conducted and applied by the Clerk on the basis of assigned points from zero points to 100 points with the lowest overall total score as zero points and the highest possible total score being 100 points...”

***
Based upon testimony, written and oral comments from the public, Planning Board review, maps, historical data, Council committee deliberations, and public hearings, the City Council finds and determines that it is in the public interest and serves a public purpose that the maximum number of licenses issued for medical marihuana provisioning centers shall be capped at 25, and implemented in a two-phase process in order to balance serving patients' needs and spreading economic development."

Section 1300.01 sets forth the legislative intent of the ordinance, which must be considered in its implementation. It “...declares that economic development, including job creation and training, and the protection of the public health, safety, and welfare of City neighborhoods and residents are public purposes.” This intent is embodied in the evaluation process, and provision (c) of Section 1300.15. The Ordinance contemplates more than a simple list of criteria that will be met for a license.

The ordinance clearly intends a competitive determination for a limited number of licenses to be granted within the limits of Lansing. Any applicant is put on notice of a competitive evaluation between applicants based upon the specified scoring criteria. The specific criteria are neither arbitrary nor lacking in transparency. Scoring will necessarily represent a comparative evaluation with other Applicant submissions. The criteria for scoring is readily identifiable. (See specifically Section 1300.05 and 1300.06). Similar to a competitive bidding process, the criteria for the competition must be supplied and met, but the successful bid cannot be known. An element of discretion is evident in final selections.

The evaluation by a hearing officer falls essentially into three basic categories in the appellate process. First, legal analysis. The evaluation of legal arguments for correctness and weight are considered. Second, deals directly with the weight and accuracy of factual conclusions. Reviewing the original application and submission material to determine if ultimate conclusions are supported by reasonable and substantial evidence. Finally, the undersigned may discuss and evaluate conclusions based upon discretion conferred by the law and ordinances involved.

While commentary might be presented on comparative application strength, the relative determinations of applications, (in terms of the weight given beyond the rudimentary requirements of the Ordinance) are best suited to the initial, and concluding Appellate stages. Hearing officers do not see every application. The meeting of, or failure to meet, basic requirements of the Ordinance are well suited to the retained expert under the ordinance. The modification of discretionary conclusions as to which submissions are ultimates “best”, once the basic requirements are met, is not. It must be noted that the ordinance makes the comparative nature clear in establishing a limited number of licenses. Notice is provided that the process does not contemplate a license issued to every entity meeting the basic requirements, but only a limited number of licenses will be granted.
DISCUSSION

The City of Lansing issued it’s initial decision denying the within application in an early review based upon the failure to meet minimal requirements of the ordinance. In reviewing this determination the following facts appear to control:

1. The applicant has been denied a license at the initial stages of the Michigan Medical Marihuana Facilities Licensing Act. (MMFLA). (MCLA 333.2701 et.seq.).
2. Applicant has not completed the appeals process with the State relative to that Application and presumably has a pending appeal under the statute.
3. The decision rendered under the MMFLA is not a final decision under the act until completion of the appeals process by the State Administrative Agency. (Applicant suggests there is no “final decision” until completion of a civil appeal. Discussion is unnecessary for this decision, but a “final” decision would typically involve only completion of the administrative process).
4. The City has rejected all applicants who have received an initial denial under the MMFLA.

INITIAL DETERMINATION

The City’s initial decision notes that a Marihuana Provisioning Center under Lansing Ordinances must be licensed pursuant to the MMFLA. The Act provides that a provisioning center means:

"...a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients’ registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers."
MCLA 333.27102(t)

The initial decision of the City also notes that the City Ordinance (Chapter 1300.02(f) defines a provisioning center as:
"...a commercial or business entity located in the City that is licensed or approved to operate by the State pursuant to the MMFLA and is licensed by the City pursuant to the terms and conditions of this chapter, that sells, supplies, or provides marihuana to registered qualifying patients only as permitted by State law. Medical marihuana provisioning center, as defined in the MMMA, MMFLA and MTA, includes any commercial property or business where marihuana is sold in conformance with State law and regulation..."

Finally, the initial decision noted that the Ordinance also provided at 1300.15(b)(5) that a “license applied for or issued under this chapter may be denied or revoked on any of the following bases” including:

“Failure of the licensee or the medical marihuana establishment to obtain or maintain a license or approval from the state pursuant to the MMFLA”

The City determined that the denial in the initial stages of the application process is sufficient for denial of the Application before the City.

**APPLICANT’S ARGUMENT**

Applicant Greenwave argues that there has been a denial of Due Process and Equal Protection in requiring the applicant to cease operations. No legal argument was presented on the issue.

All applicants similarly situated (i.e. denied before the MMFLA, pending appeal or otherwise) are denied initially in the City’s application process. Equal Protection is not a valid argument to the action of the City herein.

Due Process is a potential consideration. However, a multiple stage appellate process is provided for. It is recommended that the proceedings provided herein do in fact provide adequate due process. (See infra.)

Applicant primarily argues that there has not been a “final decision” under the State Administrative process embodied in the MMFLA. It is asserted that as long as there is no “final” denial by the MMFLA, it is a denial of due process to rely upon it in rejecting an application before the City. Applicant argues they remain eligible to ultimately be successful in getting a license under the MMFLA and therefore should continue to be evaluated for a Lansing Provisioning Center License.
DISCUSSION

1. Application of Lansing Ordinance Chapter 1300

Cases cited by the Applicant deal with the admission of evidence in an appeals process brought under a State statute process under. The argument discusses the MMFLA statute and the regulations promulgated under it. The regulations promulgated by the Michigan Department of Licensing and Regulatory Affairs support one contention of the Applicant. It is noted that the initial denial of a license under the MMFLA is appealable to an evidentiary proceeding under the Administrative Procedures Act. MCL 24.201 et. seq. The hearing is identified as a “Public Investigative Hearing” which is defined in the regulations pursuant to the MMFLA as:

“...a proceeding before the medical marihuana licensing agency to provide an applicant an opportunity to present testimony and evidence to establish suitability for a license...” Rule 91(f); R333.291(f).

The Appellants argument that they may continue to submit new evidence on appeal before the State Agency, and continue subsequent appeals, is correct. However, the discussion is not directly applicable to a decision rejecting an application under the City Ordinance. The City Ordinance controls the City’s actions in processing its submitted applications. The requirements of the Administrative Procedures Act are not mandated by the Lansing Medical Marihuana Ordinance, as they are in the state statute. The language requiring a “Public Investigative Hearing” is likewise inapplicable.

Section 1300.15(a) provides for an initial administrative hearing for “revocation” of a license that has been granted. Section (b) notes that a license may be denied or revoked because the applicant has not been able to “obtain or maintain a license or approval”. The Applicant has not obtained, or maintained a license or approval pursuant to MMFLA. Applicant does not contend that they have been granted a license or approval, only that they have a continuing right to seek one. The ordinance allows for denial of a license in this circumstance.

In reaching this conclusion weight must be placed upon the specific circumstances contemplated by the Ordinance at the initial stages of it’s implementation. The Ordinance contemplates completing an initial group of licensees within time constraints. The argument of the Applicant (especially those that suggest a right to continue eligibility through all administrative and subsequent Court proceedings) would require the City process to continue well beyond the period contemplated for final selections under the Ordinance.

Nevertheless, Due Process is required under the Ordinance, and likely would be required by virtue of applicable Constitutional principles. Denial under the ordinance provides for “an opportunity to be heard”, and notes that a hearing officer shall be appointed to “hear and evaluate” the appeal. Lansing City Ordinance Chapter 1300.15(c).
An opportunity to be heard under the ordinance commenced with an initial application required to contain "all" required material in conjunction with the application. No limitations in the evidence presented was contained in the Ordinance. The factors expected to be considered were also delineated. Lansing Ordinance Chapter 1300(5)(b). Subsequent appeals, limited to argument relative to the evidence, provide an additional opportunity to be heard.

2. Adequacy of Due Process

Applicant has not made a specific legal argument for a denial of Due Process, although the assertion is made that Due Process was denied. The general requirements for Due Process should be considered by the City, and there is no guarantee that the Courts will not be called upon to address the issue. The requirements of Due Process are not "fixed". They are not triggered by any one single event. Once required, the parameters of the process required are not uniform.

"The essence of due process is the requirement that "a person in jeopardy of serious loss [be given] notice of the case against him and opportunity to meet it." All that is necessary, then, is that the procedures at issue be tailored to "the capacities and circumstances of those who are to be heard" to ensure that they are given a meaningful opportunity to present their case..." Bonner v. City of Brighton, 495 Mich. 209, 238-239, 848 N.W.2d 380, 397-398, 2014 Mich. LEXIS 642, 2014 WL 1640602

When providing "Due Process" the necessary elements are determined by a variety of factors.

"To comport with these procedural safeguards, the opportunity to be heard must be granted at a meaningful time and in a meaningful manner. Identification of the specific dictates of due process generally requires consideration of three distinct factors: First, the private interest that will be affected by the official action; second, the risk of an erroneous deprivation of such interest through the procedures used, and the probable value, if any, of additional or substitute procedural safeguards; and finally, the government's interest, including the function involved and the fiscal and administrative burdens that the additional or substitute procedural requirement would entail." Bonner v. City of Brighton, 495 Mich. 209, 213, 848 N.W.2d 380, 383, 2014 Mich. LEXIS 642, 2014 WL 1640602

First, it is clear that multiple levels of evidentiary proceedings are not required, and the specific requirements of being heard are variable.
"...an oral hearing is not necessary to provide a meaningful opportunity to be heard. The "opportunity for a party to present arguments and evidence in support of its position before a decision is rendered", does not always require a trial-like proceeding." English v. Blue Cross Blue Shield, 263 Mich. App. 449, citing Westland Convalescent Center v Blue Cross & Blue Shield of Michigan, 414 Mich. 247, 268; 324 N.W.2d 851 (1982)

The Lansing Ordinance does not take away life or property, but determines who may receive property of some significant value. The application for a license would no doubt require due process, and the Ordinance comports with that obligation by providing for "an opportunity to be heard" as previously described.

The second factor identified is the risk or likelihood of error in the process chosen. The process allows for any evidence desired by the Applicant at the initial phase of a license application. Subsequent appeals allow the applicant to present argument relative to the accurate consideration and evaluation of the evidence presented. The Ordinance specifies the requirements for a successful application. While a situation may be presented where some aspect of cross examination might conceivably be found to be a superior procedure, the process created by the Ordinance would appear to be sufficient for the needs of this interest. The specific circumstances likewise provide no specific argument of how the process was insufficient.

Finally, the cases weigh the government's interest, and the fiscal and administrative burdens that the additional or substitute procedural requirement would entail. The immediate requirements are time constrained. There is no loss of liberty or removal of a vested property interest involved. While not minimizing the fact that a due process interest is involved, the procedure seems appropriate for the matters at issue.

CONCLUSION

THEREFORE IT IS RECOMMENDED that the Applicant denial of an application be maintained. The failure to maintain ongoing approval under the MMFLA is a sufficient basis for the denial of an application under the Ordinance.

December 24, 2018

Respectfully Submitted,

Timothy A. O'Rourke, Hearing Officer.
January 8, 2019

Greenwave Naturals LLC
323 Filley Street
Lansing, MI 48906

Dear Provisioning Center Applicant:

If you wish to appeal the City Clerk’s December 26th report and recommendation of the hearing officer before the City of Lansing Medical Marihuana Commission, your appeal will be held during the Commission Meeting scheduled for Friday, February 1, 2019, at 2:00 PM in the City Clerk Training Room in the Election Unit of the South Washington Office Complex, 2500 S Washington Avenue in Lansing.

Per Lansing City Ordinance 1300.3(e), the Commission’s review of the appeal shall not be de novo. The Medical Marihuana Commission Appeal will become a matter of public record. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding. The presentation timeline used by the Commission during the meeting for your appeal presentation is enclosed. No additional materials may be submitted for review.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations.

Sincerely,

Chris Swope, Master Municipal Clerk
Lansing City Clerk
November 23, 2018

Lansing City Clerk
  c/o Lansing City Clerk’s Office
  Ninth Floor, City Hall
  124 W. Michigan Ave.
  Lansing, MI 48933-1695

Re: Initial Appeal Regarding the Denial of Greenwave Naturals, LLC’s Application for a Medical Marihuana Provisioning Center (the “Application”) dated November 9, 2018, per Chapter 1300.15.

Dear City Clerk:

Pursuant to Lansing City Ordinance and Letter of Denial, Greenwave Naturals, LLC here by submits its initial appeal of denial.

1. Background

Greenwave applied for a provisioning center license with the City on December 15, 2017. On January 10, 2018, Deb Bieher signed Greenwave’s “Attestation E” affidavit provided by the Department of Licensing and Regulatory Affairs, Bureau of Medical Marihuana Regulation (“LARA” or “BMMR”), which confirmed that the City authorized and permitted Greenwave to continue temporary operations of its retail store under State Emergency Rule 19. Greenwave timely submitted its application for a provisioning center to LARA under the Medical Marihuana Facilities Licensing Act (“MMFLA”) on February 15, 2018, in compliance with State Emergency Rule 19.

At the Medical Marihuana Licensing Board (“MMLB”) meeting on October 29, 2018, the MMLB voted to deny Greenwave’s preapproval application request. In response, the City denied Greenwave’s pending Application (the “Denial Letter”), which Greenwave received on November 10, 2018.

The Denial Letter reasoned that the MMLB’s vote to deny Greenwave’s preapproval application constituted a “denial” under the MMFLA, thus triggering an automatic application denial pursuant to Lansing City Ordinance § 1300.15(b)(5) State Emergency Rule 19 and Executive Order 2017-02.” The City further instructed Greenwave to cease any business operations, “pursuant to State Emergency Rule 19 and Executive Order 2017-02.”

For context, the MMFLA allows for a public investigatory hearing process (“PIH”, further defined in Exhibit A) after the MMLB initially votes to deny an applicant licensure or prequalification. The end-result of the PIH process is the “final agency decision.” So, although the MMLB may have voted to deny an applicant a license, that is not a final denial unless and until the applicant either fails to request a PIH within 21 days of the initial vote, or the PIH concludes with the MMLB issuing a final decision. Unlike initial licensing denials under other
Michigan laws, the MMFLA provides a statutory appeal that results in the final agency
decision; the MMLB's vote to deny is not considered the final agency decision. BMMR's
treatment of denied applicants awaiting final disposition through a PIH allows for continued
operation after the MMLB vote to deny an applicant licensure or prequalification since that
vote is not a final agency decision. And on November 8, 2018, Greenwave formally and timely
requested a PIH.

For the reasons detailed below, Greenwave's preapproval application with LARA has not
yet been officially "denied," and Greenwave may still lawfully operate under State Emergency
Rule 19 until LARA issues an enforceable rule that prohibits all temporary operations or the
expiration of Greenwave's right to apply for judicial review of LARA's (yet to be issued) final
agency decision denying Greenwave's preapproval application.

2. Definition of Provisioning Center Pursuant to Lansing City Ordinance 1217

a. The City's basis for a denial under this section is as follows:

"Lansing City Ordinance 1217 defines a provisioning center as "a commercial or
business entity located in the City that is licensed or approved to operate by the State
pursuant to the MMFLA and is licensed by the City pursuant to the terms and conditions of
this chapter, that sells, supplies, or provides marihuana to registered qualifying patients only
as permitted by State law. Medical marihuana provisioning center, as defined in the MMMA,
MMFLA and MTA, includes any commercial property or business where marihuana is sold in
conformance with State law and regulation. A noncommercial or nonbusiness location used by
a primary caregiver to assist a qualifying patient, as defined in the MMMA, MMFLA or MTA
connected to the caregiver through the State's marihuana registration process in accordance
with the MMMA, MMFLA or MTA is not a medical marihuana provisioning center for purposes
of this chapter."

b. Greenwave's response to the City's basis is as follows:

According to the City's definition, no business that provides marihuana to registered
qualifying patients could possibly be considered a provisioning center in the City. So the City's
denial of Greenwave's application on that basis is arbitrary, capricious, and an abuse of
discretion because the City has signed out Greenwave for a denial on that basis but has
permitted other similar businesses to continue to have their applications remain in a pending
status.

Further, the City violated Greenwave's right to due process by depriving it of its
property interest in operating its continuing business without notice and an opportunity to be
heard before denying Greenwave's application and forcing it to close. And the City also violated
Greenwave's right to equal protection under the law because the City singled out Greenwave
but not other similar businesses for denial on this stated basis.

3. Definition of Provisioning Center Pursuant to MMFLA
a. The City's basis for a denial under this section is as follows:

The MMFLA defines a provisioning center as "(t) "Provisioning center" means a licensee that is a commercial entity located in this state that purchases marihuana from a grower or processor and sells, supplies, or provides marihuana to registered qualifying patients, directly or through the patients' registered primary caregivers. Provisioning center includes any commercial property where marihuana is sold at retail to registered qualifying patients or registered primary caregivers."

b. Greenwave's response to the City's basis is as follows:

According to the City's definition, no business that provides marihuana to registered qualifying patients could possibly be considered a provisioning center in the City. So the City's denial of Greenwave's application on that basis is arbitrary, capricious, and an abuse of discretion because the City has signed out Greenwave for a denial on that basis but has permitted other similar businesses to continue to have their applications remain in a pending status.

Further, the City violated Greenwave's right to due process by depriving it of its property interest in operating its continuing business without notice and an opportunity to be heard before denying Greenwave's application and forcing it to close. And the City also violated Greenwave's right to equal protection under the law because the City singled out Greenwave but not other similar businesses for denial on this stated basis.

4. Definition of Denial Pursuant to Lansing City Ordinance 1300.15(b)(5)

a. The City's basis for a denial under this section is as follows:

"A license applied for or issued under this chapter may be denied or revoked on any of the following bases: . . . (5) Failure of the licensee or the medical marihuana establishment to obtain or maintain a license or approval from the State pursuant to the MMFLA"

b. Greenwave's response to the City's basis is as follows:

Section 302 of the MMFLA grants the MMLB broad powers related to license, regulate, and enforce the MMFLA. But those powers are explicitly "subject to" the Administrative Procedures Act, MCL 24.201, et. seq. (the "APA"). MCL 333.27302.

The MMFLA also makes clear that when the MMLB denies a license application, it must do so according to the APA. MCL 333.27407(2).

1. MMFLA-Relevant Requirements of the APA

The APA provides for, among other things, judicial review for a party aggrieved by a final decision resulting from the exhaustion of an agency's administrative remedies. MCL 24.301. But a preliminary agency action is not immediately reviewable, except by leave of court. Id.
Consistent with the APA, the Department of Licensing and Regulatory Affairs, Bureau of Medical Marihuana Regulation ("LARA" or "BMMR") proscribed its procedures for complying with the APA's hearing and review requirements by enacting – among others – Emergency Rules 44, 45, 46, and 51. In relevant part:

a. Rule 44(1) provides for a public investigative hearing ("PIH"), held before the MMLB, to provide "an applicant an opportunity to present testimony and evidence to establish suitability for a license, in accordance with MCL 333.27407(3)";

b. Rule 45(1) provides that LARA's rules apply to hearings involving the denial of a license . . . pursuant to [MCL 333.27407] . . . .

c. Rule 46(1) provides that "[a]n applicant denied a license" [emphasis added] may request a PIH within 21 days of service of the denial on the applicant. The Rule's other subsections detail notices required for the applicant and the public of the PIH, procedures for issuing subpoenas, identifying that MMLB or an administrative judge designed by MMLB shall preside over the hearing, and places the burden of establishing the applicant's suitability for a license squarely on the applicant.

d. After the PIH is concluded, the MMLB board shall consider the matter at its next properly noticed meeting, at which the MMLB will again vote to affirm, reverse, or modify its initial denial. Rule 46(10).

e. When the MMLB considers the matter, it "must be based on the whole record . . . and not be limited to testimony and evidence submitted" at the PIH. Rule 46(11).

f. After the MMLB decides to affirm, reverse, or modify its initial denial, its decision must be served, in writing, on the applicant. Rule 46(12).

g. The MMLB's decision after review of the applicant's hearing (the PIH), "is deemed to be the final agency decision or order for purposes of judicial review . . . of the APA." [emphasis added] Rule 51(3). See MCL 24.301.

Taken together, LARA's rules provide for an initial decision by the MMLB. That initial decision can then be reviewed by timely filing a request for a PIH, which is a full-blown evidentiary hearing administered by the MMLB or its authorized designee. Once the PIH is completed, then the MMLB will review the record before the MMLB prior to the PIH, along with evidence presented at the PIH, where the burden to establish suitability for a license rests solely on the applicant, and again vote on whether to approve or deny the applicant. That subsequent vote and the resulting written decision is explicitly "deemed" to be the final agency decision, which then triggers judicial review rights for an applicant that may be denied by the resulting final agency decision.
2. The MMLB’s Initial Denial Has Not Prevented Greenwave From Obtaining a License or Approval From the State Pursuant to the MMFLA

The MMFLA used the novel phrase of PIH. The only other law in Michigan that uses that phrase is one statute in the Michigan Gaming Control And Revenue Act, being MCL 432.206. Of the twelve cases citing to that statute, not one mentions any reference to a PIH. So guidance from that statute is of no help.

But Michigan Courts have been called on to determine the legal status and effect of an agency’s initial decision, which was then challenged through an evidentiary hearing process under the APA, which subsequently yielded a final agency decision. So that analysis is both instructive and on-point.

In Nat’l Wildlife Fed’n v Dept of Environmental Quality, 306 Mich App 336, 343-44; 856 NW2d 252 (2014), the Court reviewed the “procedures for applying for a mining permit and for an initial agency decision on the application.” The relevant mining permit statute authorized “a person aggrieved by agency action or inaction relating to a mining permit” to file for a hearing pursuant to the APA’s provisions. The court cited to a companion case that more-fully set forth its reasoning and concluded that the administrative hearing had the legal status of, “an extension of the initial application process for purposes of arriving at a single final agency decision on the application . . . .” Id. The court’s reasoning was based on the fact that the subsequent judicial review of the final agency decision provides deference to the final agency decision, third parties could not intervene in the administrative hearing but could during the judicial review process, and that the APA’s “generous provisions for submission of new evidence[] better comport[s] with original actions than with appellate proceedings.” Id.

The companion case that the court referred to was Nat’l Wildlife Fed’n v Dept of Environmental Quality, 306 Mich App 369, 374-75; 856 NW2d 394 (2014), in which the “[a]ppellants suggest[ed] that the original application proceedings leading up to the initial decision to issue the groundwater discharge permit should be deemed a completed adjudication, with the contested case proceedings [provided by the APA] that followed then serving as the first stage of appellate review . . . .” The court rejected the appellants’ arguments, in part, because its “interpretation of those provisions as establishing an initial agency decision as a final order with the contested case hearing functioning as appellate review is a strained one.” Id. The court further noted that:

MCL 24.275 sets forth several general rules for the admission of evidence in contested case proceedings in the administrative setting, including incorporation by reference of the rules of evidence as applied in a nonjury civil case in circuit court, and the statement that an agency may admit and give probative effect to evidence of a type commonly relied upon by reasonably prudent men in the

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1 The hearing proscribed by the mining permit statute permitted a “contested case hearing” under the APA. The PIH process under the MMFLA also qualifies as a “contested case” hearing because it relates to a licensing decision that must be preceded by notice and an opportunity for hearing. MCL 24.291(1)
conduct of their affairs.' This statute is inclusive in nature, inviting further
evidentiary development.

Id. at 376 (2014). Further, the court made crystal clear that, "an applicant for a permit retains
that status, and the attendant burden of proof, throughout the permitting process in
connection with proving entitlement to the permit . . . ." Id. at 382 (2014).

The same logic applies to Greenwave and its application process under the MMFLA as
with the applicants in the above-two cited cases. Greenwave received an initial agency
decision, has requested a PIH, but has not yet received that. At the PIH, Greenwave will be
able to present further developed evidence, maintains the burden of proof, and has yet to
receive a final agency decision from which it is entitled to judicial review under the APA.

In addition, all of LARA’s rules related to the PIH process refer to “applicant” and not
“appellant.” Even LARA’s October 1st Emergency Rule 3(5) states that, “[a]n applicant under
this rule that has been denied licensure, whether or not subject to appeal, ... shall cease and
desist any temporary operation under the act and these rules” (emphasis added). No such
language required temporary operators to close in the previous iterations of LARA’s emergency
rules. So there would be no reason for LARA to require temporary operators that have received
a final agency decision denying licensure to cease operations if it did not consider those
denials to not yet be final while the applicants were timely pursuing their administrative and
judicial appeal rights.

A simple call to Andrew Erisbo at LARA would also confirm LARA’s understanding and
interpretation of an initial denial as separate from a final agency decision, which can only be
rendered after a PIH.

3. The City is not Applying the Law as Required

The City is choosing its own interpretation of the MMFLA’s requirements before a final
agency decision issues that serves as an applicant’s denial. The City has not chosen to follow
the actual law that governs the MMFLA which proscribes when an applicant has had a final
agency decision resulting in a denial.

Greenwave still has ample opportunity to obtain and maintain a license or approval
from the state under the MMFLA. It seems that the timing of Greenwave’s ability to do that is
inconvenient for the City because of the position that the City put itself in because of the
way it worded its Marihuana Ordinances. That is not Greenwave’s fault. But the City has
made it Greenwave’s problem. That is not right under the law, which the City has a duty to
fairly and correctly administer.

5. Conclusion

For all of the reasons stated, Greenwave should have the City’s Application denial
reversed.

Page 6 of 7
Sincerely,

David Szostek
To Whom It May Concern:

Because we were not provided any substantive response to our informal appeal, we are relying on the same documents for the Commission Appeal as the informal appeal.

In addition, I have also attached a Notice of Hearing from LARA showing that Greenwave is still moving forward with the application process under the MMFLA. As a result of that process, Greenwave is guaranteed another opportunity to have the MMLB approve its application. As such, Greenwave has not yet failed "to obtain a license . . . pursuant to the MMFLA," which was the basis of the City's denial. So the denial should be reversed unless until such time that the MMLB denies Greenwave at the next meeting at which Greenwave is on its agenda. And if Greenwave receives approval, then the denial should remain reversed because Greenwave would no longer have failed to obtain a license or approval pursuant to the MMFLA at that point.

Sincerely,
David Szostek

Edward Allen Law
2010 44th St SE
Grand Rapids, MI 49508
direct: 616.226.8002 | fax: 616.226.8001
www.edwardallenlaw.com

On Tue, Jan 8, 2019 at 10:09 AM Smith-Zande, Jennifer <Jennifer.Smith-Zande@lansingmi.gov> wrote:

January 8, 2019

Greenwave Naturals LLC
323 Filley Street
Lansing, MI 48906

Dear Provisioning Center Applicant:
If you wish to appeal the City Clerk’s December 26th report and recommendation of the hearing officer before the City of Lansing Medical Marihuana Commission, your appeal will be held during the Commission Meeting scheduled for Friday, February 1, 2019, at 2:00 PM in the City Clerk Training Room in the Election Unit of the South Washington Office Complex, 2500 S Washington Avenue in Lansing.

Per Lansing City Ordinance 1300.3(e), the Commission’s review of the appeal shall not be de novo. The Medical Marihuana Commission Appeal will become a matter of public record. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding. The presentation timeline used by the Commission during the meeting for your appeal presentation is enclosed. No additional materials may be submitted for review.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations.

Sincerely,

Chris Swope, Master Municipal Clerk
Lansing City Clerk

Jennifer Smith-Zande
Licensing & Elections Clerk
Lansing City Clerk’s Office
124 W. Michigan Avenue | Lansing, MI 48933
O: 517-483-4151  Fax: 517-377-0068
Jennifer Smith-Zande@lansingmi.gov

Website | Facebook | Twitter

Chris Swope, CMMC/CMC

Lansing City Clerk
IN THE MATTER OF:  
Greenwave Naturals, LLC, 
Petitioner  
v  
Bureau of Marijuana Regulation, 
Respondent

Docket No.: 19-000688  
Case No.: ERGA 18-000234  
Agency: Bureau of Marijuana Regulation  
Case Type: Facility License  
Filing Type: Notice of Intent

NOTICE OF HEARING

You are hereby notified that a formal administrative hearing under the jurisdiction of the Michigan Medical Marihuana Facilities Licensing Act, MCL 333.27101, et seq., and associated rules, has been scheduled before an Administrative Law Judge on:

Date: Tuesday, March 12, 2019  
Time: 9:00 AM Eastern Time  
ALJ: Stephen B. Goldstein  
Location: Lansing Hearing Office  
611 W. Ottawa (ID Required)  
Lansing, MI 48933  
Office: (517) 335-2484 | Fax: (517) 335-7535

Issue: Whether Petitioner has established by clear and convincing evidence that it is eligible and suitable for a license as a Provisioning Center defined in the Medical Marihuana Facilities Licensing Act.

The case will be conducted in accordance with rules and procedures applicable to contested cases as contained in the Administrative Procedures Act, 1969 PA 306, as amended, MCL 24.201 et seq., and the Michigan Administrative Hearing Rules (R 792.10101 – R 792.11903). The Michigan Administrative Hearing Rules apply only to practices and procedures under jurisdiction of the Michigan Administrative Hearing System. Rules governing case practices and procedures outside the jurisdiction of the Michigan Hearing System may be found elsewhere in the Michigan Administrative Code.
All pleadings and motions shall be filed with the Michigan Administrative Hearing System at the hearing location listed above. If the hearing location is Grand Rapids, please use the following mailing address for all pleadings and motions: Michigan Administrative Hearing System, P.O. Box 30695, Lansing, MI 48933; or by facsimile at (517) 335-7535. You must send a copy of everything you file to the opposing party as listed on the proof of service accompanying this Notice.

If the opposing party files a motion, you must respond within seven days after you receive it, unless the Administrative Law Judge sets a different time for response.

You are further notified that you may be represented by an attorney or representative; law permitting, at the hearing. You may present evidence or call witnesses. If you wish to offer any document(s) into evidence at the hearing, you must bring the document to introduce into the record, your own copy, and a copy for the opposing party. The Michigan Administrative Hearing System is not responsible for photocopying your documents.

In the event that you fail to appear at the hearing as scheduled, a default judgment or decision may be entered against you pursuant to the Administrative Procedures Act.

All hearings are conducted in a barrier free location and are in compliance with the 1990 Americans with Disabilities Act. A disabled individual requiring accommodation for effective participation in a hearing, including accessible documentation, should call the Michigan Administrative Hearing System at: (517) 335-2484 to make arrangements. Pursuant to R 792.10111(c), if accessibility is requested (i.e. braille, large print, electronic or audio reader), information which is to be made accessible must be submitted to the hearing system at least 14 business days before the hearing. If the hearing system is unable to accomplish conversion prior to the date of hearing, an adjournment shall be granted. If a party fails to provide information for conversion pursuant to this rule, the administrative law judge has discretion to deny adjournment.

All hearing attendees must present picture identification to gain access to State Office Buildings. Failure to present picture identification will result in denial of access.
PROOF OF SERVICE

I hereby state, to the best of my knowledge, information and belief, that a copy of the foregoing document was served upon all parties and/or attorneys of record in this matter by Inter-Departmental mail to those parties employed by the State of Michigan and by UPS/Next Day Air, facsimile, and/or by mailing same to them via first class mail and/or certified mail, return receipt requested, at their respective addresses as disclosed below this 15th day of January, 2019.

Jackie Peoples
Michigan Administrative Hearing System

Colleen Curtis
Bureau of Marijuana Regulation
BMR Manager
P.O. Box 30083
Lansing, MI 48909

Greenwave Naturals, LLC
Thomas Mayes
500 E. Oakland Avenue
Lansing, MI 48906

John A. Janiszewski
Dykema Gossett PLLC
201 Townsend Street, Suite 900
Lansing, MI 48933

Risa Hunt-Scully
Assistant Attorney General
PO Box 30755
Lansing, MI 48909
Timeline
Edenz 2 Center Inc.
6450 South Cedar Street
Lansing, Michigan 48910

December 15, 2017 – Application submitted

December 21, 2017 – Department review of applications begins

August 13, 2018 – Scoring and Ranking denial letter sent........................................1

Original Score Sheet...........................................................................................................4

August 27, 2018 – Hearing Officer Appeal submitted............................................................7

October 11, 2018 – Appeal to Hearing Officer

December 3, 2018 – Hearing Officer Denial letter sent......................................................178

Score update........................................................................................................................189

Score inquiry response email.............................................................................................193

Score update........................................................................................................................198

January 2, 2019 – Commission Appeal submitted..............................................................201

Hearing Officer Appeal Exhibit 3 was submitted in duplicate. One copy was removed.

There was no Hearing Officer Appeal Exhibit 6 submitted.

The following exhibits from the Hearing Officer Appeal were removed from the packet because they contain new information not included in the original application and were an attempt to cure a deficiency:

   Exhibit 11 and Exhibit 13
Delivery Confirmation™ Service Number: 8405 5116 9900 0425 1879 14

Priority Mail 2-DAY with USPS TRACKING #*
Electronic Service Fee: $0.00
Total Postage and Fees: $9.35
Weight: 1 oz
Print Date: 05/13/2016
Mailing Date: 05/13/2016

From: Chris Swope
Lansing City Clerk's Office
124 W Michigan Ave Floor 9
Lansing MI 48933

To: Edenz 2 Inc.,
c/o George Brinkho
6420 Malvern Dr.
Troy MI 48098-2141

*Regular Priority Mail 2-DAY Service postage rates apply. There is no fee for Delivery Confirmation service on Priority Mail services with use of this electronic shipping label. Postmark required if a refund is requested. Delivery information is not available by phone for the electronic option.

Instructions:

1. Adhere shipping label to package with tape or glue - DO NOT TAPE OVER Barcode. Be sure all edges are secured. Self-adhesive label is recommended.

2. Place the label so it does not wrap around the edge of the package.

3. This package may be deposited in any collection box, handed to your mail carrier, or presented to a clerk at your local Post Office.

4. Each confirmation number is unique and can be used only once - DO NOT PHOTOCOPY.

5. You must mail this package on the "mail date" that is specified on this label.
August 13, 2018

Edenz 2 Center Inc.
 c/o George Brikho, Jr.
 6420 Malvern Drive
 Troy, MI  48098

Dear Provisioning Center Applicant,

The Lansing City Ordinance section 1300.6 discusses Provisioning Center license application evaluation. Your score of 63 out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.

Attached are your sub-scores based on the criteria posted on https://lansingmi.gov/1637/Medical-Marijuana and a brief summary of determining factors for each sub-score.

You will not be selected to receive a Provisioning Center license in the City of Lansing for the proposed business at 5124 South Martin Luther King Jr. Blvd.

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk’s Office a written statement setting forth fully the grounds for the appeal pursuant to Chapter 1300.15(c). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review the appeal and information submitted by the City Clerk. The hearing officer will consider the information and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you would like the hearing officer to consider. Appeals are limited to materials provided during the application process. No new application material will be considered on appeal.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.
If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope
Chris Swope, Master Municipal Clerk
Lansing City Clerk

CC: City of Lansing Law Department
<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>EDENZZ CENTER</th>
<th>EDENZZ CENTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Address</td>
<td>---</td>
<td>5124 S. MLK</td>
<td>5124 S. MLK BLVD.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marketing, Advertising and Promotion</td>
<td>4</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible Capital Investment in the City of Lansing (Investment in applicants other provisioning centers was not included in score)</td>
<td>15</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Creation (Integrated System) Overall number of jobs created</td>
<td>5</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Structure and Financing</td>
<td>3</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plans to Integrate Facility with Other Establishments</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
</tbody>
</table>

**Marketing, Advertising and Promotion**

Applicant provides several examples related to their proposed marketing, advertising, promotion and plans to maximize exposure to consumers (e.g., no public art on walls, TV ads, etc.). Newsletters, newspapers, work with MLT to educate about minor multi-ethnic. Lacks an optimal amount of examples and details.

**Tangible Capital Investment in the City of Lansing**

Investment in applicants other provisioning centers was not included in score. Applicant indicates they are seeking to open two provisioning centers in the Lansing area (5124 S. MLK Blvd. and 5124 S. MLK) which are individually owned and operated. Both locations will have start-up costs of $500,000. Does not mention participation of two team members and also seeking to lease a property at 115 E. Miller Road for a $200,000. PC (ML Capital Center). Applicant states that they will reach out to licensed vendors to get supplies, but no other details are provided. Lacks detail about integrated operations and less than optimal capital dollar investment amount.

**Job Creation (Integrated System)**

Overall number of jobs created. Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify how many or two provisioning centers. Lacks sufficiently clear detail and falls short of an optimal number of jobs.

**Financial Structure and Financing**

Applicant provides a net worth statement demonstrating combined net worth of $1.1 million (CPA attested) and provides a company bank statement showing a balance of $100,000. However, the $100,000 is divided between two applications (Edenex1 and Edenex2) and it is not acknowledged in the application how this will sufficiently cover the business plans in both.

**Plans to Integrate Facility with Other Establishments**

Applicant indicates they will reach out to licensed vendors to obtain supplies but does not specify the size or plant amount of any operations they intend to integrate with.
<table>
<thead>
<tr>
<th>Charitable Plans and Strategies</th>
<th>4</th>
<th>2</th>
<th>Applicant indicates they will be active in organizations like the Knights of Columbus, Jesus Saves, and work with FACT to educate about minor minimization. Will also award employees up to 7 vacation days for participating in community service and pledge to donate portion of profits to variety of organizations. Lacks any proposed dollar commitment amount and proof of any actual payment or executed agreement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Jobs at the Provisioning Center Category Thresholds: 1 = &lt; 6 jobs, insufficient details; 2 = &lt; 6 jobs, sufficient details; 3 = 6 jobs, sufficient details; 4 = &gt; 6 jobs insufficient details; 5 = &gt; 6 jobs, sufficient/good details.</td>
<td>5</td>
<td>4</td>
<td>Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers (organization chart indicates about 11 FTE positions). Lacks sufficiently clear details.</td>
</tr>
<tr>
<td>Amount and Type of Compensation (PC)</td>
<td>2</td>
<td>1</td>
<td>Applicant indicates all provisioning center positions (100%) will pay at least $15/hour but does not provide an optimal amount of support details.</td>
</tr>
<tr>
<td>Percent of Employees Earning At Least $15/Hour (PC)</td>
<td>3</td>
<td>3</td>
<td>Applicant indicates all provisioning center employees will earn at least $15/hour.</td>
</tr>
<tr>
<td>Projected Annual Budget and Revenue (PC)</td>
<td>2</td>
<td>2</td>
<td>Applicant provides detailed projected annual budget and revenue data (e.g., $4.1 million in expenses (plus startup cost details) and $4.6 million in revenues during year 1) that are understandable.</td>
</tr>
<tr>
<td>Sufficient Financial Resources</td>
<td>5</td>
<td>3</td>
<td>Applicant provides litigation compliance verification forms for the key team members and includes litigation history details for one member (Mr. Brihco) showing issues relating to the proximity of a medical marihuana establishment, a landlord/tenant dispute (garden center business), and past due accounts owed to Green Magic Nutrients. Applicant indicates they have sufficient capital to build two provisioning centers and operating capital to cover expenses until they reach positive cash flow. Applicant provides net worth statements demonstrating combined net worth of $7.1 million (CPA attested) and provides a company bank statement showing a balance of $100K. However, the $100K is divided across two applications (Edenz1 and Edenz2) and it is not acknowledged in the application how this will sufficiently cover the business plans in both.</td>
</tr>
<tr>
<td>Business Experience</td>
<td>5</td>
<td>4</td>
<td>Applicant indicates they have 8 years of medical marihuana caregiver experience, plus is working with medical marijuana technologies, a consulting firm with &gt; 8 years of operating experience in the medical marihuana industry. Also have &gt; 25 years of other applicable work experience (garden supply industry, retail management). Lacks the optimal amount of applicable business experience.</td>
</tr>
<tr>
<td>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</td>
<td>5</td>
<td>5 well organized</td>
<td></td>
</tr>
<tr>
<td>Buffering between residential zoned areas and establishment</td>
<td>5</td>
<td>2 inadequate barriers and close to homes</td>
<td></td>
</tr>
<tr>
<td>Increased traffic on side streets will be scored lower</td>
<td>5</td>
<td>4 minor issue</td>
<td></td>
</tr>
<tr>
<td>Entrance and exit on main streets, adequate parking not on residential streets, Quality of Security Plan</td>
<td>10</td>
<td>7 strong traffic patterns, driveways, parking, and circulation Traffic 5 pts. Minimum requirement for Sec plan Ther 2</td>
<td></td>
</tr>
<tr>
<td>Plan to meet with neighborhood organizations</td>
<td>1</td>
<td>0 inadequate plan</td>
<td></td>
</tr>
<tr>
<td>Improvements made or proposed to building</td>
<td>3</td>
<td>1 minor cosmetic improvements planned</td>
<td></td>
</tr>
<tr>
<td>Plan to minimize/eliminate traffic</td>
<td>1</td>
<td>0 inadequate traffic plan</td>
<td></td>
</tr>
<tr>
<td>Plan to minimize/eliminate noise</td>
<td>2</td>
<td>0 inadequate noise plan</td>
<td></td>
</tr>
<tr>
<td>Plan to minimize/eliminate odor</td>
<td>3</td>
<td>3 inadequate odor plan</td>
<td></td>
</tr>
<tr>
<td>LPD Complaints</td>
<td>4</td>
<td>2 1 sexual assault, 1 damage to property, 1 theft, 1 other theft, 1 MDOP, 1 involve w/ other theft, 3 other thefts, 3 thefts</td>
<td></td>
</tr>
<tr>
<td>Demo of Regulatory Compliance</td>
<td>4</td>
<td>4 no tax history</td>
<td></td>
</tr>
<tr>
<td>Litigation History</td>
<td>2</td>
<td>0 inadequate litigation history for one of two stakeholders</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>63</strong></td>
<td></td>
</tr>
</tbody>
</table>
August 27, 2018

VIA FILING WITH CITY CLERK AND E-MAIL (CITY.CLERK@LANSINGMI.GOV)

City of Lansing
Attn: Chris Swope, City Clerk
124 W. Michigan Avenue
9th Floor of City Hall
Lansing, MI 48933

Re: Edenz 2 Center Inc., Appeal from Denial of License Application

Dear Mr. Swope:

Please be advised that Clark Hill PLC represents Edenz 2 Center Inc., a Michigan corporation (the “Edenz 2”), whose shareholders are Jason Abro and George Breikho. This is Edenz 2’s appeal of the denial of its application for a license to operate a medical marihuana provisioning center and its request for the appointment of a hearing officer and for an appeal hearing under Section 1300.15 (C).

On December 15, 2017, Edenz 2 submitted to the City of Lansing Clerk’s Office an application for a license to operate a medical marihuana provisioning center (the “Application”). The Application was submitted to operate a provisioning center at 5124 S. Martin Luther King Jr. Blvd., Lansing, Michigan 48911 (“5124 MLK”).

On August 13, 2018, Edenz 2 received notice via electronic mail that the City Clerk denied its Application for licensure with the City of Lansing. The Clerk’s decision was based upon Edenz 2 receiving a score of 63 out of 100 points, applying the criteria set forth in Section
1300.06. The Clerk stated that the score “eliminates the possibility of scoring in the top twenty,” which, under Section 1300.06(c)(1), is the maximum number of provisioning center licenses allowed under Phase One of the City’s application process. A copy of the scoring criteria provided with the denial is attached as Exhibit 1. A copy of the scoring criteria provided by the City to Edenz 2 prior to the filing of its Application on December 15, 2017 is also attached as Exhibit 2. As you will see, the City’s scoring criteria provided prior to the application deadline varies greatly from the scoring criteria used by the Clerk to rank Edenz 2’s Application.

We have carefully reviewed the scoring criteria of Edenz 2 provided by the City Clerk and can draw no conclusion but that many points were improperly or incorrectly withheld from Edenz 2’s final score. In accordance with Section 1300.15(e), this correspondence is Edenz 2’s written appeal of the City Clerk’s denial for the reasons more fully stated below.

I. Marketing, Advertising, and Promotion.

The requirements under Section 1300.05(b)(12)(iii) of the Lansing code provided that Edenz 2 submit a “marketing, advertising, and business promotion plan, including plans to minimize the exposure of marketing or promoting marihuana products to minors[,]” in accordance with the requirements, Edenz 2 submitted a Business Plan, which included its marketing, advertising, and business promotion plan. See Exhibit 3, pp. 10-11 of the Business Plan. This marketing plan detailed Edenz 2’s plan for marketing and promotion in compliance with the State of Michigan’s and the City of Lansing’s restrictions on the advertisement of medical marihuana to minimize the exposure to minors. The Business Plan states that Edenz 2 will not engage in any public advertisements on radio, television, billboards or bus stops. Its
website will require age verification. Edenz 2 would have a menu of its products on the Weedmaps and Leafly websites.

Edenz 2 has a written Patient Education Support Plan which requires a mandatory orientation session for each patient to confirm age, registration, executing a medical records release, discussion of products relevant to desired treatment outcomes, and delivery of a Patient Handbook containing guidelines, medical marihuana laws, and how to use medical marihuana safely. The Handbook requires a registered patient to be 18 years old and a primary caregiver to be 21 years old in order to enter the center. Patients under 18 may be admitted only when accompanied by their caregiver. If the Handbook guidelines are not met, Edenz 2 will deny entry and service. See Exhibit 4, Edenz 2 Patient Education Support Plan and Handbook.

Edenz 2 was granted only 3 of 4 points in this category. The comments to this score were that Edenz 2 provided several examples related to their proposed marketing, advertising, promotion and minimizing exposure to minors. The comments further state that the plan “lacks an optimal amount of examples and details.” This led to an invalid score reduction. Section 1300.05(b)(12)(iii) does not include references to “examples and details,” nor does it include any requirements as to the “optimal” number of examples and details an applicant should include. Edenz 2 included all information required under Section 1300.05 (b)(12)(iii), and included a detailed plan to limit exposure to minors. Edenz 2 should receive 4 out of 4 points in this category.

II. Tangible Investment into City of Lansing
Section 1300.05(b)(12)(iv) of the Lansing code directed Edenz 2 to submit its planned tangible capital investment to the City as follows:

"[I]ncluding detail related to the number and nature of the proposed medical marihuana establishments in the City and whether the locations of such establishments will be owned or leased; further, if multiple licenses are proposed, an explanation of the economic benefits to the City and job creation, if any, to be achieved through the award of such multiple licenses. Supporting factual data shall be included with the response to this subsection; and

v. Expected job creation from the proposed medical marihuana establishment(s); and

vi. Planned worker training programs; and

vii. Financial structure and financing of the proposed medical marihuana establishment(s); and

viii. Short term and long term goals and objectives consistent with this chapter; and

ix. If a medical marihuana grower facility(ies) are proposed, plans to integrate such facility(ies) with other proposed medical marihuana establishments and a statement whether the medical marihuana grower facility will grow 1,000 plants or more and the square footage of the building(s) housing such grower facility, and if so, will the facility contain more than 10,000 square feet of space;

x. Community outreach/education plans and strategies;

xi. Charitable plans and strategies, whether fiscally or through volunteer work."

To ensure its development and implementation of an excellent Business Plan, Edenz 2 retained a very experienced cannabis industry consulting and advisory firm, Medicine Man Technologies, Inc., a publicly traded company based in Denver, Colorado, to consult with it in the preparation of its Business Plan and to assist in implementing it. Medicine Man Technologies is a well-known nationwide medical marihuana industry consulting firm and has
been retained by many Michigan municipal and state medical marihuana applicants. Medicine Man Technologies also prepared a Business Plan for an unrelated Lansing applicant, MI Capital Center, Inc. It is Edenz 2’s understanding that, due to a clerical error, the business plan submitted for MI Capital Center, Inc., mistakenly included the names of the shareholders of Edenz 2. The shareholders of Edenz 2 are not affiliated, directly or indirectly, with MI Capital Center, Inc., and the clerical error which included their names in the MI Capital Center business plan should have no bearing on Edenz 2’s final score. Jason Abro and George Brikho, the shareholders of Edenz 2, are also applicants under the Edenz 1 provisioning center application to the City of Lansing. Jason Abro and George Brikho, the sole shareholders of Edenz 2, have acted in good faith and without gross negligence and the mix-up in the unrelated MI Capital Center business plan prepared by Medicine Man Technologies should not be attributed to Edenz 2 or Edenz 1, and should not result in the withholding of any points.

As a result of the clerical drafting mistake in another applicant’s Business Plan, several points were withheld from Edenz 2’s score in this category. Edenz 2 was awarded only 9 of 15 points for its tangible capital investment in the City. Points were deducted due to the false conclusion that the two shareholders of Edenz 2 are applying to operate another provisioning center in Lansing, MI Capital Center. Jason Abro and George Brikho are not involved in MI Capital Center Inc., and are not leasing the property at 915 E. Miller Rd.

Points were also withheld due to lack of “details about integrated organizations and less than optimal capital dollar investment amount.”

Jason Abro and George Brikho acquired property at 5124 S. Martin Luther King Jr. Blvd. for the Edenz 2 provisioning center and also acquired property at 6450 S. Cedar St. for the Edenz
I provisioning center, representing a substantial capital investment in Lansing real estate. The Business Plans of both Edenz 2 and Edenz 1 call for the creation of 12-25 employee and management positions for a total combined job creation from both medical marijuana establishments for the Lansing economy of 24-50 employees. Both Edenz 2 and Edenz 1 are committed to hiring a local and diverse group of residents and will train the 24-50 employees for two weeks at the Medicine Man Technologies facility in Denver, Colorado. See Section III below for specific job titles and descriptions.

Both Edenz 2 and Edenz 1 have comprehensive immersive training programs for employees regarding standard operating procedures for the safe management of medical marijuana, inventory and sale tracking, patient consultation, security procedures, packaging and labeling, operational best practices, workplace safety and emergency response, and diversion and theft prevention. See pp. 17-21 and 69-83 of Edenz 2 Operating Plan, Exhibit 5. Edenz 1 has an identical training program in its Operating Plan.

Edenz 2’s capital investment, at pp. 17-22 of its Business Plan, is more than sufficient to support Edenz 2’s sole provisioning center. The Edenz 2 Business Plan includes 20 detailed line items for start-up costs and construction costs of $362,500.00. Its projection for first year operating costs is $1,098,118.00. See pp. 18-20 of the Edenz 2 Business Plan, Exhibit 3. The startup capital provided for Edenz 2 in its business plan represents the total capital investment for Edenz 2 only, and not for Edenz 1, the other applicant entity owned by Jason Abro and George Brikho. Edenz 1’s capital investment, at pp. 17-22 of the Edenz 1 Business Plan, is more than sufficient to support Edenz 1’s provisioning center. The Edenz 1 Business Plan includes 20
detailed line items for start-up and construction costs of $405,500.00. Its projection for first year operating costs is $1,098,118.00. See Exhibit 6, Edenz 1 Business Plan, pp. 17-22.

The combined economic investment benefit to Lansing for the Edenz 2 and Edenz 1 startup costs is $768,000.00 and for their combined first year operating costs is $2,196,236.00. This represents a first year investment in Lansing by Edenz 2 and Edenz 1 of $2,964,236.00 in addition to the 24-50 jobs created for local residents.

The scrorer states that Edenz 2 did not provide details about which “licensed” vendors it will obtain supplies from. Edenz 2 addressed this aspect at p. 8 of its Business Plan, Exhibit 3. As far as medical marihuana products are concerned at the time of the application there were no State of Michigan or City of Lansing licensed vendors of medical marihuana products and neither Edenz 2 or Edenz 1 were operating. Edenz 2 provided an extensive, detailed list of the equipment and supplies, including manufacturers and model numbers that it would be obtaining for the provisioning center. See Exhibit 5, pp. 26-39 of the Operating Plan. Edenz 1 has an identical list of equipment and supply vendors in its Operating Plan.

Edenz 2 and Edenz 1 have identical patient education support plans which have a mandatory orientation session for each patient to confirm age, registration, a medical records release, discussion of products relevant to desired treatment outcomes, and delivery of a Patient Handbook containing guidelines, medical marihuana laws, and how to use the product safely. If a patient does not comply with the guidelines the services of Edenz 2 are terminated. See Exhibit 4, Edenz 2 Patient Education Support Plan and Handbook. Edenz 2 and Edenz 1 have identical written Drug and Alcohol Awareness Support Plans which include self-assessment questions and recommend utilizing three (3) recovery and rehabilitation services located in the
City of Lansing: Mid-Michigan Recovery Services, Patricia E. Bertsch Holy Cross Women's Behavioral Healthcare, and PAR Rehabilitation Services. See Exhibit 7, Edenz 2 Drug and Alcohol Awareness Support Plan. Edenz 2 included in its Application materials its dedication to charitable and community endeavors. As part of its Business Plan, Edenz 2 included proposed community efforts, such as plans to work with FACT to provide free educational classes to patients and youth in the community regarding medical marihuana, to reward staff as a means to encourage their employees to be active in the Lansing community, and described its shareholders' plans to be a financial sponsor for local non-profit organizations. Also Jason Abro and George Brikho are active supporters of Jesus Saves, a rescue mission in Lansing. See p. 17 of Business Plan, Exhibit 3. Edenz 2 described its charitable plans and strategies and provided several plans to demonstrate a positive impact on the community of Lansing. Lastly, in its detailed annual start-up budget Edenz 2 has allocated $24,000 for charitable contributions, and $2,500 for sponsorships. See Exhibit 3, p. 20 of Business Plan. Edenz 1 has an identical charitable plan and strategies. The combined annual fiscal commitment of Edenz 2 and Edenz 1 is $53,000.00. Edenz 2 and Edenz 1 will not be integrated with grower or processing facilities.

Six additional points should be awarded to Edenz 2 in this category.

III. Job Creation

Section 1300.05(b)(12)(v) required the application to include Edenz 2's "expected job creation from the proposed medical marihuana establishment(s)." Accordingly, Edenz 2 submitted within its Business Plan an employee hiring, training, and compensation plan, under which Edenz 2 projected from 12-25 employee positions. Edenz 2 further described its dedication to hiring and training a local and diverse group of residents, and will train employees
for two weeks at the Medicine Man Technologies facility in Denver, Colorado. See Edenz 2's Operating Plan at pp. 11-13; 17-21, Exhibit 5.

Edenz 2’s application also includes plans to hire and retain a CFO, a COO, a Quality Assurance Manager, Human Resources Manager, an Accountant, a General Manager, an Office Manager, a Security Manager, and Marketing and Sales Manager. The Operating Plan contains detailed job descriptions for each position. See pp. 4-10 of the Operating Plan, Exhibit 5. See also Edenz 2’s Business Plan at pp. 13-16 for another summary of management and staff positions to be filled with required qualifications attached as Exhibit 3. Edenz 2 will have a security consultant train their staff to ensure that the facility is secure. See p. 20 of its Operating Plan, Exhibit 5. In addition, Edenz 2 has written procedures to train its staff on workplace safety and emergency response. Edenz 2 also provides written procedures and training for the staff, for facility security, crime prevention and emergencies, and procedures and training to detect and prevent diversion and theft. See pp. 17-21; 69-83 of the Operating Plan, Exhibit 5.

Edenz 1 filed a separate application for a 6450 S. Cedar St location. The combined estimated job creation for Edenz 2 and Edenz 1 is 24-50 new jobs.

Edenz 2 was awarded 1 of 5 points in this category. The comments to Edenz 2’s scoring criteria state that Edenz 2 does not specify whether “job totals are for only one or two provisioning centers. Lacks sufficiently clear detail and falls short of an optimal number of jobs.” Edenz 2 only applied for 1 provisioning center license to operate at 5124 Martin Luther King Blvd. and anticipates 12-25 employees will be needed to operate the 2,567 square foot provisioning center on Martin Luther King Blvd. at an optimal level. Edenz 1 also applied for a
provisioning license and estimated another 12-25 employees will be needed to staff its 3,734 square feet provisioning center on Cedar Street. The total jobs created are 24-50 jobs.

Section 1300.05(b)(12)(v) does not include a requirement to describe an “optimal number of jobs,” yet Edenz 2 was not awarded points in this category for purportedly failing to include an estimate or plan for an optimal number of jobs. Edenz 2’s application is for a license to operate one provisioning center. The shareholders of Edenz 2 filed a separate application for Edenz 1, a second provisioning center with a different entity. The information presented by Edenz 2 regarding the operation of Edenz 2 should not be construed as being for two provisioning centers, when Edenz 2 is applying for only one license. Edenz 2 should be awarded a total of five points in this category, as Edenz 2 plans to employ an optimal and sufficient number of employees to operate the one 2,567 square foot provisioning center for which it applied.

IV. Financial Structure and Financing

Section 1300.05(b)(12)(vii) required the application to include “Financial Structure and Financing of the proposed medical marihuana establishment(s).” Accordingly, within its Business Plan, Edenz 2 included information related to its estimated total startup costs of $362,500.00, its total capitalization as of 12/15/2017, and its projected first-year expenditures of $1,098,118.00. See pp. 17-20 of Business Plan, Exhibit 3.

Edenz 2 was awarded 2 of 3 points in this category. The scoring criteria acknowledges net worth statements of $7.1 million (CPA attested) and states that the company bank statement showing “the $100K is divided across two applications (Edenz 2 and Edenz 1) and it is not acknowledged in the application how this will sufficiently cover the business plans in both.”
support its capitalization requirement, Edenz 2 submitted a Christian Financial Credit Union statement, which shows a balance of $100,095.00 in account # 20692792276. See Exhibit 8, which includes CPA attestation of shareholder Jason Abro. The owner of account # 20692792276 is Edenz 2 Center, Inc. There is absolutely no basis in the application materials for inferring that the $100,095.00 amount of capitalization in Edenz 2’s bank account will be used or divided “across two applications,” as the scoring rubric wrongly suggests. Edenz 1 and Edenz 2 each provided distinct bank statements for separate accounts demonstrating that each entity has $100,095.00 of capitalization. The Edenz 1 bank account # is 2069272292. See Exhibit 9, Edenz 1 bank account statement.

Edenz 2 demonstrated that it had $100,095.00 in its bank account # 20692792276. These funds are for the use of Edenz 2 only, and are not “divided across two applications.” There is another $100,095.00 for Edenz 1 capital requirement. The net worth statement in the application is more than sufficient to cover additional capital requirements. Accordingly, one point should be added to Edenz 2’s score under this category.

V. Plans to Integrate Facility with Other Establishments

Section 1300.05(b)(12)(ix) provides that “if a medical marihuana grower facility(ies) are proposed, plans to integrate such facility(ies) with other proposed medical marihuana establishments and a statement whether the medical marihuana grower facility will grow 1,000 plants or more and the square footage of the building(s) housing such grower facility, and if so, will the facility contain more than 10,000 square feet of space.” Edenz 2 is not applying for a license to operate a grower facility. It applied for a provisioning center license. However, Edenz 2 did include information regarding its plan to reach out to licensed vendors to obtain equipment
and supplies for its provisioning center operation. See p. 8 of Business Plan, Exhibit 3, and pp. 26-39 of Operating Plan, Exhibit 5. At the time of the application there were no State of Michigan or City of Lansing licensed vendors of medical marihuana products and Edenz 2 was not operating.

Edenz 2 was awarded 1 of 2 points in this category. The Lansing Code states that this Section related to grower facilities. Edenz 2 is applying only for a provisioning center license. No point should have been withheld in this category for Edenz 2’s provisioning center application, or for any provisioning center application, as the requirements do not apply to provisioning center applications. As such, Edenz 2 should be awarded two points in this category.

VI. Charitable Plans and Strategies

Section 1300.05(b)(12)(xi) requires Edenz 2 to provide its “charitable plans and strategies, whether fiscally or through volunteer work.” The shareholders of Edenz 2 recognize the importance of charity and community involvement. Their resumes display lifelong charitable and volunteer work. See Exhibit 10, resumes of Jason Abro and George Brikho. Edenz 2 included in its Application materials its dedication to charitable and community endeavors. As part of its Business Plan, Edenz 2 included proposed community efforts, such as plans to work with FACT to provide free educational classes to patients and youth in the community regarding medical marihuana, to reward staff as a means to encourage their employees to be active in the Lansing community, and described its shareholders’ plans to be a financial sponsor for local non-profit organizations. Also Jason Abro and George Brikho are active supporters of Jesus Saves, a rescue mission in Lansing. See p. 17 of Business Plan, Exhibit 3. Edenz 2 described its
charitable plans and strategies and provided several plans to demonstrate a positive impact on the community of Lansing. Lastly, in its detailed annual start-up budget Edenz 2 has allocated $24,000 for charitable contributions, and $2,500 for sponsorships. See Exhibit 3, p. 20 of Business Plan.

Edenz 2 was awarded 2 of 4 points in this category, despite providing examples of volunteer-work, fiscal contributions, and employee promotions of community engagement. The scoring criteria incorrectly stated that Edenz 2 “lacks any proposed dollar commitment amount and proof of any actual payment or executed agreement.” Proposed dollar amounts and proof of actual payment or executed agreements are not part of the requirements set forth under Section 1300.05(b)(12)(xi), nor were they required under the scoring criteria provided to Edenz 2 prior to submitting its Application. Edenz 2 complied with the requirements under the ordinance, and Edenz 2 included $26,500.00 in its initial annual budget for charitable and community contributions. Edenz 1 is also contributing $26,500.00 annually for a combined total of $53,000.00. The applicant inquired with Deb Biehler of the City whether they should make donations prior to the time of filing and were advised “no,” yet Jason Abro and George Brikho made have made donations. Edenz 2 should be awarded the total points allowed for this category, as it fully complied with the requirements set forth under the Ordinance and the scoring criteria provided to Edenz 2, and set forth a generous, detailed and thoughtful plan for charitable and community contributions.

VII. Number of Jobs at the Provisioning Center
Section 1300.05(b)(12)(v) required Edenz 2 to include the “expected job creation from the proposed medical marihuana establishment(s).” Accordingly, Edenz 2 submitted within its Business Plan an employee staffing, hiring, training, and compensation plan. This plan discloses that Edenz 2 anticipates between 12-25 employee positions, as well as a CFO, a COO, a Quality Assurance Manager, Human Resources Manager, an Accountant, a General Manager, an Office Manager, a Security Manager, a Marketing and Sales Manager, and Provisioning Center Agents. Edenz 2 will also have a security consultant training their staff regarding facility security. See pp. 3-10 of Operating Plan, Exhibit 5; and pp. 13-16 of Business Plan, Exhibit 3.

Edenz 2 was awarded 4 of 5 points in this category. The comments to Edenz 2’s scoring criteria state that Edenz 2 “indicates there will be 12 to 25 new jobs created and described employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers (organization chart indicates about 11 FTE positions). Lacks sufficiently clear details.”

Edenz 2 only applied for one provisioning center license to operate at 5124 MLK. Edenz 1 has a separate, independent business and operating plan in a separate, independent application. Edenz 2 anticipates needing between 12-25 employees to operate this one 2,567 square foot provisioning center at an optimal level. The shareholders of Edenz 2 filed a separate application for Edenz 1. Edenz 1 also estimates hiring 12-25 employees for a 3,734 square foot facility on Cedar Street. The total combined jobs created are 24 to 50 jobs. Information presented by Edenz 2 regarding the operation of Edenz 2 should not be construed as being for two provisioning centers, because Edenz 2 is applying for only one license. Edenz 2 should be awarded a full five points in this category, as Edenz 2 plans to employ an optimal and sufficient
number of employees to operate one 2,567 square foot provisioning center and provided extensive detail regarding the positions it intends to fill with qualified, competent employee and management members.

VIII. Amount and Type of Compensation

Under Section 1300.05(b)(23), Edenz 2 was required to include, in addition to other items “the amount and type of compensation expected to be paid” for the jobs anticipated in its provisioning center. Edenz 2 fully described the amount and type of compensation it expects to pay for its employees in its application materials. The scoring criteria provided to Edenz 2 prior to filing the application, stated that 2 points would be possible for providing the “amount and type of compensation.”

The Edenz 2 Operating Plan includes a benefits enrollment procedure for employee benefits. See Edenz 2 Operating Plan at pp. 20-21, Exhibit 5. Page 17 of Edenz 2’s Business Plan, Exhibit 3, indicates that, in addition to their compensation, each employee will receive $250 per month for reimbursement of health insurance costs, and will receive two weeks of paid time off. Employees will be paid on a bi-weekly basis and will receive a performance review after 90 days and at each one year anniversary. Pay raises will be granted based on merit during their performance reviews. Edenz 2 provided significant information regarding the amount and type of compensation it will provide to its employees.

The scoring criteria “insights” state that, Edenz 2 included provisioning center positions and pay of at least $15.00/hour, but Edenz 2 “does not provide an optimal amount of support details.” The scorer ignored the two page chart after p. 20 of the Business Plan which describe a minimum of $15 per hour for dispensary agents, $20 per hour for 7 different classifications of
managers, and $30 per hour for security contractors. See page chart following p. 20 of Business Plan, Exhibit 3. Section 1300.05(b)(23) does not include any required information as to an “optimal amount of support details,” nor was this requirement included in the scoring criteria provided to Edenz 2 prior to filing the Application. Edenz 2 included a significant amount of detail regarding the amount and type of compensation for its employees, as well as the additional benefits it will provide to its employees. The application materials contain a surplus of information to more than satisfy the requirement for this category. Accordingly, Edenz 2 should receive two (2) points in this category.

IX. Sufficient Financial Resources

Section 1300.05(b)(22) requires that Edenz 2 include “Verification, including copies of actual bank statements, showing that Edenz 2 has a minimum net worth of $100,000.00 in the applicant’s name.”. The scoring criteria provided to Edenz 2 prior to filing its application describes the detail requirements as “financial forms including debt, bankruptcy, insolvency, tax compliance, tax returns, and CPA attested, active bank/financial statements.” Edenz 2 included with its application (1) a statement of Christian Financial Credit Union account #20692792276 owned by Edenz 2 evidencing a balance of $100,095.00, and (2) a CPA attested net worth statement of shareholder Jason Abro showing $4,068,927.00 as of November 20, 2017. See Exhibit 8. Edenz 2 has no debt, bankruptcy, insolvency, or history of non-tax compliance.

Edenz 2 was awarded only 2 of 5 points in this category. The scoring criteria completed to rank Edenz 2 states as follows:

“Applicant provides litigation compliance verification forms for the key team members and includes litigation history details for one member (Mr. Brikho)
showing issues relating to the proximity of a medical marijuana establishment, a landlord/tenant dispute (gardening center business), and past due accounts owed to Green Magic Nutrients. Applicant indicates they have sufficient capital to build two provisioning centers and operating capital to cover expenses until they reach positive cash flow. Applicant provides net worth statements demonstrating combined net worth of $7.1 million (CPA attested) and provides a company bank statement showing a balance of $100K. However, the $100K is divided across two applications (Edenz1 and Edenz2) and it is not acknowledged in the application how this will sufficiently cover the business plans in both.”

Several improper scoring criteria were used by the City of Lansing in this category which resulted in Edenz 2 being awarded less points than it actually earned. First, Edenz 2’s litigation history has no bearing on the criteria for awarding points in this category, as this category relates solely to “Verification, including copies of actual bank statements, showing that the applicant has a minimum net worth of $100,000.00 in the applicant’s name.” Second, the coverage of startup costs does not relate to the requirements of this Section.

The sole requirement of this Section was to verify that Edenz 2 has the minimum net worth of $100,000.00. To support its capitalization requirement, Edenz 2 submitted a Christian Financial Credit Union statement for account # 20692792276, which shows a balance of $100,095.00. The owner of this account is Edenz 2. This account is wholly separate from the account of Edenz 1, and both entities have $100,095.00 in their respective accounts. See Exhibit 8, for Edenz 2 statement. See Exhibit 9 for Edenz 1 bank statement showing another balance of $100,095.00. There is absolutely no basis for inferring that the amount of capitalization in Edenz 2’s bank account will be used or divided “across two applications,” as the scoring analysis wrongly suggests. The $100,095.00 in the Edenz 2 bank account is for the use of Edenz 2 only, and are not “divided across two applications.” As such, Edenz 2 should be awarded 5 of 5 points in this category.
X. Business Experience

The scoring criteria available to applicants prior to the application deadline provides that a total of five points may be awarded for “business experience,” particularly, that the applicant shows a “history of success in operating business or businesses, years of operation, relevant business experience, other commercial licenses, medical certifications and/or licenses.” The shareholders of Edenz 2 included their impressive resumes in the application. See Exhibit 10. They further included in the Business Plan a detailed narrative regarding their business experience. See Exhibit 10, pp. 11-12. For their ages, Jason Abro (40 years) and George Brikho (41 years) have more business experience than most entrepreneurs in the U.S. economy. George Brikho has been owning and operating retail businesses since 1996 (Edenz Gardening Centers in Madison Heights and Lapeer; Green Magic Gardens; Office Manager for a law firm, and Buscemi’s retail) and prior to that worked as a manager in his father’s business. He also managed his own campaign for Congress in 2014, winning the primary, and has also done extensive political consulting through Evergreen Management. Jason Abro owns several companies, Wireless Revolution (operates 43 Sprint stores with over 200 employees), All Star Wireless (master dealer for 103 Metro PCS outlets with over 300 employees), and he owns and manages numerous real estate projects. His business success and community involvement has led to him being a Director of the Chaldean Chamber of Commerce.

Edenz 2 was awarded only four out of five points in this category. The scoring analysis details the extensive business history of the shareholders, but ultimately find that the applicant “lacks the optimal amount of applicable business experience.” This finding is nonsense based on the age and business history of Jason and George. Neither the ordinance nor the scoring criteria
available to Edenz 2 prior to filing its application include references to an "optimal amount of applicable business experience." In any event Jason and George exceed the optimal amount of business experience. Furthermore, Jason Abro and George Brikho are the sole shareholders of Edenz 1 Center Inc. Edenz 1 Center Inc. received a full five out of five points for this same category. Despite having identical shareholders and business histories as Edenz 1 Center Inc., Edenz 2 was only awarded four out of five points in the category regarding business experience. There is clearly no basis for the same shareholders to receive a different amount of points based on the same criteria. There is clearly no basis for Jason and George with their stellar business histories to receive less than 5 points. Edenz 2 should receive five points in this category.

XI. Buffering between Residential Zoned Areas and Establishment

As part of the application requirements under Section 1300.05(b)(17), Edenz 2 included a location area map, which displayed the establishment and surrounding areas, and included an affirmation of appropriate buffer zones. 5124 MLK is located on Martin Luther King Jr. Blvd and Jolly Rd., two major roads within the City and in a commercial district. 5124 MLK does not violate any distance requirements from prohibited sites, and there is more than a sufficient buffer between its location and any residential areas. See Location Area map from Application and Google maps and photos, Exhibit 11.

Edenz 2 was awarded 2 of 5 points in this category. The criteria comments state "inadequate barriers and close to homes" with no meaningful elaboration. This information is inconsistent with Edenz 2's own measuring and assessment of the area. Edenz 2 is not located within 1000 feet of any operating school or within 500 feet of any public playground with equipment, licensed childcare center, church, substance abuse prevention center, or another
provisioning center and fully complies with section 1300.13 (D). Edenz 2 is in a strip mall center with a CVS Pharmacy adjacent to two major thoroughfares, Martin Luther King Blvd. and Jolly Rd. The entrance to the parking lot is off Martin Luther King Blvd., not a residential street.

Points were improperly withheld from Edenz 2 in this category. Edenz 2 should have been awarded 5 of the 5 points, as it is appropriately buffered in a pre-existing strip mall center located on a main street.

XII. Increased Traffic on Side Streets will be Scored Lower

Both the scoring criteria provided to applicants prior to the application deadline and the actual scoring criteria used to rank Edenz 2 provide that an applicant will be scored lower if traffic on side streets will be increased. Edenz 2’s provisioning center location can only be entered by Martin Luther King Jr. Blvd. and Jolly Rd., two major streets in Lansing. The center cannot be accessed by any side streets. The only entrances to Edenz 2 are only on major thoroughfares. Traffic patterns in the area will not be affected. The current driveways for ingress and egress of Martin Luther King Blvd. are more than adequate to handle any volume of traffic and there is ample parking to handle traffic without backups. See Exhibit 11, Location Area Map from Application and Google Maps of location; Exhibit 12, pp. 2-3 Security Plan.

No increased side street traffic can be attributed to Edenz 2’s operations; yet, Edenz 2 was only awarded 4 of 5 points in this category. The scoring criteria comments state “Minor issue.” These comments do not indicate what the “minor” traffic issue might be, nor does it indicate any issue significant enough to warrant the withholding of one point in this category. Edenz 2’s operations will not lead to increased side street traffic since staff and patients will
enter and exit off Martin Luther King Blvd. near the intersection of Jolly Rd., both major
thoroughfares and there is ample parking. Five (5) points should be awarded in this category.

XII. Entrance and Exit on Main Streets, Adequate Parking and Quality of Security Plan.

Edenz 2 was awarded 7 of 10 points for this category. Its Security Plan demonstrates that
there is adequate parking for staff and patients and the entrance and exits are off a main street,
Martin Luther King Blvd. Its Security Plan complies with all of the requirements of the Lansing
Code and the scoring criteria made available to Edenz 2. Section 1300.05(b)(14) prescribes the
requirements of a security plan:

"A description of the security plan for the medical marihuana establishment, including, but not limited to, any lighting, alarms, barriers, recording/monitoring
devices, and/or security guard arrangements proposed for the establishment and
premises. The security plan must contain the specification details of each piece of
security equipment. Each medical marihuana establishment must have a security
guard present during business hours or alternative security procedures shall be
proposed in the business plan."

The scoring analysis states "Strong traffic patterns, driveways, parking, and circulatio
(sic), Traffic 5 pts, Minimum requirement for Sec Plan tier 2."

The criteria does not describe what the traffic issue is or what "tier 2" refers to. Since the
location sits near the intersection of two major roads and the entrance to the strip mall is off a
major road and is well-designed, there is no traffic issue. Edenz 2 submitted sufficient
information to demonstrate it has sufficient parking and nominal, if any, contribution to
additional traffic flow. Edenz 2’s security consultant, William Cousins, observed that: “Traffic
patterns in the area will not be affected. The current driveways, which allow for ingress and
egress off Martin Luther King Blvd., are more than adequate to handle any traffic volume. There
is ample parking on the premises, so there will not be a backup of traffic.” See p. 3 of Security
Plan, Exhibit 12. The Edenz 2 Security Plan in the Application materials satisfies the City’s requirements for a security plan of a provisioning center under Section 1300.05 (b)(14). Edenz 2 should have been awarded 10 of 10 points for this category.

XIII. Plan to Meet with Neighborhood Organizations

As part of its Business Plan, Edenz 2 proposed community engagement efforts, which includes plans to work with FACT to provide free educational classes to patients and youth in the community regarding medical marihuana. Jason Akro and George Brikho are active supporters of Jesus Saves, a rescue mission in Lansing. Edenz 2 also described its plans to promote community engagement by its staff by offering employee rewards for engaging in community service in Lansing. Edenz 2 further included information regarding its plans to be a financial sponsor for qualified, local non-profit organizations that Edenz 2 strongly believes will have a positive impact on the community. See p. 17 of Business Plan, Exhibit 3.

Edenz 2 was awarded 0 of 1 point, despite demonstrating a strong commitment to neighborhood organization involvement. Furthermore, the shareholders of Edenz 2 are the same as Edenz 1 Center Inc., and are dedicated to supporting the Lansing community. Despite having a plan identical to that of Edenz 1 for involvement with neighborhood organizations, Edenz 2 was awarded 0 points in this category, whereas Edenz 1 Center Inc. was awarded 1 point. There is clearly no basis for Edenz 2 receiving a different score based on the same criteria. As such, Edenz 2 should receive one point in this category.

XIV. Improvements Proposed to Building

Edenz 2 has interior and exterior improvements in a line item in its budgeted start-up cost of $109,000. See Exhibit 3, page 18 of the Business Plan. Edenz 2 was awarded 1 of 3 points
for this category with the statement “only cosmetic improvements planned.” The proposed $109,000 of interior and exterior improvements and $20,000 in security equipment is a significant investment to the building, and includes new bathrooms, counters, and windows. Edenz 2 is dedicated to operating a superior, well-maintained facility, as is demonstrated throughout its Business Plan and Operating Plan, and should have been awarded 3 points for this category.

XV. Plan to Minimize/Eliminate Traffic

Edenz 2 was awarded 0 of 1 point for this category. The proposed provisioning center is located in a small strip mall on the west side of S. Martin Luther King Jr. Blvd., south of Jolly Road, in commercial district in Lansing. Both roads are commercial thoroughfares able to handle patient and staff traffic in accordance with the City of Lansing Master Plan. Edenz 2’s security consultant, William Cousins, observed that: “Traffic patterns in the area will not be affected. The current driveways, which allow for ingress and egress off Martin Luther King Blvd., are more than adequate to handle any traffic volume. There is ample parking on the premises, so there will not be a backup of traffic.” See p. 3 of Security Plan, Exhibit 12. Edenz 2’s marketing plan will reach residents in the surrounding neighborhoods, who can walk or bike to the facility. Edenz 2 should have been awarded 1 point for this category, instead of 0.

XVI. Plan to Minimize/Eliminate Noise

The Edenz 2 Operations Plan lists the types of equipment and machinery, including refrigerators and storage units, with the brands and cost of the equipment and machinery, all of which are indicative of a quiet, noise controlled environment. It should be noted that Edenz 2 will operate as a provisioning center, and will not be engaging in processing or cultivating
medical marijuana, which entails more noise. There is a very minimal amount of noise in a provisioning center, such as, storage and point of sale equipment and conversation. See Exhibit 5, pp. 26-39 of the Operating Plan. Edenz 2 was awarded 0 of 2 points and should have been awarded 2 points for this category.

XVII. LPD Complaints

The scoring of an applicant takes into consideration Lansing Police Department complaints and incidents. Edenz 2 was awarded only two of four points for this category. The scoring criteria lists several incidents and calls that may have taken place at the location prior to the acquisition of the property by the owners. These incidents should not have any bearing on Edenz 2. The Edenz 2 provisioning center is not operational, and any LPD complaints are not attributable to the leasing of the property by Edenz 2 since December 12, 2017, or its proposed operations in the future. Edenz 2 should not be penalized for incidents that may have taken place at this location prior to the real estate acquisition or related to CVS Pharmacy. As shown in its Security Plan and Operating Plan, Edenz 2 will operate in such a manner that will mitigate safety and security issues concerns for the City. As stated in its Security Plan, Lansing has a significant criminal activity problem, and Edenz 2 will manage its security for the location, staff and patients at a heightened level, with a private security officer posted within Edenz 2 during business hours, and with the security company patrolling the exterior of the building after hours. See Exhibit 12, pp. 4-5 of Edenz 2 Security Plan. Edenz 2 also provides written procedures and training for the staff, for facility security, crime prevention and emergencies and procedures and training to detect and prevent diversion and theft. See pp. 17-21; 69-83 of the Operating Plan.
pertaining to workplace security, emergencies, and diversion prevention at Exhibit 5. Edenz 2 should receive four out of four points in this category.

XIX. Litigation History

Section 1300.06(b) requires that an applicant be scored based upon acts detrimental to the public health, security, safety, morals, good order, or general welfare prior to the date of the application. Under the pre-filing scoring criteria, an applicant is required to disclose business litigation history. Edenz 2 was awarded 0 of 2 points in this category. The scoring criteria comments state that Edenz 2 provided an “inadequate litigation history for one of two stakeholders.”

Edenz 2 Center, Inc. has no business litigation history whatsoever. Edenz 2 disclosed the complete business litigation history of one of its two shareholders, George Brikho. This fulsome disclosure should have resulted in Edenz 2 receiving at least one point for this category.

Jason Abro operates nearly 50 retail locations in the wireless phone sector and does not have any relevant business litigation to disclose through his extensive business interests. He inadvertently did not recall a minor lease dispute where he was named personally, Broad Henry LLC v BT Metro Muskegon Inc., Kevin Savaya and Jason Abro, File No. 2014-125229-GC in 60th District Court in Muskegon, Michigan. While this action was brought against Mr. Abro personally, and not through his business interests, his de minimus case was quickly and amicably resolved and dismissed against him on August 4, 2014. See Exhibit 13, Order of Dismissal. This minor dispute, which was amicably resolved, was not an act detrimental to the public health, security, safety, morals, good order, or general welfare. Edenz 2 disclosed all necessary litigation history in application.
Edenz 2’s disclosures regarding its business litigation history based on the criteria under Section 1300.06(b) warrants full award of two (2) points under this category.

XX. Request for Relief

Edenz 2 was awarded 63 out of 100 possible points. However, the scoring criteria used to rank Edenz 2 varies greatly from the Lansing Ordinance and the scoring criteria that was made available to Edenz 2 prior to filing its application. There are numerous instances where points were simply improperly or incorrectly withheld. Had the scoring criteria that was made available to Edenz 2 and the Lansing Ordinance as drafted been fairly and objectively applied to Edenz 2’s application, Edenz 2 should have been awarded an additional 37 points by the City of Lansing for a total of 100 points.

For the reasons stated above, Edenz 2 Center, Inc. and its shareholders, Jason Abro and George Brikho, respectfully request that the Hearing Officer recommend to the City Clerk that Edenz 2 Center, Inc. be awarded a total of 100 points for scoring its Application.

Respectfully submitted,

CLARK HILL PLC

Charles E. Murphy

CEM:cem
Attachments
<table>
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<tr>
<th>Applicant's Name</th>
<th>Total Possible Points</th>
<th>EDENZ2 CENTER</th>
<th>EDENZ2 CENTER</th>
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<tr>
<td></td>
<td>5124 S. MLK</td>
<td>5124 S. MLK BLVD.</td>
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<td></td>
<td></td>
<td>Sprout Insights</td>
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**Applicant indicates they will reach out to licensed vendors to obtain supplies but does not specify the size or plant amount of any operations they intend to integrate with.**

**Applicant indicates they are seeking to open two provisioning centers in the Landing area (5124 S. MLK). Total score of 7, will be based on two (2) S. MLK centers and one (1) S. Center St. 5124 S. MLK will have startup costs of $500K. Areas not mentioned in the list of potential centers will be evaluated for a potential site.**

**Applicant indicates that they will spend an estimated 9 to 10 months on pre-licensing and construction. Total score of 5.**

**Applicant indicates they will be 11 to 15 new jobs created and describe employee training program, benefits, job titles and descriptions. Total score of 5.**

**Applicant provides a written statement demonstrating a minimum net worth of $7.1 million (CPA-attested) and provide a company bank statements showing a balance of $23.1 million. However, the company is in the process of writing another application (at least 1 and previously) and has not acknowledged in this application how this will sufficiently cover the business plan of both.**

**Applicant indicates they wish to educate about sector modernization. Total score of 4.**

**Applicant provides a written statement indicating a commitment to the community. Total score of 3.**
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<thead>
<tr>
<th>Category</th>
<th>Score</th>
<th>Comments</th>
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<tbody>
<tr>
<td>Number of Provisioning Centers</td>
<td>2</td>
<td>Applicant indicates they will be active in organizations like the Knights of Columbus, Jesus Saves, and work with FACT to educate about minor marijuana. Will also award employees up to 7 vacation days for participating in community service and pledge to donate portion of profits to variety of organizations. Lacks any proposed dollar commitment amount and proof of any actual payment or executed agreement.</td>
</tr>
<tr>
<td>Number of Jobs</td>
<td>4</td>
<td>Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers (organization chart indicates about 11 FTE positions). Lacks sufficiently clear details.</td>
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<td>Amount and Type of Compensation (FL)</td>
<td>1</td>
<td>Applicant indicates all provisioning center positions (100%) will pay at least $15/hour but does not provide an optimal amount of support details.</td>
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<td>Percentage of Employees Earning at Least $15/Hour (FL)</td>
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<td>Applicant indicates all provisioning center employees will earn at least $15/hour.</td>
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<td>Projected Capital Expenditures and Revenues (FL)</td>
<td>2</td>
<td>Applicant provides detailed projected annual budget and revenue data (e.g., $4.1 million in expenses plus startup cost details) and $4.6 million in revenues during year 1 that are understandable.</td>
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<tr>
<td>Sufficient Business Plan</td>
<td>3</td>
<td>Applicant provides litigation compliance verification forms for the key team members and includes litigation history details for one member (Mr. Briljko) showing issues relating to the proximity of a medical marijuana establishment, a landlord/tenant dispute (growing center business), and past due accounts owed to Green Magic Nutrients. Applicant indicates they have sufficient capital to build two provisioning centers and operating capital to cover expenses until they reach positive cash flow. Applicant provides net worth statements demonstrating combined net worth of $7.1 million (CPA attested) and provides a company bank statement showing a balance of $100K. However, the $100K is divided across two applications (Eden1 and Eden2) and it is not acknowledged in the application how this will sufficiently cover the business plan in both.</td>
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<td>Business Plan</td>
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<td>Applicant indicates they have 8 years of medical marijuana caregiver experience, plus is working with medical marijuana technologies, a consulting firm with &gt; 8 years of operating experience in the medical marijuana industry. Also have &gt; 15 years of other applicable work experience (garden supply industry, retail management). Lacks the optimal amount of applicable business experience.</td>
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<td>Strong traffic patterns, driveways, parking, and circulation Traffic Plan Minimum requirement for tier 3</td>
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<td>Plan to meet with neighborhood organizations</td>
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<tr>
<td>Marketing, advertising, promotion</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible capital investment in the City of Lansing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job creation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Structure and Financing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plans to integrate grower facility with other establishments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable plans and strategies</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job creation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total - Business Plan/Job Creation</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<p>| Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items | 5 |
| Minimization of exposure to minors                                       | 4 |
| Economic benefit to the City of the business plan, real property ownership, grower and/or processor facilities in the City | 15 |
| Overall number of jobs created within the City of Lansing (highest), Lansing region, and Michigan (lowest) | 5 |
| Net worth/capitalization sufficient for business plan as evidenced by notarized CPA attestation, financial institution statements, or the equivalent. | 3 |
| Commitment to fiscal and/or volunteer work                               | 4 |
| Number of jobs at the provisioning center                                | 5 |
| Amount and type of compensation                                          | 2 |
| Percent of employees earning over $15 per hour                          | 3 |
| Projected annual budget and revenue                                      | 2 |
| Incomplete plan will get zero points                                     | 50 |</p>
<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Stability &amp; Experience</strong></td>
<td></td>
</tr>
<tr>
<td>Sufficient Financial Resources</td>
<td>5</td>
</tr>
<tr>
<td>Financial forms including debt, bankruptcy, insolvency, tax compliance tax returns and CPA attested, active bank/financial statements.</td>
<td></td>
</tr>
<tr>
<td>Business Experience</td>
<td>5</td>
</tr>
<tr>
<td>History of success in operating business or businesses, years of operation, relevant business experience, other commercial licenses, medical certifications and/or licenses</td>
<td></td>
</tr>
<tr>
<td>Total - Financial Stability &amp; Experience</td>
<td>10</td>
</tr>
<tr>
<td>Criteria</td>
<td>Maximum Points</td>
</tr>
<tr>
<td>----------</td>
<td>----------------</td>
</tr>
<tr>
<td><strong>Land Use</strong></td>
<td></td>
</tr>
<tr>
<td>Impact on neighborhood</td>
<td>Buffering between residential zoned areas and establishment</td>
</tr>
<tr>
<td>Traffic pattern(s)</td>
<td>Increased traffic on side streets will be scored lower</td>
</tr>
<tr>
<td>Resident safety</td>
<td>Entrance and exit on main streets, adequate parking not on residential streets, Quality of Security Plan</td>
</tr>
<tr>
<td><strong>Total - Land Use</strong></td>
<td></td>
</tr>
<tr>
<td>Criteria</td>
<td>Maximum Points</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>----------------</td>
</tr>
<tr>
<td>Planned outreach</td>
<td></td>
</tr>
<tr>
<td>Plan to meet with neighborhood organizations, business association, crime watch, and other neighborhood organizations to provide contact information for questions, concerns, etc.</td>
<td>1</td>
</tr>
<tr>
<td>Improvements made or proposed to building</td>
<td>3</td>
</tr>
<tr>
<td>Plan to minimize/eliminate traffic</td>
<td>1</td>
</tr>
<tr>
<td>Plan to minimize/eliminate noise</td>
<td>2</td>
</tr>
<tr>
<td>Plan to minimize/eliminate odor</td>
<td>3</td>
</tr>
<tr>
<td><strong>Total - Outreach</strong></td>
<td><strong>10</strong></td>
</tr>
</tbody>
</table>
# Medical Marijuana Provisioning Centers Scoring Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Maximum Points</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant/Stakeholder History</td>
<td></td>
</tr>
<tr>
<td>Applicant/stakeholders record of acts detrimental to security, safety, morals, good order, general welfare</td>
<td></td>
</tr>
<tr>
<td>Lansing Police D complaints/incidents</td>
<td>4</td>
</tr>
<tr>
<td>Demonstration of regulatory compliance</td>
<td>4</td>
</tr>
<tr>
<td>Business litigation history</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total - Applicant/Stakeholder History</strong></td>
<td><strong>10</strong></td>
</tr>
<tr>
<td>Will get zero points if found to have violated 2016 Ordinance #1202 Moratorium.</td>
<td></td>
</tr>
</tbody>
</table>

If information found in the application or review is determined to make the applicant ineligible for approval by the State of Michigan, then the application would be removed from consideration.
Edenz' Centers has already formed a good working relationship with our educational partners to prepare and implement our community outreach and education program. Edenz' Centers will offer resources to obtain information and education on medical marihuana treatments. We will keep abreast of emerging research and developments surrounding the use of medical marihuana and make these resources available to the community. Furthermore, we will provide education resources to the community regarding medical marihuana laws and furnish contact information for medical specialists who can provide support for a patient's state-qualifying medical condition. Our outreach program will assure our community that we are a patient-focused medical marihuana organization who keep safety and compassion first in mind.

PHASE 4: VENDOR SELECTION

Prior to opening, the General Manager and Inventory Control Manager will begin reaching out to licensed vendors in the state in order to get to know their sales and management teams. Part of our selection process will require a facility tour to observe the processes of each potential vendor. This will also include fact-finding on each product offered by the vendors and the potential uses for each.

As vendors and products are selected, they will be added to our product acquisition list. Depending on production lead time of certain products, arrangements may be made with producers to ensure they arrive at Edenz' Centers in a timely manner.

PHASE 5: COMMENCEMENT

Edenz' Centers has considered the current number of medical marihuana cardholders in the State of Michigan and is forecasting demand based on this information. We will commence initial product acquisition based on these estimates. Sales and inventory will be closely monitored by the Inventory Control Manager to ensure that each provisioning center has adequate supplies to prevent lost sales due to insufficient variety or volume of products.
MEDICINE MAN TECHNOLOGIES

Medicine Man Technologies has valuable experience in the regulated marijuana industry having established themselves as a Colorado cultivator and medical marijuana provisioning center over eight years ago, ultimately expanding to incorporate a licensed adult-use cultivation and retail facility. Since the founding of Medicine Man Technologies, they have effectively assisted businesses in other states, including cultivators, provisioning centers, and processors with application support, business implementation, employee training, cultivation techniques, best management practices, and more.

In cooperation with Medicine Man Technologies, Edenz' Centers will adopt Standard Operating Procedures (SOPs) to ensure the secure, safe, consistent and proper handling and distribution of medical marijuana. The SOPs will include step-by-step instructions on every task within the facility, providing the guidelines of conduct for facility personnel and the procedures necessary to comply with all regulations.

Edenz' Centers SOP document will include definitions, purpose, policies, procedures, and quality control checks for every operation in the facility. The definitions detail industry-specific terms and acronyms used throughout each document. The purpose establishes the goal of each procedure. The policy section provides the standard that the procedure must achieve. The procedure section presents a step-by-step process for the completion of individual tasks in the facility and includes examples of all the logs, forms, charts and diagrams required for record keeping.

PROVISIONING CENTER

Once a patient has been verified and checked in by the Security Associate stationed in the secure entry vestibule, they will be permitted to enter and can approach the provisioning center Service Counter once a Dispensing Agent is available. If all Provisioning Center Agents are serving other patients, overflow patients will be asked to wait in the designated waiting area. While serving the patient, the Dispensing Agent will ask the patient several questions relating to their medical marijuana use and their qualifying condition, and will offer guidance for possible treatment options based on the information provided by the company's training program.

In addition to providing medical marijuana, Provisioning Center Agents are expected to spend an average of 10-15 minutes with new patients to familiarize them with our facility and the resources we offer, educate the patient on our product offerings, and assess the patient's needs. Provisioning Center Agents will spend an average of 5-10 minutes with returning patients, and will discuss the effectiveness of the treatment methods the patient has tried, and provide further guidance as needed.

Edenz' Centers will offer several forms of medical marijuana. All products offered by the Company will be inspected for compliance with the standards established by the State of Michigan, following the processes detailed in the Company's SOP manual.

6. PRODUCT USE
Edenz' Centers will seek to offer medical marihuana, concentrates, and infused products in order to accommodate the medical needs and preferences of a wide variety of patients. All marihuana items offered by the Company will be cultivated and manufactured according to standards typically required in commercial agricultural production facilities. As part of the product acquisition process, the General Manager and Inventory Control Manager will tour the facilities of prospective suppliers to observe handling practices and ensure they meet the established standards. All marihuana items received will be required to undergo strict quality control inspections prior to being accepted into our inventory. Any noncompliant items will be rejected, and the facility that produced the product will be notified.

**DRY FLOWER**

Dried marihuana is the most popular consumption method for medical marihuana patients nationwide. Because of this, the bulk of the inventory carried by Edenz' Centers will be in the form of dried marihuana.

Edenz' Centers will provide a wide range of marihuana strains from licensed producers in the State of Michigan. The dried marihuana will be sold in pre-packaged, individual child-resistant containers, partially to protect the produce but also to simplify inventory tracking and promote loss prevention.

**EXTRACTS**

Extracts and oils take several forms and are a preferred consumption method for many medical marihuana patients. Edenz' Centers will provide select extracts from licensed producers.

Extracts (e.g., wax, shatter, live-resin, rosin, CO, Oil, distillate, crystallite, etc.) will be sold in pre-packaged units of 0.5 grams and 1.0 grams. Extracts may also be offered in the form of pre-filled atomizer cartridges for use with electronic cigarettes in assorted sizes of 100-1000 milligrams. All products will be sold in certified child-resistant packaging and will comply with the labeling standards established by the City of Lansing and the State of Michigan.

**MARIHUANA-INFUSED PRODUCTS**

Medical marihuana-infused products including edible and topical products will be stocked in smaller quantities by Edenz' Centers, due to their lower demand by medical marihuana patients. Edenz' Centers will not accept any product that is made to look like a commercially-produced candy or other item that may cause the product to appeal to children. All infused products will be clearly labeled to show that they contain marihuana.

To be responsible and support the rules in the State of Michigan, the Company will not engage in any sort of public advertisement including radio, television, billboards, or bus stops. Our provisioning centers will only be identified by signage sufficient to signify the Company's location. The company's website will require age verification and display our business hours, available product types, and address and telephone number.
In addition to advertising on our own website, Edenz' Centers will host a menu of our products on Weedmaps™ and Leafly™. These websites are designed to assist patients in finding provisioning centers in their area, as well as specific products to help treat their symptoms. Leafly™, in particular, offers a wide range of information available for each strain in an extensive, searchable database. Patients can base search parameters on their specific symptoms. Both of these sites include landing pages that require visitors to confirm they are either a registered medical marihuana patient or over the age of 21 to enter.

Edenz Centers will work hard to maintain an excellent reputation for offering high quality medical marihuana in a safe, friendly, patient-focused environment. Our concerted efforts will engender word-of-mouth recommendations as the primary mechanism to drive our sales.

George Brikho – Owner

George is a lifelong resident of Troy, Michigan where he has lived with his wife of 13 years and raised his four children. George has invested in his community by establishing and actively managing gardening stores in Madison Heights (2010) and Lapeer (2011). He provides jobs in his community and expert advice to his customers. He has also developed his own products to help his gardening customers with superior plant food under the name Green Magic.

In Oakland, Macomb, and Lapeer counties these businesses have participated in the Adopt-a-Highway program. This program is foundational to George’s interest in being a good steward of our resources and the planet.

His passionate advocacy for others extends beyond gardening. In 2014, George ran for Representative of Michigan’s 9th congressional district. He was endorsed by the Republican Liberty Caucus, for whom George has served as a precinct and state delegate since 2014. He has also served on the Oakland County Republican Executive Committee.

George is an active member of St George Catholic Church, Martyr Catholic Church, and Saint Hugo. He has also served as a member of the Chaldean Chamber of Commerce, the Madison Heights Chamber of Commerce, and the Knights of Columbus.

George is a passionate patient advocate providing caregiving services himself since 2009 in the medical marihuana community. His passion is coupled with his interest in improving the environment and the quality of our food.

George served as caregiver for a close friend’s brother who was diagnosed with terminal cancer. The family contacted George because his stories have given him a reputation in the community as both an advocate and a subject matter expert. George was able to supply marihuana oil to this patient which allowed the patient to improve the quality and length of his endangered life. After the patient passed, the father of the patient expressed his appreciation for the work George did by giving him a family heirloom as a token of that appreciation in the form of a knife that had been passed down from father to son in the patient’s family.
A patient with lung cancer has been under George’s care with marihuana oil for the past year. Traditional medicines were not able to cure or manage her cancer and pain medication was not well tolerated. The oil she receives has alleviated her pain allowing her to live more comfortably.

George has also heard some of his customers at the gardening center testify that marihuana products have made a difference in the lives of people who are suffering from addiction to opioids. These life changing stories continue to fuel his passion for the Cannabis Industry.

Jason Abro — Owner

Jason is a lifelong resident of Michigan where he lives with his wife Zena. They have been married 16 years and have 5 children.

Jason is co-owner of several companies, one of which is Wireless Revolution. Operating 43 sprint stores in the Midwest, 32 in Michigan, Wireless Revolution employs over 200 people.

Jason also owns All Star Wireless Inc, which is a master dealer for Metro PCS. Allstar Wireless caters to over 103 Metro PCS retail doors. 68 are in Michigan and the rest are located in Illinois, Indiana, and Massachusetts. These locations employ, in addition to our corporate owned doors, over 300 people.

Working in retail from the age of 16, Jason took ownership of his first business at 19. He has built his success on putting his customers first and always listening to his employees.


Jason serves as a Director on the Chaldean Chamber of Commerce since 2015, and was just reelected in November 2017. He is also on the board for the Chaldean Community Foundation, which has helped raise over 2 million dollars for misplaced refugees. In the last two years, the Foundation has helped over 20,000 people and counting.

Jason was also a founding member of Holy Cross Catholic Church. He and his wife Zena have both served as parish council members for over 2 years.

Jason has a passion to help and educate others which is driving his passion to venture into this industry. In 2009, his daughter Chloe was diagnosed with cancer. With the help of medicine, doctors, and educating himself about cannabis and cancer, she went into remission and has been cancer-free since.
GENERAL MANAGER

Role: The General Manager is responsible for the overseeing the operations of the provisioning center including developing and implementing company policies, coordinating with department managers, and helping to ensure the facility performs according to plan.

Qualifications:

- Minimum 5 years' managerial experience
- Strong communication skills
- Demonstrates people management skills and development capability
- Demonstrates successful leadership
- Strong organizational skills
- Proficiency in technology software, desktop electronics, MS Office (Word, Excel, Outlook, PowerPoint)
• Fluent in spoken and written English
• First aid training, OSHA training
• Highly regulated industry related experience a plus

SHIFT MANAGER

Role: This position is responsible for the direct oversight of the provisioning center operations.

Qualifications:

• Minimum Bachelor’s Degree in Business Management, Operations and/or Logistics, Project Management or related fields
• Minimum 5 years’ experience in management or operations, proof of successful team management and leadership
• Strong communication skills with the ability to direct staff, and take responsibility for the communication
• People management skills and capability
• Strong organizational skills
• Proficiency in technology software, desktop electronics, MS Office (Word, Excel, Outlook, PowerPoint)

QUALITY ASSURANCE MANAGER/ SHIPPI NG MANAGER

Role: This position is responsible for ensuring the provisioning center remains in compliance with all state requirements. This individual will be responsible for keeping abreast of all regulatory changes and updates to the state laws and regulations as well as educating the entire provisioning center team of applicable changes. This individual is also responsible for ensuring that received products are compliant with packaging, labeling and shipping requirements.

Qualifications:

• Bachelor’s degree in Business, Management, Operations, Engineering or related fields is required or equivalent experience
• Five or more years of experience in a similar position, preferably in a regulated industry
• Experience recording and reporting data
• Proficiency in technology software, desktop electronics, MS Office (Word, Excel, Outlook, PowerPoint)
• Experience in similar positions

INVENTORY CONTROL MANAGER

Role: This individual is responsible for tracking of all inventory. Responsibilities include management of the seed-to-sale inventory tracking system software and hardware, management of all inbound and outbound product, tracking, manifesting and quality control functions.

Qualifications:
• Bachelor’s degree in Business, Management, Operations, Engineering or related fields is required or equivalent experience
• Experience recording and reporting data
• Proficiency in technology software, desktop electronics, MS Office (Word, Excel, Outlook, PowerPoint)
• Experience in similar positions

OFFICE MANAGER

Role:

The Office Manager supports all aspects of provisioning center operations.

Qualifications:

• Associate or Bachelor’s degree in Business Management, Project Management or related management field
• One to 5 or more years of experience in a similar position, preferably in a regulated industry

SECURITY MANAGER

Role:

The Security Manager ensures the security of the facility, the inventory, the staff and the patients. This person is responsible for ensuring that contracted 24/7 security personnel adhere to the policies and procedures of Edenz Centers.

Qualifications:

• Proven experience as security manager or similar position
• Experience using relevant technology and equipment
• Experience in reporting and emergency response planning
• Excellent knowledge of security protocols and procedures
• State certification or licensure as a security professional, if required
• Solid understanding of budgeting and statistical data analysis
• Working knowledge of MS Office
• Excellent communication and interpersonal skills
• Outstanding organizational and leadership skills
• Committed and reliable
• High school diploma; Further education in security administration or similar field will be an asset

PROVISIONING CENTER AGENT

Role: This position is responsible for patient-service duties as assigned and will be cross-trained for other facility duties. Performs all the tasks in the provisioning center, including: providing exceptional patient (customer) service, a complete understanding of offered products, and inventory, point-of-sales software, and cash management.
Qualifications:

- High school diploma or equivalent
- Good people skills
- Experience in customer-facing jobs
- Basic knowledge of medical marijuana uses and benefits
- Ability to work as part of a team
- Adaptability and flexibility
- Experience recording and reporting data
- Proficiency in technology software, desktop electronics, MS Office (Word, Excel, Outlook, PowerPoint)

HIRING PRACTICES

Edenz' Centers is committed to forming a diverse, inclusive employee team dedicated to excellence and equity in health and wellness. The company intends to achieve this through education, training, advocacy, and outreach to the local community. The management team will engage with employee recruiting companies to source qualified candidates. We will inform the recruiting company of our diversity goals to help them tailor our recruiting process. The company anticipates employing between 12 and 25 people for all positions including skilled, unskilled and professional employees.

All members, employees, contractors, or other individuals who may enter the licensed facility unescorted on a regular basis will be required to submit to an annual background check. All personnel will be required to notify management within 24 hours of any event that would disqualify them from employment in the medical marijuana industry. All employees will register with and be approved by the State of Michigan prior to beginning work for Edenz' Centers.

TRAINING

Management will provide hands-on training to all employees in each position at Edenz' Centers. Every employee, regardless of position and experience, will complete a New Hire Training program within the first two days of employment. This program will be developed by our management team in cooperation with MMT as a way to bring new employees up to speed quickly by providing them with the information they need to succeed at Edenz. As the company prepares the provisioning center to open its doors, we will bring MMT's educators to our facility to train our staff on-site and to help get the business started. Employees will receive training on our standard operating procedures during their New Hire Orientation and will be given a refresher course annually thereafter, or as changes in policies or the law require. Written training content will always be available as for all employees to review.

Edenz' Centers will use a manual of standard operating procedures, lectures from qualified professionals, and periodic quizzes for managers to ensure our staff remains appropriately trained. Employees will also be encouraged to take advantage of special lectures, leadership training, and other educational opportunities that may arise.
COMPENSATION

Employees will be eligible to receive certain benefits depending on their employment status. Edenz’ Centers has allocated $250 per employee per month for eligible employees for reimbursement of health insurance. The company has also budgeted for two weeks of paid time off for eligible employees. There will be a bi-weekly payroll structure. Individual employees’ pay will vary depending on experience and qualifications.

Each employee will be entitled to a performance review after 90 days of working for the company, and each year after that on the anniversary of their hire. While raises in pay are not guaranteed, they may be granted based on the merits of the performance review. Edenz’ Centers is committed to paying a minimum of $15 per hour to all of its employees.

EDENZ’ CENTERS

Edenz’ Centers was founded by a management team with deep roots in the community, and they have always worked to influence the community in a positive way. George Brkho and Jason Abro are both contributors to Jesus Saves, a rescue mission serving the community of Lansing. Jason is also an active supporter of the Knights of Columbus, which has become internationally renowned for their work supporting children suffering from physical or mental disabilities, helping relief workers in natural disasters, and helping families through their partnership with Habitat for Humanity. The team at Edenz’ is likewise dedicated to shaping their community for the better.

In pursuit of this goal, Edenz’ Centers plans to offer employee-rewards for participating in community service activities. All employees will be eligible to earn extra vacation time for dedicating their own time to serving in the Lansing community. Employees can earn one additional vacation day on top of their normally-earned vacation days for every 8 hours they spend working on community-building projects. Employees can receive credit for participating in any community service event Edenz’ Centers participates in, or they can submit a request for approval from management in advance for events not sponsored by the company. Employees can accumulate a maximum of 7 additional vacation days per year through this program.

Responsible use by medical marijuana patients and preventing medical marijuana from being diverted to minors is of primary importance to our community. With this in mind, Edenz’ Centers will work with an organization called FACT to provide free educational classes about medical marijuana for parents and youths in the local community. This program focuses on preventing youth marijuana use, while educating adults about responsible marijuana use.

Edenz’ Centers will organize community service and community engagement events and will be a proud financial supporter of qualified, local nonprofits. In honor of this, we pledge to donate a portion of our profits to a variety of organizations that have a positive impact on the community.
To build our company’s financial projections, we’ve gathered relevant data from existing medical marihuana markets and currently operating businesses to arrive at what we believe is a reasonable estimate of revenue, costs, and profit.

Based off the anticipated startup costs and first year operating costs, Edenz’ Centers is planning for approximately $400,000 for the project, in order to accommodate the anticipated startup costs and operating costs until the company reaches the point where the provisioning center begins to generate positive cashflow.

The following table represents a summary of the first five years of operations, based on the medium patient registry growth projections provided earlier in this plan, with anticipated annual consumption of 1 pound per patient based on Colorado’s historical data.

<table>
<thead>
<tr>
<th></th>
<th>Year 1</th>
<th>Year 2</th>
<th>Year 3</th>
<th>Year 4</th>
<th>Year 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Revenue</td>
<td>$4,351,840</td>
<td>$5,062,680</td>
<td>$5,062,680</td>
<td>$5,062,680</td>
<td>$5,062,680</td>
</tr>
<tr>
<td>Cost of Goods Sold</td>
<td>$2,598,000</td>
<td>$3,024,000</td>
<td>$3,024,000</td>
<td>$3,024,000</td>
<td>$3,024,000</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>$1,098,116</td>
<td>$1,106,148</td>
<td>$1,106,148</td>
<td>$1,106,148</td>
<td>$1,106,148</td>
</tr>
<tr>
<td>Net Income Before Tax</td>
<td>$655,724</td>
<td>$932,532</td>
<td>$932,532</td>
<td>$932,532</td>
<td>$932,532</td>
</tr>
<tr>
<td>Start Up Costs</td>
<td>$362,500</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Profit or Loss</td>
<td>$293,224</td>
<td>$932,532</td>
<td>$932,532</td>
<td>$932,532</td>
<td>$932,532</td>
</tr>
<tr>
<td>Profit or loss to date</td>
<td>$293,224</td>
<td>$1,225,756</td>
<td>$2,158,288</td>
<td>$3,090,820</td>
<td>$4,023,352</td>
</tr>
</tbody>
</table>

The table below gives an estimate of our anticipated startup costs for the Martin Luther King Jr. Blvd. center. Construction costs are based on tenant improvements to an existing structure, estimated at $42 per sq. ft.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interior and Exterior Improvements</td>
<td>$109,000</td>
</tr>
<tr>
<td>Security Plan</td>
<td>$4,000</td>
</tr>
<tr>
<td>Security Equipment</td>
<td>$20,000</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>$30,000</td>
</tr>
<tr>
<td>Computer Hardware and Software</td>
<td>$10,000</td>
</tr>
<tr>
<td>IT Services</td>
<td>$3,000</td>
</tr>
<tr>
<td>Equipment</td>
<td>$2,000</td>
</tr>
<tr>
<td>Weighing and Measuring Equip</td>
<td>$2,500</td>
</tr>
<tr>
<td>Contingencies</td>
<td>$5,000</td>
</tr>
<tr>
<td>Consulting</td>
<td>$15,000</td>
</tr>
<tr>
<td>Description</td>
<td>Cost</td>
</tr>
<tr>
<td>-----------------------</td>
<td>----------</td>
</tr>
<tr>
<td>Attorney</td>
<td>$15,000</td>
</tr>
<tr>
<td>Accounting</td>
<td>$5,000</td>
</tr>
<tr>
<td>Packaging and Labeling</td>
<td>$5,000</td>
</tr>
<tr>
<td>Employee Supplies</td>
<td>$2,000</td>
</tr>
<tr>
<td>Waste Management</td>
<td>$1,000</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>$3,000</td>
</tr>
<tr>
<td>Cleaning Supplies</td>
<td>$8,000</td>
</tr>
<tr>
<td>Employee Training</td>
<td>$25,000</td>
</tr>
<tr>
<td>Initial Inventory</td>
<td>$100,000</td>
</tr>
<tr>
<td>Website</td>
<td>$3,000</td>
</tr>
<tr>
<td>Total Expense</td>
<td>$362,500</td>
</tr>
</tbody>
</table>

The following table represents first-year projected operating costs for the MLK Blvd. centers. Costs are derived from data provided by our consultant's operation in Colorado, and were adapted to accommodate the differences in facility size and other variables.

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
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<td>Less employee contribution</td>
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<td>MONTHLY Total</td>
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**Gross pay each week:**
- 390.40 PTO
- 1,015.04 Payroll taxes
- 11,965.44 Weekly payroll Cost
- 48,011.39

**Fully burdened Monthly Payroll:**
- 1,260.00 Medical, Dental
- 1,750.00
- 49,761.39
PATIENT EDUCATION SUPPORT PLAN

APPLICANT: EDENZ 2 CENTER INC.
5124 S. MARTIN LUTHER KING JR. BLVD.
LANSING, MI 48911
PATIENT EDUCATION SUPPORT PLAN

This is the written Patient Education Support Plan for EDENZ 2 CENTER INC. ("We," "Us," "Our," "Applicant"). This plan meets the application requirements of the City of Lansing’s Medical Marihuana Program Rules and Regulations. The plan will introduce patients to Medical Marihuana and detail the benefits and adverse effects of Marihuana products associated with the medical conditions set forth in Michigan’s Medical Marihuana Act.

INTRODUCTION

A. Overview

Applicant’s staff and leadership are committed to providing patients with accurate information regarding the health effects of medical marihuana. We believe that patient education and support are essential to achieving overall patient wellness. With our education and support program, each qualifying patient and caregiver will participate in our orientation process and receive a copy of our Patient Handbook.

1. Orientation

Each qualifying patient or their registered caregiver will attend a mandatory, one-on-one orientation with our trained professional staff members. The orientation includes:

- Confirmation of the patient’s current registry identification;
- Signing a medical records release form for the recommending physician (if applicable) and detailed discussion of the patient’s medical condition;
- A detailed discussion of products and services available in relation to the patient’s desired treatment outcomes; and
- Receiving a Patient Handbook.

2. The Patient Handbook includes:

- Patient Safety and Health Guidelines
- Patients’ Rights
- Medical Marihuana Law Overview
- Services An Introduction to the Marihuana Plant
- The Endocannabinoid System and Cannabinoids
- Understanding Terpenes
- Effects of Cannabis
- Sativa vs. Indica
- Guide to Using Marihuana

2
• Dosage Forms and Potency
• Side Effects of Using Marihuana
• Applications for Cannabis and Cannabinoids
• The Safety Profile of Medical Cannabis
• Marihuana’s Potential Interactions with Other Substances
• Ailment-Specific Strains
• Substance Abuse Prevention
• Medical Marihuana Certification
• References and Resources

B. Research and Medicinal Effects Tracking

Research and medicinal effects tracking are critical components of our educational approach. As part of our education and support plan, we are developing a toolkit for our patients and caregivers to document their symptoms of pain, cachexia or wasting syndrome, nausea, seizures, muscle spasms, agitation or other indicators. The toolkit will be used to gather data to support our research and will include:

• A log book that patients will maintain to track the use and effects of specific medical marihuana strains and products;
• Forms to rate the scale of pain, cachexia or wasting syndrome, nausea, seizures, muscles spasms, agitation or other symptoms; and
• Guidelines for the patient’s self-assessment or, if applicable, assessment of our patients by the caregiver.

The goal of this research is two-fold. First, we want to ensure that our role in providing medical marihuana is consistent with accepted medical practices (bearing in mind that our staff is not giving medical advice), and that our patients are receiving the maximum benefit from product use. Second, we want to make sure that we can record and use patient data from our self-assessment tools that will allow us and our patients to prepare and participate in clinical surveys and reports that refine and further document the effects of medical marihuana.

Through our self-assessment tools and by forming partnerships with leading wellness and medical research facilities in the area, we will facilitate patient opportunities to participate in ongoing medical studies and clinical research trials regarding pain, cachexia or wasting syndrome, nausea, seizures, muscle spasms, agitation or other symptoms. The integration of public information into studies and trials will be invaluable in helping to develop a greater understanding of marihuana strains and their effects on debilitating illnesses.
C. Substance Abuse and Misuse

Applicant recognizes the need to provide a safe environment that helps patients avoid substance abuse and misuse. Our staff will be trained to recognize the signs and symptoms of substance abuse, including tolerance, dependency, and withdrawal. During visits, we will emphasize personal responsibility for individual behavior, integrating education about the potential abuse of medical marihuana throughout our materials and outreach programs. We will provide information about the differing strengths and physical effects of medical marihuana strains and products. We will also discuss the potential for drug-to-drug interactions, including interactions with alcohol, prescription drugs, and non-prescription drugs. Each patient and caregiver will receive a list of substance treatment facilities and counselors located within 50 miles of the dispensary.
PATIENT HANDBOOK
PATIENT WELCOME

Welcome to our dispensary. Our goal is to provide you with a holistic approach to your wellness. In this Patient Handbook, we have included information about your visit, our guidelines, the medical marihuana law, and how to safely use medical marihuana. Please feel free to ask any staff member for clarification on any topic in the handbook.

A. Patient Guidelines to Stay Safe and Healthy

- You must be at least 18 years old with a valid patient registry identification card or 21 years old with a valid caregiver registry identification card to enter. Patients under 18 may be admitted only when accompanied by your caregiver.
- Your government issued identification and valid registry identification card must be ready at the door when you check in.
- Do not use or consume marihuana in transportation or public places.
- No cell phone calls or cameras are allowed in the facility.
- You may not sell, share, or otherwise distribute your medication.
- Secure your medication out of sight in before leaving the facility.
- Respect staff, other patients/caregivers, and neighbors.
- Report suspicious behavior to a member of the facility.

FAILURE TO COMPLY WITH THESE GUIDELINES WILL RESULT IN TERMINATION OF SERVICE

B. Patients' Rights

- You have the right to be treated with respect and professionalism.
- You have the right to accurate and easily understood information about the applicable laws and local regulations.
- You have the right to have your medicine provided elsewhere if needed.
- You have the right to accurately weighed, properly labeled, quality medication and accurate information about the medication being provided.
- You have the right to obtain your medication in a safe and friendly environment.
- You have the right to safe and effective medicine handled in appropriate and sanitary conditions.
- You have the right to considerate, respectful, and non-discriminatory care.
- You have the right to know if your referring physician has a personal or professional relationship with us.
MEDICAL MARIHUANA LAW OVERVIEW

In November 2008, voters passed the Michigan Medical Marihuana Initiative (the Initiative), allowing patients to receive a medical marihuana recommendation from a certified physician, and apply for a state-issued Michigan Medical Marihuana Card, permitting the patient to purchase marihuana for medicinal use, as per Michigan state guidelines. The “Michigan Medical Marihuana Act” became effective in December 2008 and is administered by the “Michigan Medical Marihuana Program” (MMMP). The MMMP is responsible for issuing Michigan Medical Marihuana Program Registry Identification Cards. Below is a brief overview of the Michigan Medical Marihuana program, including registration requirements, qualifying medical conditions and what the law does and does not do.

1. What Patients Should Do to Obtain a Medical Marihuana Certificate
   a. Qualifying Medical Conditions

   In order to become a legal medical marihuana patient, a patient must first have and be diagnosed with one or more of the following “chronic or debilitating” qualifying medical conditions:
   - Cancer
   - Glaucoma
   - Human Immunodeficiency Virus (HIV)
   - Acquired Immune Deficiency Syndrome (AIDS)
   - Hepatitis C
   - Amyotrophic lateral sclerosis
   - Crohn's disease
   - Agitation of Alzheimer's disease
   - Nail patella
   - A chronic or debilitating disease or medical condition or its treatment that produces one or more of the following:
     - Cachexia or wasting syndrome
     - Severe and chronic pain
     - Severe nausea
     - Seizures, including but not limited to those characteristic of epilepsy
     - Severe and persistent muscle spasms, including but not limited to those characteristic of multiple sclerosis
   - Any other medical condition or its treatment that is approved by the Department of Licensing and Regulatory Affairs

Notably, Michigan citizens have the right to submit a request to the Michigan Medical Marihuana Review Panel to add conditions or treatments to the list of debilitating medical conditions that qualify for the use of medical marihuana.

b. To apply for a medical marihuana card in Michigan, you will need:

- A copy of your doctor's written statement noting your medical condition and recommending medical marihuana
  - Any Doctor of Medicine (MD) or Doctor of Osteopathic Medicine (DO) licensed in Michigan can recommend a patient for the Michigan Medical Marihuana Program
- Proof of identity and residency, which can be either:
  - A valid Michigan photo ID, or
  - A valid out-of-state photo ID with a copy of your Michigan voter's registration card as proof of residency.
- Applicants under 18 years of age must provide two doctors' statements and their parent or guardian must provide proof of identity, residency, and parentage or legal guardianship (such as a birth certificate or court order).
- A completed Michigan Medical Marihuana Program Application
- An application fee of $100, unless you are currently enrolled in Medicaid or receiving SSI or SSD, then you must pay $25.

2. Quantity

Patients may purchase and possess up to 2.5 ounces of marihuana at a time, unless a physician makes a special determination that a patient requires more product. Further, patients may grow up to 12 marihuana plants. A medical marihuana patient may also designate a primary caregiver to grow up to 12 plants on their behalf. Each caregiver can grow marihuana for up to 5 patients, for a total of 60 plants.

a. For purposes of determining usable marihuana equivalency, the following shall be considered equivalent to 1 ounce of usable marihuana:
   a. 16 ounces of marihuana-infused product in a solid form.
   b. 7 grams of marihuana-infused product in a gaseous form.
   c. 36 fluid ounces of marihuana-infused product in a liquid form.

3. Reciprocity

Michigan offers reciprocity with other states, districts, territories or commonwealths that allow the medical use of marihuana. Visiting qualifying patients, or patients from other states with an equivalent state-issued marihuana ID card, are protected by Michigan's medical marihuana laws.

4. What the Law Permits

Free from Unjustified Arrest

Per the Initiative, any of the following persons acting in accordance with the provisions of the law may not be subject to arrest, prosecution, or any civil or administrative penalty, including a civil penalty or disciplinary action by a professional licensing board, or be denied any right or privilege, for the medical use of marihuana:

- A qualifying patient, provided that the qualifying patient:
  1) Possesses an amount of marihuana that does not exceed a combined total of 2.5 ounces of usable marihuana and usable marihuana equivalents.
2) If the qualifying patient has not specified that a primary caregiver will be allowed under state law to cultivate marihuana for the qualifying patient, 12 marihuana plants kept in an enclosed, locked facility.
   d. Any incidental amount of seeds, stalks, and unusable roots shall also be allowed under state law and shall not be included under these amounts.

b. A primary caregiver who has been issued and possesses a registry identification.
   a. The privilege from arrest under this subsection applies only if the primary caregiver presents both his or her registry identification card and a valid driver's license or government-issued identification card that bears a photographic image of the primary caregiver.
      i. The amount of marihuana cannot exceed any of the following:
         1. 2.5 ounces total of usable marihuana and usable marihuana equivalents, per patient.
         2. 12 marihuana plants kept in an enclosed, locked facility, per patient.

c. A certifying physician
   a. If a physician complies with the procedures specified in the laws, they shall not be subject to arrest, prosecution, or penalty in any manner, or denied any right or privilege, including but not limited to civil penalty or disciplinary action by the Michigan board of medicine, the Michigan board of osteopathic medicine and surgery, or any other business or occupational or professional licensing board or bureau, solely for providing written certifications, in the course of a bona fide physician-patient relationship and after the physician has completed a full assessment of the qualifying patient's medical history, or for otherwise stating that, in the physician's professional opinion, a patient is likely to receive therapeutic or palliative benefit from the medical use of marihuana to treat or alleviate the patient's serious or debilitating medical condition or symptoms associated with the serious or debilitating medical condition, provided that nothing shall prevent a professional licensing board from sanctions a physician for failing to properly evaluate a patient's medical condition or otherwise violating the standard of care for evaluating medical conditions.
   d. A person solely in the vicinity of the medical use of marihuana or for assisting a registered qualifying patient with using or administering marihuana.

No Transfer of Marihuana by Patients or Primary Caregivers to Others
A qualifying patient may not transfer marihuana or a marihuana-infused product to any other individual. Similarly, a primary caregiver may not transfer marihuana or a marihuana-infused product to any individual who is not their patient. A patient or caregiver who sells marihuana to someone who is not a registered patient will have his or her registry identification card revoked and is guilty of a felony punishable by imprisonment for not more than 2 years or a fine of not more than $2,000.00, or both, in addition to any other penalties for the distribution of marihuana.
Visitation
A person shall not be denied custody or visitation of a minor for acting in accordance with Michigan Medical Marihuana Program, unless the person's behavior creates an unreasonable danger to the minor that can be clearly articulated and substantiated.

Transportation and Possession of Marihuana Infused Products
A patient or caregiver may only transport sealed marihuana infused products in the trunk of a motor vehicle, or if the vehicle has no trunk, in a place so that the product is not easily accessible from the interior of the vehicle. Further, the product must be properly labeled with the weight of the marihuana-infused product in ounces, the name of the manufacturer, the date of manufacture, the name of the person from whom the marihuana-infused product was received, and the date of receipt. A qualifying patient or primary caregiver who violates this section is responsible for a civil fine of not more than $250.00.

5. What the Law Does Not Permit:
The law does not authorize a patient to --
- Undertake any task under the influence of marihuana, when doing so would constitute negligence or professional malpractice.
- Possess marihuana, or otherwise engage in the medical use of marihuana at any of the following locations:
  - On a school bus.
  - On the grounds of any preschool, primary, or secondary school.
  - In any correctional facility.
  - Smoke marihuana on any form of public transportation or in any public place.
- Operate, navigate, or be in actual physical control of any motor vehicle, aircraft, snowmobile, off-road recreational vehicle, or motorboat while under the influence of marihuana.
- Use marihuana if that person does not have a serious or debilitating medical condition.
- Separate plant resin from a marihuana plant by butane extraction in any public place or motor vehicle, or inside or within the curtilage of any residential structure.
- Separate plant resin from a marihuana plant by butane extraction in a manner that demonstrates a failure to exercise reasonable care or reckless disregard for the safety of others.

Further, the law does not require --
- A government medical assistance program or private health insurer to reimburse for costs associated with the medical use of marihuana.
- An owner of private property to allow the use of marihuana on that property.
- A private property owner to lease residential property to any person who smokes or cultivates marihuana on the premises, if the prohibition against smoking or cultivating marihuana is in the written lease.
- An employer to allow the ingestion of marihuana in the workplace.

Notably, fraudulent representation to a law enforcement official of any fact or circumstance relating to the medical use of marihuana to avoid arrest or prosecution is punishable by a fine of $500.00, which is in addition to any other penalties that may apply for making a false statement or for the use of marihuana other than use undertaken pursuant to Michigan Law.
AN INTRODUCTION TO THE CANNABIS PLANT

Marijuana is derived from the dried flowering tops, leaves, stems, and seeds of the Cannabis plant. The cannabis plant has been used for thousands of years by humans for food, medicine, fiber (hemp), paper, clothing, rope, and building materials. The leaves, flowers and roots were traditionally used for medical treatments. The seeds have been used for food and fuel oil.²

Cannabis leaves and flowers are consumed in various forms. For example, after maturation, the flower buds can be dried and smoked or vaporized. Flowers can also be concentrated into oil or wax, washed to produce water-hash, or pressed into rosins. When the cannabis plant matures, her leaves and flowers become covered with trichomes, tiny glands of resinous oil containing cannabinoids and terpenes that provide both physical and psychoactive effects.³

THE ENDOCANNABINOID SYSTEM AND CANNABINOIDS

The Endocannabinoid system is an essential part of the body involved in establishing and maintaining human health. Endocannabinoids and their receptors are found throughout the body; in the brain, in organs, connective tissues, glands, and even immune system cells. Endocannabinoid receptors communicate between different systems of the body, acting as a bridge between the body and the mind. Although the different receptors of the endocannabinoid system perform different tasks, their primary objective is always the same: internal and cellular homeostasis. In other words, their goal is to maintain a stable internal environment in the human body, despite fluctuations in our external environment.⁴

Two main cannabinoid receptors have been identified in the human body: CB1, which is predominantly present in the nervous system, including neurons in the brain, as well as connective tissues, glands, and organs; and CB2, which is principally found outside of the nervous system, such as within the immune system. Many tissues contain both CB1 and CB2 receptors, each linked to a different action.⁵ How then does cannabis relate to these systems?

While endocannabinoids are the substances our bodies naturally make to stimulate these receptors, phytocannabinoids, derived from plants, can similarly stimulate cannabinoid receptors in the human body. Phytocannabinoids can also signal molecules and their receptors, engaging the body’s system to address illnesses and ailments. Thus, these phytocannabinoids possess vital healing properties essential for maintaining human health.⁶

³ Id.
⁵ Id.
The Cannabis plant contains a variety of phytocannabinoids, the most famous being Delta-9-tetrahydrocannabinol, or THC.\(^7\) THC exhibits the most significant psychoactive effect of the cannabinoids as it stimulates the CB1 receptors in the brain.\(^8\) However, cannabis also contains other non-psychoactive cannabinoids such as cannabidiol (CBD). CBD has been shown to alleviate convulsions, relieve inflammation, anxiety, depression, pain and nausea, and possesses many of the same therapeutic effects as THC without producing the same psychoactive effects.\(^9\) The concentration or percentage of each type of cannabinoid ranges widely from plant to plant and strain to strain.

| Health Effects of Marijuana | Analgesic | Anti-Inflammatory | Anorectic | Appetite Stimulant | Antimetic | Intestinal Antiprokinetic | Axiolytic | Antipsychotic | Antiepileptic | Antipsomatic | Anti-insomnia | Immunosuppressive | Anti-diabetic | Neuroprotective | Antipsoriatic | Anti-ischemic | Anti-bacterial | Anti-fungal | Anti-proliferative | Bone-stimulant |
|-----------------------------|-----------|------------------|----------|-------------------|----------|-------------------------|----------|----------------|----------------|--------------|--------------|-----------------|--------------|---------------|---------------|--------------|---------------|-------------|-------------------|
| Pain relief                 |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Reduces inflammation        |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Suppresses appetite          |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Stimulates appetite          |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Reduces vomiting and nausea  |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Reduces contractions of small intestine | |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Relieves anxiety             |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Tranquilizing / psychosomatic management | |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Reduces seizures and convulsions | |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Suppresses muscle spasms    |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Aids sleep                  |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Reduces efficacy of immune system | |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Reduces blood sugar levels  |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Prevents nervous system degeneration | |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Treats psoriasis            |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Reduces risk of artery blockage | |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Kills or slows bacteria growth | |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Treats fungal infection      |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Inhibits cell growth in tumours / cancer | |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |
| Promotes bone growth         |           |                  |          |                   |          |                         |          |                |                |              |              |                 |              |               |               |              |               |             |                   |

Courtesy of: www.cannabisinfo.info

UNDERSTANDING TERPENES

Terpenes or terpenoids (the flavor and smell of the strain) are also known to have beneficial health effects. Terpenes are the pungent oils that the cannabis plant produces, with distinct bouquets and flavors such as berry, mint, pine and citrus. Terpenes interact with other compounds in the plant, like cannabinoids, and may play an essential role in differentiating the effects of various cannabis strains. Some terpenes promote stress relief while others boost focus or induce sleepiness. Myrcene, for example, has an earthy, herbal smell and induces sleep, whereas limonene has a citrusy smell and elevates mood. Other terpene profiles include Alpha-Pinene or Beta-Pinene, which smells like pine, and promotes alertness and memory retention as

\(^7\) Id.  
well as Linalool, which has a floral smell and is best known for its ability to relieve anxiety. Go ahead, pick up some flower and see what you smell!

EFFECTS OF CANNABIS

Different people have different experiences with Cannabis. One individual may feel relaxation, and pain relief; another might feel energized and focused; while a third feels over-stimulated and anxious. There are various factors that impact the effect:

- Amount used (dosage)
- Strain of cannabis used
- Indica vs. Sativa
- Method of consumption
- Environment/setting
- Experience and history of cannabis use
- Biochemistry
- Mindset or mood
- Nutrition or diet

The different classifications of strains as well as their benefits and drawbacks are identified below.

SATIVA VS. INDICA

Cannabis is biologically classified as the single species Cannabis Sativa, however there are at least two distinct plant varieties: Cannabis Sativa and Cannabis Indica. There are also hybrids, which are crosses between sativa and indica variations. Cannabis used for fiber is also known as “hemp” and has only trace amounts of THC; usually less than 1%.¹⁰

There are significant differences between sativas, indicas, and hybrids. The efficacy of cannabis is directly related to strain selection, therefore we recommend care be taken in selecting appropriate strains to meet your needs. Although different varieties of cannabis produce some similar effects, particular varieties are being identified for their effects on sleep, pain, appetite, and energy, among other conditions. Generally, sativas, indicas and hybrids are distinguished as follows:

1. Sativas

Sativas primarily affect the mind and emotions. They tend to be more stimulating, uplifting, energizing, and creativity enhancing. These benefits can be particularly helpful for the psychological component of many illnesses because they can help elevate mood and relieve depression. Due to their stimulating qualities, sativas are generally preferred for daytime use. However, it is important to remember that everyone’s body composition and cannabinoid system is different. Sativas may produce elevated feelings for some while for others it might produce

increased feelings of anxiety and paranoia. Take care in consuming sativas if you believe that you may be susceptible to these undesirable effects.

2. Indicas

Indica strains predominantly affect the physical body, inducing relaxation, reduced anxiety, pain relief and sleepiness. Indicas may promote a relaxed state leading to a reduction of anxiety and depression.

A common way of remembering the difference between an indica and a sativa is that an indica may leave you “In-Da-Couch.” Thus, indicas are generally preferred in the late afternoon or before bed.13

3. Hybrids

Hybrids are the result of strains being cross-pollinated. Thus, the characteristics and effects of a hybrid strain will vary according to its constituent parent strains. For example, indica-dominant crosses may help alleviate pain while the sativa component simultaneously increases energy levels. Sativa-dominant crosses are excellent for stimulating appetite, while the indica component helps to reduce body pain and increase relaxation.14

13 Id.
14 Id.
GUIDE TO USING MARIHUANA

There are many methods of using cannabis for the treatment of medical conditions. The following information is intended to inform medical cannabis patients about some of the various options available to them.15

Please note: We are aware that each State may not allow all of these methods of use, thus the following is for educational purposes only.

1. Smoking
There are various ways to smoke marihuana; whether in a joint (aka a “marihuana cigarette”), a dry pipe, or a water pipe. Patients tend to enjoy smoking marihuana because the effects are felt almost immediately, and it requires very little preparation time. Dosage determination is easy because of smoking’s rapid onset; users can slowly increase their dose until they feel the desired effects. However, patients should always start slowly and begin with a small puff. Inhale deeply, exhale immediately and wait for several minutes to feel the effects of the medicine before taking the next dose, to minimize the risk of over medicating.

Methods of smoking:

a. Joints
Decide whether you will use rolling papers and hand roll, use a joint-rolling machine, a fillable cone, or buy a pre-rolled joint. Some joint smokers prefer unbleached rolling papers, hemp rolling papers, or clear, cellulose-based papers, which may taste better and contain fewer impurities than traditional, bleached-white cigarette rolling papers. Patients should note however that joints are considered one of the least-harmful methods of dosage because they burn paper and glue along with cannabis, exposing users to impurities not presented by some other alternative consumption methods. Another downside is waste: some smoke is inevitably lost between inhalations, and there is usually leftover cannabis in the “roach,” or the small leftover part of a burned joint. However, a joint’s efficient and immediate delivery of cannabinoids—relative to other smoking methods—may compensate for such waste.

b. Dry Pipes
These come in a (possibly overwhelming) variety of shapes, sizes, and materials, but the basic mechanics are universal. To smoke a pipe: pack prepared buds into the bowl, then hold a flame directly over the medicine while simultaneously inhaling through the mouthpiece. Note that a “spoon pipe” possesses a carburetor; the carburetor must be covered while lighting the medicine and inhaling.

c. Water Pipes
Mechanically, these are nearly identical to hand pipes, but use a chamber of water to filter and cool the smoke before it is inhaled. There are two main types: bongs and bubblers, classified by either a large or a small filling chamber, respectively, in which the smoke collects. The main

proven advantage over dry pipes or joints is comfort; the smoke is cooled via the water and is free of hot ashes and particles. Note however: large “hits” of smoke can cause light-headedness, and water pipes make accidentally taking a larger-than-expected inhalation a possibility. Water filtration may remove water-soluble toxic gases such as carbon monoxide, which is linked to heart disease, and aldehydes, which promote cancer, however more research is required to determine the benefits of water pipes.

Notably, a concern with all pipe smoking is that you must suck on one side of the pipe, pulling air and, along with the flame, lighter fluid fumes, over the cannabis, through the pipe, and into your lungs to light the cannabis. We suggest grinding your flower to minimize the need for using the lighter for a long time and avoid over-inhalation of lighter fluid.

2. Vaporizers
Vaporizers are designed to allow users to inhale activated cannabinoids while avoiding smoke toxins. The cannabinoids are activated by heating the cannabis flower to a temperature just below the point of combustion where smoke is produced. The heat is just hot enough to medically activate the cannabinoids while simultaneously producing a “vapor” that can be inhaled. Users report that vaporizers are not as harsh on the lungs as smoking, thus they can be a preferable method of consumption. Further, vaporizers are quite efficient in cannabinoid delivery therefore making them a cost-effective solution.

3. Edibles
Edibles are foods cooked with cannabis infused butter or oil (e.g., gummies, brownies or cookies). THC extract can also be added to drinks or made into tea by allowing the cannabis to steep in hot water and adding a soluble fat such as milk or butter for the cannabinoids to stick to. Edible marihuana usually takes longer to take effect depending on your body’s chemistry (20 minutes to an hour or more) and the effects generally last longer than smoking or vaporizing marihuana. Pay attention to the packaging and labeling to make sure you are consuming the recommended dose, particularly since edibles are made in various strengths. If you are new to medical marihuana and edibles, it is recommended that you start with no more than a half dose and gradually increase to the recommended strength. “Start low and go slow.”

Tinctures are also a popular method of consumption, as they are a liquid form of THC, concentrated with alcohol, and placed directly under the tongue. Just remember to always start with a low dose and work your way up if you are new to concentrates or have a low tolerance.

When you do begin to feel the effects of eating or drink marihuana, they may be stronger than those felt by smoking. The feelings may seem to continue to increase. You may also feel certain heaviness in your body. This will not hurt you, but rather, is meant to relax your body and mind. Schedule your time so that you can rest after consuming edibles. Further, it is important to not cross-medicate or use alcohol or other drugs with edibles. The effect of the edibles may be strengthened, causing an overreaction, including unusual drowsiness or slow reflexes. Just remember, if you ever over-medicate, medical marihuana is non-toxic and not lethal. Stay calm, the feeling will pass.

4. Concentrates and Extracts
Concentrates are becoming a more popular way to consume marihuana because, as the name implies, they are a concentrated form of THC delivering a hefty supply of medicine per
inhale. In fact, the THC extract can contain up to 50-80% THC per dose. Cannabinoids are extracted and converted into “hash oil,” “shatter,” or “wax,” each having different consistencies depending upon how they are extracted, cooled, and processed. Concentrates are heated into a vapor and inhaled. The effects are strong, and like smoking or vaping, can take effect within seconds. Once you learn how to properly dose, the medical effects, including physical relief, can be tremendous.

5. Topicals
Topicals are non-edible forms of cannabis like lotions, oils, balms, salves and transdermal patches. THC extract from marihuana is infused into products and applied to the skin. Topicals can be beneficial for patients experiencing pain because they can provide pain relief without any psychoactive effect. Relief can take effect within minutes. Be careful, though, because some transdermal patches do cause a psychoactive effect.

6. Marinol
Marinol is a synthetic form of THC that may be prescribed by physicians. Some patients find that it helps relieve nausea yet takes a long time to work. Do not smoke this product. Marinol is not naturally derived from the Cannabis plant, but rather, synthetically produced. It has the potential for overdose so if prescribed, please be careful with use and only use it under the supervision of a doctor.

**DOSAGE AND POTENCY**

1. Dosage
The effects of smoking cannabis can be felt almost instantly. Tinctures are slightly slower to take effect than inhalation methods; they start to take effect in five minutes or less. Eating cannabis infused foods or capsules is the slowest method of medicating with cannabis but it provides longer lasting effects than other methods. The effects of ingested cannabis may take from 20 minutes to longer than an hour to be noticeable, and may maintain peak intensity for one to two hours before gradually diminishing over several hours. The effects imparted by eating cannabis are also pharmacologically different from the taste produced by other intake methods, because THC is converted to 11-hydroxy-THC in the liver when cannabis is eaten. 11-hydroxy-THC passes the blood-brain barrier more rapidly and has more of a psychedelic effect than standard THC, whereas smoked or vaporized cannabis bypasses the liver. 

When using any cannabis preparation start with a small quantity, wait the proper amount of time for the effects to take place, and then take more if necessary. Dosage determination is most easily accomplished using inhalation and tincture methods. It is more difficult to determine ingestion dosage than inhalation or tincture dosage, because the onset of effects is much less rapid with ingestion. The amount of food and type of food in the digestive tract also play roles in determining effective ingestion dosage, further complicating the process.

Whatever the method of intake, a lethal overdose of cannabis cannot be achieved. Over medicating on cannabis may produce unpleasant feelings such as drowsiness or anxiety, but users experiencing such feelings should stay calm and wait for the effects of the cannabis to

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diminish. Users who fear the possibility of unpleasant feelings from over medicating may wish to avoid cannabis edibles, as eating cannabis is the most likely intake method to cause an overdose.

2. Potency
All of the varieties that Applicant will offer range from low to medium to high potency, each having unique medicinal effects. This is Applicant’s policy for several reasons. One reason is that some patients desire to micro-dose, preferring a low-potency product with more frequent use. Other patients might prefer a higher potency product, because it will deliver stronger results and save money by allowing them to use less medicine. Another reason for highly potent varieties is for those who choose to smoke their medicine, because less plant material must be smoked to get the same dose of active compounds. Offering a variety of potencies allows a patient and/or caretaker to determine the appropriate dosage of each product. Heavy cannabis use will, over time, result in lowered sensitivity to the drug. However, most patients lose side effects over time, not medicinal efficacy. To avoid gaining tolerance to cannabis, patients should try different varieties of cannabis and different intake methods.

SIDE EFFECTS OF USING MARIHUANA

Marijuana is one of the safest medicines; it is impossible to consume enough to produce a toxic effect in the body. However, if you are unfamiliar with it, there are some effects that you should be aware of so that you can use it more effectively. 17

1. Uneasiness
Marijuana usually has a soothing and comforting effect on the mind. Sometimes, however, people do experience feelings of anxiety. If this happens to you, there are several things you can do. Try to stay in environments where you feel naturally comfortable. If you feel anxious, sit or lay down, breathe deeply, and relax. If you have friends with you, ask them to talk you through your feeling or perhaps maintain some sort of physical contact. Eating will often quickly reduce the feeling of anxiety. Then, the next time you use it, try reducing your dosage. Do not be ashamed, this can happen to anyone. Just start slow and try again.

2. Hunger & Thirst
Many patients use marijuana to stimulate appetite. If you are not using marijuana for this purpose, try to drink water or juice instead. If you do choose to eat, try to eat nourishing food rather than sweets!

3. Redness in the Eyes
This will not hurt you. If you must go out in public and are concerned about others’ reaction to the redness, wear sunglasses or use eye drops.

4. Drowsiness
If marijuana makes you sleepy, take a nap if you can and wish to. As with all medicines that can produce drowsiness, don’t drive or operate heavy machinery while under its influence.

5. Sleeplessness
If you find that you can't sleep for a while after using marihuana, try reducing your dosage and avoid using it for about two hours or so before you want to sleep. Strain selection may also be a factor; opt for indicas to promote a more relaxed state.

6. Short-term Memory Loss
Sometimes people find it difficult to carry on a complicated conversation, keep track of details, or perform complex tasks. If this happens to you, schedule your time so that you don't have to do these things when using your medicine.

7. Giddiness
Many people find that things which normally don't seem funny become quite amusing when they use marihuana. Most people enjoy this effect. If you must deal with situations where humor would be inappropriate in your judgment, schedule your time so that you don't have to deal with them when you are taking your medicine.\textsuperscript{18}

\textsuperscript{18} Excerpt from Americans for Safe Access
APPLICATIONS FOR CANNABIS AND CANNABINIODS
Emerging Clinical Applications for Cannabis and Cannabinoids: A Review of the Recent Scientific Literature
Fourth Edition

The Safety Profile of Medical Cannabis

Cannabinoids have a remarkable safety record, particularly when compared to other therapeutically active substances. Most significantly, the consumption of marijuana – regardless of quantity or potency – cannot induce a fatal dose. According to a 1995 review prepared for the World Health Organization, “There are no recorded cases of overdose fatalities attributed to cannabis, and the estimated lethal dose for humans extrapolated from animal studies is so high that it cannot be achieved by... users.”

In 2008, investigators at McGill University Health Centre and McGill University in Montreal and the University of British Columbia in Vancouver reviewed 23 clinical investigations of
medical cannabinoid drugs (typically oral THC or liquid cannabis extracts) and eight observational studies conducted between 1966 and 2007. Investigators “did not find a higher incidence rate of serious adverse events associated with medical cannabinoid use” compared to non-using controls over these four decades.

That said, cannabis should not necessarily be viewed as a “harmless” substance. Its active constituents may produce a variety of physiological and euphoric effects. As a result, there may be some populations that are susceptible to increased risks from the use of cannabis, such as adolescents, pregnant or nursing mothers, and patients who have a family history of mental illness.

Patients with hepatitis C, decreased lung function (such as chronic obstructive pulmonary disease), or who have a history of heart disease or stroke may also be at a greater risk of experiencing adverse side effects from marijuana. As with any medication, patients should consult thoroughly with their physician before deciding whether the medical use of cannabis is safe and appropriate.

As states continue to approve legislation enabling the physician-supervised use of medical marijuana, more patients with varying disease types are exploring the use of therapeutic cannabis. Many of these patients and their physicians are now discussing this issue for the first time and are seeking guidance on whether the therapeutic use of cannabis may or may not be advisable. The 2008 McGill report seeks to provide this guidance by summarizing the most recently published scientific research (2000-2010) on the therapeutic use of cannabis and cannabinoids for 19 clinical indications:

- Alzheimer’s disease
- Amyotrophic lateral sclerosis
- Chronic pain
- Diabetes mellitus
- Dystonia
- Fibromyalgia
- Gastrointestinal disorders
- Gliomas/other cancers
- Hepatitis C
- Human Immunodeficiency Virus
- Hypertension
- Incontinence
- Methicillin-resistant Staphylococcus aureus (MRSA)
- Multiple sclerosis
- Osteoporosis
- Pruritus
- Rheumatoid arthritis
- Sleep apnea
- Tourette's syndrome

In some of these cases, modern science is now affirming longtime anecdotal reports of medical cannabis users (e.g., the use of cannabis to alleviate GI disorders). In other cases, this research is highlighting entirely new potential clinical utilities for cannabinoids (e.g., the use of cannabinoids to modify the progression of diabetes).\(^\text{19}\)

**Marihuana's Potential Interaction with Other Substances**

Cannabis is still listed as a Schedule I drug under Federal Law, thus limited research is available regarding potential drug interactions. Therefore, while many patients now have access to legal cannabis within their State, procuring information about potential drug-to-drug interactions, including interactions with alcohol, prescription drugs, and non-prescription drugs is restricted. This guide is meant to serve as a reference point and list of possible interactions. Undoubtedly, it is advised that you use caution when taking medications and marihuana at the same time. Speak with a medical professional about possible side effects, as there may be drug interactions between marihuana and your medication.\(^\text{20}\)

1. Alcohol

Alcohol and marihuana both act as depressants, meaning that they both slow down the central nervous system.\(^\text{21}\) Further, a study performed by the University of Iowa showed higher levels of THC in some test subject's blood stream's after vaporizing under the influence of alcohol. The study also showed higher levels of some THC-metabolites after consumption of alcohol.\(^\text{22}\) The study concluded that alcohol may increase THC metabolism resulting in more rapid THC absorption. Faster absorption leads to THC affecting you faster and harder. Thus, the effects of marihuana may be amplified, making you drowsy or lethargic, quickly. Also common is something called “greening out” resulting in nausea and “the spins.” Because marihuana has an antiemetic effect, meaning that it is effective in combating nausea and vomiting, it may make it more difficult for you to vomit. Therefore, alcohol may remain in your system for longer periods of time than without marihuana.\(^\text{23}\)


2. SSRIs (Anti-Depressants)

There have only been a few reported minor interactions between cannabis and SSRIs, however, some research suggests that cannabis may increase the effects of SSRIs causing a potential for a manic episode or other mood alterations. Cannabis and SSRIs may also increase levels of serotonin, thus similarly altering a patient's mood.24

3. Benzodiazepines (Anti-Anxiety Medication)

Mixing benzodiazepines and cannabis can put the patient at risk for heavy sedation because both affect the GABA neurotransmitter in the brain, a neurotransmitter that reduces a person's excitability. Both have sedative effects; thus it is recommended that patients use caution and closely monitor the combination with a physician.25

4. Blood Sugar Levels

Marihuana has the potential to affect blood sugar levels therefore patients are advised to take care when using pharmaceuticals that also alter blood sugar such as medications for diabetes.26

5. Beta Blockers (Blood Pressure Medication)

Cannabis may also slow a patient’s heart rate and cause blood pressure to lower.27 Beta Blockers reduce blood pressure and slow heart rate so cannabis may act as an amplifier in slowing down heart rate.28 Speak with your health-care professional when mixing cannabis with these medications.

6. Blood Thinners / Anti-Inflammatory Medications

When blood thinners such as aspirin or anti-inflammatory drugs such as ibuprofen are taken in conjunction with cannabis, the risk of bleeding may increase.29

7. Drugs That Contain Buprenorphine

Buprenorphine is an opioid pain medication that is also used to treat opioid addiction. Both buprenorphine and cannabis are sedatives which means that if they are used in combination with one another, it is very likely that the user will feel overly sedated. In high doses, buprenorphine can also cause respiratory distress, coma, and death. Since both buprenorphine and cannabis depress the central nervous system, the risk of these side effects increases.30

25 Id.
27 Id.
AILMENT SPECIFIC STRAINS

Below is information about the purported effectiveness of various strains of marijuana for certain health effects. Also review [www.leafly.com](http://www.leafly.com), which can provide more detailed information regarding particular strains and descriptions of their individual effects. Please note that not all of these strains may be available.

<table>
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<tr>
<th>Strain</th>
<th>Effect</th>
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<td>Afghanica</td>
<td>Nausea, pain</td>
</tr>
<tr>
<td>Afghanica x Haze</td>
<td>PMS</td>
</tr>
<tr>
<td>AK-47</td>
<td>Pain, nausea, depression, insomnia, headache</td>
</tr>
<tr>
<td>Alien Train Wreck</td>
<td>Asthma</td>
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<tr>
<td>Apollo 13</td>
<td>Back pain</td>
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<tr>
<td>Auntie Em</td>
<td>Crohn's Disease, MS</td>
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<tr>
<td>Aurora B</td>
<td>Nausea, joint pain, arthritis</td>
</tr>
<tr>
<td>Barry-Bolt</td>
<td>Insomnia, joint pain</td>
</tr>
<tr>
<td>Big Bang</td>
<td>Used to sedate and relieve stress &amp; anxiety amongst sufferers of severe anxiety, etc.</td>
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<tr>
<td>Big Kahuna</td>
<td>Herniated disc pain, arthritis</td>
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<tr>
<td>Black on Blue Widow</td>
<td>HIV, back pain</td>
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<tr>
<td>Black Vietnamese</td>
<td>Nausea, muscle spasms, pain</td>
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<tr>
<td>Blue Fruit</td>
<td>Crohn's Disease, muscle spasms</td>
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<tr>
<td>Blue Moonshine</td>
<td>Anxiety, depression, insomnia</td>
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<tr>
<td>Blue Satellite x Jack Herer</td>
<td>Depression, nausea</td>
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<tr>
<td>Blue Satellite</td>
<td>Pain, nausea, insomnia, anxiety, muscle tension</td>
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<tr>
<td>Blueberry</td>
<td>Nausea, insomnia, pain</td>
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<tr>
<td>Bog Sour Bubble</td>
<td>Pain, anxiety</td>
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<tr>
<td>Bonzo Bud</td>
<td>Body pain, migraine</td>
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<tr>
<td>Budacolumbia</td>
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<tr>
<td>Burnaberry</td>
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<td>Burnese Kush</td>
<td>Anxiety, depression</td>
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<td>C99 x Great White Shark</td>
<td>Anxiety</td>
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<td>Call-O</td>
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<td>Catalyst</td>
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<tr>
<td>Cinderella 99</td>
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<tr>
<td>CIT</td>
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<tr>
<td>Citral</td>
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<tr>
<td>Cripple Creek</td>
<td>Ankylosing Spondylitis, Hepatitis C, Degenerative Disc Disease, IBS, Interstitial Cystitis, Chronic Rotator Cuff Disease</td>
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<tr>
<td>Deep Chunk</td>
<td>Joint pain, insomnia</td>
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<tr>
<td>Dynamite</td>
<td>Asthma, Crohn's Disease, Hepatitis C</td>
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<td>NYC Sour Diesel</td>
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<tr>
<td>El Nino</td>
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<td>Fieldsale Haze</td>
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<td>Fig Widow</td>
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<tr>
<td>Firecracker</td>
<td>Anxiety, depression, nausea</td>
</tr>
<tr>
<td>G13 x HP</td>
<td>Nausea, joint pain, insomnia</td>
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<td>G-13</td>
<td>Depression, pain, ADD, ADHD</td>
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<tr>
<td>Grapefruit</td>
<td>Arthritis, Hepatitis C, pain, nausea</td>
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<td>Green Queen</td>
<td>Epilepsy, neck/spine pain</td>
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<td>Green Spirit x Timewarp x Herijuana</td>
<td>RLS, insomnia, migraine, joint pain</td>
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<tr>
<td>Green Spirit</td>
<td>Nausea, headache, body pain</td>
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<tr>
<td>Herijuana x Trainwreck</td>
<td>Diabetic neuropathy, joint pain, insomnia, MS</td>
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<td>Herijuana</td>
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<td>Ice Princess x Bubblegum</td>
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<td>Jack Herer</td>
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<td>Juicy Fruit</td>
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<td>Kali Mist</td>
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<td>Kai-X</td>
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<td>Killer Queen</td>
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<tr>
<td>Krinkle x Kush x Freezeland</td>
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<td>Leda Uno</td>
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<td>Legends Ultimate Indica x Herijuana</td>
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<tr>
<td>Legends Ultimate Indica</td>
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<td>Lemon Chemo</td>
<td>Insomnia, back pain, migraine</td>
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<tr>
<td>Lemon Haze</td>
<td>RLS, chronic fatigue</td>
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<td>Lifesaver</td>
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<td>Lollipop</td>
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<td>LSD</td>
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<td>M-39</td>
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<td>Magic Crystal</td>
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<tr>
<td>Mango x Northern Lights # 5</td>
<td>Pain, nausea, insomnia, anxiety</td>
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<tr>
<td>Mango</td>
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<td>Masterkush</td>
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<tr>
<td>Medicine Woman</td>
<td>Diabetic neuropathy, general pain, general seizures, glaucoma, Hepatitis C, muscle spasms, nausea, radiculopathy</td>
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<tr>
<td>Misty</td>
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<td>Motorbel Oguana Kush</td>
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<td>Mountainberry</td>
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<tr>
<td>Northern Lights # 1</td>
<td>Arthritis</td>
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<td>Northern Lights # 2</td>
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<td>Northern Lights x Jamaican</td>
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<td>Northern Lights</td>
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<td>Northernberry</td>
<td>Pain</td>
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<td>Oregon 90</td>
<td>Insomnia, joint pain, RLS, pain, nausea</td>
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<tr>
<td>Original Mystic</td>
<td>Epilepsy</td>
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<tr>
<td>OG kush purple</td>
<td>Cachexia, degenerative bone/disc disease, Post-Traumatic Stress Disorder</td>
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<tr>
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<td>Neck/spine pain</td>
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<td>Sensi Star</td>
<td>Migraine</td>
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<td>Shiskaberry x Dutch</td>
<td>Migraine, anxiety, insomnia, nausea</td>
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<tr>
<td>Treat</td>
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<td>Shiskaberry x Hash Plant</td>
<td>Anxiety, nausea</td>
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<td>Skunk # 1</td>
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<td>Snow White</td>
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<td>Sour cream</td>
<td>Insomnia, joint pain, nausea</td>
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<td>Stardust 13</td>
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<td>Strawberry Cough</td>
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<tr>
<td>Super Impact x AK-47</td>
<td>Pain, insomnia</td>
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<tr>
<td>Super Impact</td>
<td>Nausea, insomnia, muscle pain, depression, anxiety, SADS, mania</td>
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<tr>
<td>Super Silver Haze</td>
<td>Nausea, depression</td>
</tr>
<tr>
<td>Super Thai</td>
<td>Depression</td>
</tr>
<tr>
<td>Sweet Blu</td>
<td>Degenerative bone/disc disease, diabetic neuropathy, edema, fibromyalgia, muscle spasms, nausea, neck/spine pain</td>
</tr>
<tr>
<td>Sweet Tooth # 3</td>
<td>Depression</td>
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<tr>
<td>Trainwreck x Herijuana</td>
<td>Nausea</td>
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<tr>
<td>Trainwreck</td>
<td>Anxiety, arthritis, diabetic neuropathy, depression</td>
</tr>
<tr>
<td>TW x LUI</td>
<td>Arthritis, nausea</td>
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<tr>
<td>TX</td>
<td>Arthritis, asthma, general pain, general seizures, glaucoma, MS</td>
</tr>
<tr>
<td>Ultra Green</td>
<td>Insomnia</td>
</tr>
<tr>
<td>Wakeford</td>
<td>Anxiety, nausea, insomnia</td>
</tr>
<tr>
<td>White Rhino - aka Medicine Man</td>
<td>Body pain, back pain, joint pain, insomnia</td>
</tr>
<tr>
<td>White Russian</td>
<td>Pain, nausea</td>
</tr>
<tr>
<td>White Widow x Big Bud</td>
<td>Depression</td>
</tr>
<tr>
<td>White Widow</td>
<td>Cachexia, Hepatitis C, Post-Traumatic Stress Disorder</td>
</tr>
</tbody>
</table>
SUBSTANCE ABUSE PREVENTION

Applicant recognizes the need to provide a safe environment that helps patients avoid substance abuse and misuse. Personal responsibility is critical to participating in our programs.

In 2009, approximately 28.5 million Americans age 12 and older had abused marihuana at least once in the year prior to being surveyed [Source: National Survey on Drug Use and Health (Substance Abuse and Mental Health Administration Web Site)]. By the time they graduate from high school, about 42 percent of teens will have tried marihuana, according to the National Institute on Drug Abuse.

The federal government suggests that long-term marihuana use can lead to psychological addiction. It estimates that 9 percent of people who use marihuana will become dependent on it. The number goes up to about 1 in 6 in those who start using young (in their teens) and to 25-50 percent among daily users.

We offer workshops, clinics, and materials about the potential for medical marihuana abuse. These will be integrated in all patient visits, materials, and outreach. Our staff also is trained to recognize possible signs of drug abuse.

MEDICAL MARIHUANA CERTIFICATION

Applicant will include the following subjects in its educational training program:

- The effect medical marihuana use has on the body and behavior, especially related to driving ability, and that driving under the influence of marihuana is prohibited under the Act;
- Procedures for the proper handling and dispensing of medical marihuana to qualified patients and caregivers;
- Methods of recognizing and communicating with underage qualifying patients and caregivers;
- Prevention techniques involving effective identification and carding procedures;
- Explanation of the Department's Law and Federal law relating to marihuana and ensuring compliance;
- Advertising, promotion, and marketing of medical marihuana; and
- Security and theft prevention.
REFERENCES AND RESOURCES

A. Marihuana Medical Research

  http://brain.oxfordjournals.org/cgi/content/full/129/5/1081
- A Collection of Articles That Address Research on Marihuana – National Institute on Drug Abuse (NIDA)
  http://www.drugabuse.gov/NIDA_Notes/NN0058.html
  http://www.nap.edu/catalog.php?record_id=6376
- Marihuana Research and Dissemination Update - March 2004 – NIDA

B. Marihuana Fact Sheets

- Cannabis myths: how harmful is cannabis? – UK DrugScope
  http://www.drugscope.org.uk/resources/mediaguide/cannabismyths.htm
- Marihuana: Facts for Teens – National Institute on Drug Abuse (NIDA)
  http://www.drugabuse.gov/MariJBroch/Marijteens.html
- Marihuana: Facts Parents Need to Know – NIDA
  http://www.drugabuse.gov/MariJBroch/MarijparentsN.html
- NIDA Research Report: Marihuana Abuse
  http://www.drugabuse.gov/ResearchReports/Marihuana/default.html

D. Opposing Viewpoints

- (CON) Marihuana Myths & Facts: The Truth Behind 10 Popular Misperceptions – ONDCP
- (PRO) Myths and Facts About Marihuana – Drug Policy Alliance Network
  http://www.drugpolicy.org/marihuana/factsmyths/
- Medical Marihuana – ProCon.org
  http://medicalmarihuana.procon.org/
E. Information on the Web

- City of Lansing: Medical Marihuana Program
  http://www.lansingmi.gov/1637/Medical-Marijuana

- Americans for Safe Access
  www.safeaccessnow.org

- Science-based information about the effects of marihuana on your brain and body.
  http://www.marihuana-info.org/


  http://teens.drugabuse.gov/facts/facts_mj1.asp

<table>
<thead>
<tr>
<th>Proprietary dispensing methods</th>
<th></th>
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<tbody>
<tr>
<td>Maintenance and quality control</td>
<td></td>
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<tr>
<td>Order Provisioning Center Supplies</td>
<td></td>
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<tr>
<td>Package tracking tags</td>
<td></td>
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<tr>
<td>Employee uniforms</td>
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<tr>
<td>Exit packaging</td>
<td></td>
</tr>
<tr>
<td>Labels</td>
<td></td>
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<tr>
<td>Office Supplies (ink, paper, pens, etc.)</td>
<td></td>
</tr>
<tr>
<td>Obtain Start-Up Inventory</td>
<td></td>
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<tr>
<td>Order Products and Commence Operations</td>
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</tr>
<tr>
<td>Key staff will track all incoming inventory in METRC in accordance with City of Lansing and BMMR regulations</td>
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</tr>
<tr>
<td>Medicine Man Technologies will be present to oversee the tracking and implementation of dispensing operations</td>
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</table>

The following is a list of key employees to be hired during the initial deployment period prior to commencing operations:

- CFO
- COO
- Quality Assurance Manager
- Human Resource Manager
- Accountant
- Management Staff – General Manager/Office Manager/Security Manager
- Legal Counsel
- Marketing and Sales
Employee Roles, Qualifications Duties and Responsibilities

Provisioning Center General Manager

Role:
- Responsible for overseeing Provisioning Center operations

Supervision Received:
- Ownership, including principals and financial backers

Supervision Exercised:
- All Provisioning Center employees and security contractors

Duties and Responsibilities:
- Manages facility operations
- Participates in creating and implementing company policies; directs and coordinates departmental activities to meet business goals and objectives; ensures profitability and growth
- Reviews activities, costs, operations, and forecast-data to determine progress towards company goals and objectives
- Reviews daily and weekly sales and inventory reports to keep the Provisioning Center fully stocked and resolve any complications or problems
- Directs and reviews facility inventory reports
- Develops and implements training protocols and procedures
- Oversees key projects, processes, and performance reports, data and analysis
- Reviews operations and policies to better meet sales goals and to ascertain market demand, consumer habits, and the potential for new markets
- Reviews and approves accounting analyses for budgeting and implementation, financial reporting, and submittal of capital expenditures
- Ensures facility compliance with federal, state, and local industry regulations
- Develops and communicates plans, employee evaluations, sales, and market analysis reports to the ownership group, including principals and other financial backers
- Effectively and productively communicates with the ownership group and subordinates
- Refines, revises, and enforces company Standard Operating Procedures
- Manages employee relations with support of administrative personnel
- Manages performance by formulating effective goals, setting targets, and key performance indicators as appropriate
- Works with various department managers to prevent loss, diversion, and provide inventory oversight and audits
- Engages with the Compliance Coordinator to ensure the facility maintains regulatory compliance
- Sets the tone, pace and directs the workflow of both staff and the management
- Ensures facility compliance with local, state, and federal sanitation standards and occupational, health, and safety regulations
- Responsible for reporting any indication of loss, diversion or theft from the inventory to law enforcement, regulatory agencies, and the owners group
- Participates in continuing Provisioning Center education and general cannabis industry seminars to remain at the forefront of industry best-practices
- Complies with HR policies including confidentiality and non-disclosure
**Qualifications:**
- A Bachelor's degree in business administration, management or a related field, or 5+ years equivalent industry management experience in a retail setting.
- Minimum 5 years managerial experience
- Strong communication skills
- Demonstrated people management skills and development capability
- Demonstrated successful leadership
- Strong organizational skills
- Proficiency in technology software, desktop electronics, MS Office (Word, Excel, Outlook, PowerPoint)
- Fluent in spoken and written English
- First aid training, OSHA training
- Related experience in a highly regulated industry

**Shift Manager**

**Role:**
- This position is responsible for the direct oversight of the Provisioning Center operations

**Supervision Received:**
- Reports to the Provisioning Center General Manager

**Supervision Exercised:**
- Manages the team of Provisioning Center employees, performing supervisory responsibilities in accordance with the organization's policies and applicable laws
- Management responsibilities including interviewing, hiring, and training employees and contractors; planning, assigning, and directing work; appraising performance; rewarding and disciplining subordinates; addressing complaints and resolving problems
- Responsible for opening and closing the facility, ensuring proper working software and hardware

**Duties and Responsibilities:**
- Manages all employee tasks and duties in the Provisioning Center
- Develops and implements work plans for employees
- Assists in implementing training protocols and procedures
- Works with the Provisioning Center General Manager to develop marketing and advertising strategies and budgets
- Assists the Provisioning Center General Manager in establishing sales goals and objectives
- Responsible for cash handling and related activities (e.g., drops, deposits)
- Ensures Provisioning Center compliance with local, state, and federal sanitation standards and occupational, health, and safety regulations
- Creates shift schedules and maintains employee scheduling software
• Provides feedback to employees and promotes a positive work environment
• Understands and communicates the company’s risk-management strategies that address theft, diversion, tampering, and hazards, such as power outages, or natural disasters
• Ensures the products being supplied to patients are safe, of high-quality, and consistent with regulations
• Collaborates with Human Resources for hiring and employment practices
• Accountable for purchases and expenses for Provisioning Center-related office and cleaning supplies
• Participates in cannabis industry related continuing education and seminars
• Complies and enforces company policies including confidentiality and non-disclosure
• Performs in a manner consistent with the goals and values of the company
• In the event of a voluntary or mandatory recall procedure, serves as part of the Internal Recall Team

Qualifications:
• Minimum Bachelor’s Degree in Business Management, Operations and/or Logistics, Project Management, or a related field
• Minimum 5 years’ experience in operations management, demonstrating successful team management and leadership skills
• Strong communication skills with the ability to direct staff, and take responsibility for the communication
• People management skills and capability
• Strong organizational skills
• Proficiency in technology software, desktop electronics, MS Office (Word, Excel, Outlook, PowerPoint)

Provisioning Center Agent (Retail Associate or Budtender)
Role:
• Provides exceptional patient service

Supervision Received:
• Shift Manager, Provisioning Center General Manager,

Supervision Exercised:
• Responsible for self-directed tasks and continuing education

Duties and Responsibilities:
• Comprehensive understanding of products
• Responsible for sales and patient experience
• Maintains presentable, safe, and sanitary Provisioning Center conditions
• Ensures the Provisioning Center floor is properly stocked
• Promotes a positive, customer-service oriented work environment in line with established policies and procedures
• Handles reception on rotation: answers the phone, greets patients, checks credentials and signs patients into the system
• Responsible for using the inventory tracking system and point-of-sales system
• Responsible for cash handling and related activities
• Responsible for updating patient records, data entry, and file maintenance
• Responsible for verifying proper identification and documentation for patients
Inventory Control Manager

Role:
- Generates daily, weekly, and monthly inventory reports to communicate inventory needs to the Provisioning Center General Manager

Supervision Received:
- Provisioning Center General Manager

Supervision Exercised:
- Provisioning Center Agents (as needed) inventory data entry, inventory audit assistance

Duties and Responsibilities:
- Responsible for inventory management throughout the facility
- Responsible for daily inventory reconciliation with sales reports
- Responsible for management of stored and quarantined products
- Responsible for performing weekly audits
- Responsible for creating and implementing inventory control procedures and developing related staff training
- Responsible for tracking all inventory including marijuana related accessories
- Responsible for discovering and reporting trends in inventory
- Responsible for complying with and updating standard operating procedures related to inventory tracking and management when industry guidance, regulations, or laws are changed
- Responsible for recording and reporting Provisioning Center and overall facility waste
- Responsible for assisting the Recall Coordinator in the event of a recall procedure and for tracking recalled product through the inventory
- Responsible for reporting any indication of loss, diversion, or theft from the inventory to the Provisioning Center General Manager
- Complies with company policies including confidentiality and non-disclosure
- Performs in a manner consistent with the goals and values of the company
- Other duties as assigned by the Provisioning Center General Manager

Qualifications:
- Associate’s or Bachelor’s degree in Business Management, Project Management, or a related field
- Five or more years of experience in a similar position, preferably in a regulated industry

Quality Assurance Manager

Role:
- Maintains facility compliance with applicable local, state, and federal regulations and laws

**Supervision Received:**
- Provisioning Center General Manager, Owners Group

**Supervision Exercised:**
- Communicates compliance violations through the Provisioning Center General Manager to the staff

**Duties and Responsibilities:**
- Performs regular and unscheduled compliance audits
- Provides compliance-specific training programs to facility employees
- Responsible for reporting noticed indications of loss, diversion, or theft from the inventory to the Inventory Control Manager and the Provisioning Center General Manager
- Provides procedures for retention, protection, retrieval, transfer, and disposal of various Provisioning Center and facility records, including sensitive documents
- Designs and implements office policies by establishes standards and procedures for the main office; measures results and makes necessary adjustments
- Complies with company policies including confidentiality and non-disclosure
- Performs in a manner consistent with the goals and values of the company
- Other duties as assigned by the Provisioning Center General Manager

**Qualifications:**
- Associate or Bachelor’s degree in Business Management, Project Management, or a related field
- Five or more years of experience in a similar position, preferably in a regulated industry

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**Office Manager/Operations Support**

**Role:**
- Supports all aspects of Provisioning Center operations

**Supervision Received:**
- Provisioning Center General Manager, Shift Manager, Quality Assurance Manager

**Supervision Exercised:**
- Responsible for self-directed tasks and Provisioning Center Agents (related to payroll/HR)

**Duties and Responsibilities:**
- Maintains and organizes office operations and procedures including: preparing payroll, controlling correspondence, designing and implementing filing systems, reviewing and approving office supply requisitions, assigning and monitoring clerical functions
- Retains, protects, retrieves, transfers, and disposes of various Provisioning Center and facility records, including sensitive documents
- Maintains office efficiency by planning and implementing office systems, layouts, and equipment procurement
- Implements office policies and established standards and procedures

**Qualifications:**
- Associate or Bachelor’s degree in Business Management, Project Management or a related field
Security Manager/Lead [Embedded Security Contractor]

Role:
- Ensures the security of patients, staff, inventory, and the facility

Supervision Received:
- Provisioning Center General Manager, Shift Manager, Security Company

Supervision Exercised:
- Provisioning Center Staff

Duties and Responsibilities:
- Maintains and implements security standard operating procedures and training
- Manages security personnel
- Provides risk and anti-diversion training to Provisioning Center personnel
- Minimizes risks to the premises by providing fortified support
- Primary point of contact with any Security Vendor
- Ensures compliance with security standard operating procedures
- Masters security technology, such as video surveillance, passwords, and point-of-sale applications
- Oversees security of marihuana product and cash both onsite and in transit (unless using outside armed deposit service)
- Ensures consistent monitoring of security systems (surveillance, alarms, and access)
- Ensures facility locks and security equipment are in good working order with monthly inspections

Qualifications:
- High school diploma or equivalent; further education in security administration or similar field (preferred)
- Proven experience as security manager or similar position
- Experience using relevant technology and equipment
- Experience in reporting and emergency response planning
- Excellent knowledge of security protocols and procedures
- Solid understanding of budgeting and statistical data analysis
- Working knowledge of MS Office
- Excellent communication and interpersonal skills
- Outstanding organizational and leadership skills
- Committed and reliable
- Prior military experience is preferred
Creation and Implementation of Standard Operating Procedures

Applicant's Standard Operating Procedures (SOP) will be implemented to ensure the secure, safe, and successful management of medical marihuana within a professional, patient-facing environment. SOPs include step-by-step instructions on every task within the Provisioning Center, providing the guidelines for personnel conduct and the procedures necessary to comply with the City of Lansing and Michigan Bureau of Medical Marihuana Regulation (BMMR). The SOP document is well organized, presenting a purpose, policy, and procedure for every operation in the facility. The purpose establishes a general description of the items included in the SOP. The policy section provides a quick, verbatim reference to the regulations from which the SOP was derived. Procedures are presented in a systematic fashion and including the log forms, charts and diagrams required for proper recordkeeping.

SOP Organization

Applicant has put considerable thought into how the integrated SOP management system will be designed and how it will function. Each Provisioning Center process will have a separate SOP organized around its unique tasks and workflow. The core of the SOP details the full procedure in a step-by-step chronological manner. SOPs will include narratives, images, diagrams, graphs, charts, photos, process-flow, and floorplans. They will be available electronically through a web-based interface for access by every employee. Hard copies will be kept on site for immediate reference and inspection.

The SOP system will be maintained in a secure, cloud-based environment with administrative controls that allow for the immediate adjustment or removal of employee access. Employees will access a view-only environment that does not allow editing, downloading, or printing except to specifically-authorized personnel. Online capability will allow management to continually updated and administer the SOPs. The Quality Assurance Manager (QAM) will be responsible for maintaining and updating the SOP manual, including keeping a current hard copy onsite as a back-up and for inspection on demand. The QAM will approve and document all SOP changes on a master change log, keeping a chronological record of all significant process changes, the reason for the change, such as new regulation, the date the change was executed, and the QAM's initials indicating their final approval. SOP changes will be reported to the Lansing City Clerk within 10 business days pursuant to §1300.8 (D).

The SOPs will be organized using a number sequence that identifies the Provisioning Center process to which it relates. For example, the 300 series may be Provisioning Center Security and the 700 series may be Sanitation. Related forms and checklists will be integrated into the SOPs through hyperlinks that take the user to the appropriate database. The forms database will be similarly organized with the same numbering sequence. A Suspicious Incident form, for example, would exhibit a 300-series number, a Daily Sanitation checklist a 700 series number. Each form and checklist will indicate the length of time it must be archived and kept available for inspection by the City of Lansing or BMMR.

SOP Training

In addition to any BMMR required industry training, Applicant has created a comprehensive in-house training plan for all Provisioning Center employees based on the best management practices of Medicine Man Technologies (MMT), their selected consultant. Please see Training
Plan Framework for details on Applicant's robust training program, which covers initial consultant training and company internal training.

Applicant will be provided access to SOPs developed and refined by Medicine Man Technologies through their relationship with Medicine Man Production, an award-winning dispensary operator based in Denver, CO. During onsite training at their operational facility, Medicine Man Production's team of dispensing agents will share their knowledge and first-hand accounts from qualified patients regarding the best applications for the core varieties of medical marijuana. SOPs for the safe, secure, and successful management of medical marijuana within a patient-facing environment include:

1. Inventory Tracking System (METRC) / Point-of-Sales Software: agent interface allows data entry into METRC using barcodes and state ID tags to provide transaction history, tracking, and reports
2. Patient Consultation: first time patient, receptionist check in, product consultation, dosage, education, patient literature and resources
4. Packaging & Labeling Principles
5. Administration / Operational Best Practices: ordering/buying, merchandising, maintenance, sanitation and safety, recordkeeping, dispensing operations, opening & closing procedures, cash handling, inventory control, product rotation, product return and disposal, adverse events/product recalls

**Company Internal Training**

Internal training will focus on industry basics including state and local regulatory guidelines and proper implementation of facility SOPs. The ongoing, in-house training regimen will include:

Orientation training for new hires will include familiarization with the integrated job-duty/SOP system. Employees will be provided a copy of all company policies, such as drug-free workplace rules and patient confidentiality requirements. Each employee's annual evaluation will include a review of their personnel file to ensure they are up to date on SOP training certification. Certifications will be cross-referenced in an employee's direct supervisor's file. The annual review of their supervisor will also include reference to the completed training of their direct report employees.

**Training Documentation**

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Attendance at formal training classes will be mandatory. Training on specific SOPs, including applicable laws and regulations, will include an acknowledgement of completion signed by both the employee and a supervisor. Human resource files and training documentation will be maintained in hard copy and an electronic environment for ease of interaction, retention, auditing, and inspection. Employment contracts will specify attendance at training classes, and employees that do not complete the required training in the specified time could have their hours and duties restricted until the training is completed. Failure to complete the required training may lead to an employee’s reassignment or termination.

List of SOPs
The following is a sample list of SOPs relating to the Provisioning Center:
- Adverse Patient Reaction and Complaints
- Cleaning and Sanitation
- Cycle Count
- Quarantine and Disposal of Expired, Recalled and Damaged Products
- Equipment Maintenance
- FIFO Inventory Management
- Storage of Medical Marijuana
- Inventory Conversion: Flower
- Opening and Final Cash Drawer Count
- Opening Manager Duties
- Ordering Medical Marijuana Products
- Packaging and Labeling
- Pre-Packing Medical Marijuana Flower
- Product Handling
- Product Returns
- Quality Control
- Recall Plan
- Receiving Inbound Products
- Provisioning Center Agent Closing Duties
- Provisioning Center Agent Opening Duties
- Shipping Product
- Visitor Protocol
Training Plan Framework

Applicant is committed to reaching out to the local and state-wide community to select a diverse group of individuals who exhibit aptitude, a strong work ethic, and an eagerness to enter the medical marijuana industry. Applicant will develop a robust internal training program to aid the professional development of Provisioning Center employees. Applicant’s selected consultant, Medicine Man Technologies (MMT), will assist in building the training curriculum and performing initial training of our key start-up crew members. In accordance with §1300.5 (B)(2), the following ongoing, in-house training program for Provisioning Center staff is designed to exceed industry standards.

Immersive Training

1. Applicant will be provided access to SOPs developed and refined by Medicine Man Technologies through their relationship with Medicine Man Production, an award-winning dispensary operator based in Denver, CO. During onsite training at their operational facility, Medicine Man Production’s team of dispensing agents will share their knowledge and first-hand accounts from qualified patients regarding the best applications for the core varieties of medical marijuana. SOPs for the safe, secure, and successful management of medical marijuana within a patient-facing environment include: Inventory Tracking System (METRC) / Point of Sale (POS) Software: user interface allows data entry into METRC for barcodes, state ID tags, patient registry and transaction tracking, and reports

2. Patient Consultation: receptionist check-in, first-time patient, product consultation, dosage, education, patient literature and resources


4. Packaging & Labeling Principles

5. Administration / Operational Best Practices: ordering/buying, merchandising, sanitation and safety, record keeping, dispensing operations, maintenance, opening & closing procedures, cash handling, inventory control, product rotation, product return and disposal, product recalls

Key Provisioning Center staff, including managers and core recruits will be trained at one of Medicine Man’s partner facilities in Denver, Colorado for each job classification in the proposed facility. Overall principals of facility management will be demonstrated to aid Applicant’s key staff in understanding core tasks and the various ancillary operations beyond their daily routine. Specific training regimens will be tailored for each position to ensure staff are proficient in the basic tasks they are hired to fulfill. The time spent on-site at a fully functioning medical marijuana dispensary in Denver will provide invaluable, dynamic training to staff at a top-rated facility employing proven methods to supply medical marijuana in a compliant patient-facing environment. Trainees will have the ability to learn the various duties they will be performing on a day to day basis through repetitive exposure to their associated tasks while being immersed in a real-world, working medical marijuana establishment.

Applicant’s arrangement with Medicine Man Technologies gives them access to an operational medical marijuana Provisioning Center, ensuring that Applicant’s management and key staff get
exposed to current best practices within the industry. The on-site training sessions cover key processes and conclude with a question and answer period for each:

1. Review department specific training videos organized by Provisioning Center process function, e.g., point-of-sale system, security, patient consultation, etc.

2. Review of cut sheet summaries pertaining to the training videos, which include a detailed step-by-step explanation of the duties and responsibilities that were provided.

3. Review department specific SOPs in the Medicine Man Production’s Provisioning Center Operating Manual, pertaining to the training videos and cut sheets.

4. Perform the trained function within Medicine Man Production’s medical dispensary, which can take the form of:
   a. Observation and job shadowing
   b. Actively asking questions to instructing agents
   c. Performing trained functions within a live operating environment; hands on training will be repeated several times within the training process
   d. Teach the teacher – a pedagogic tool enabling trainees within the live environment to teach the functions to the instructing agent while also receiving feedback on the process
   e. General de-briefing of the four-step training process for group follow-up and question and answer.

The training and integration generally takes place over a period of two weeks, scheduled in one-week intervals; but may be repeated as needed to the benefit of Applicant upon request. Training intervals are broken out as follows:

Week 1 – General overview of the various medical marijuana Provisioning Center processes.

Example week:
   Day 1: Review training videos, training cut sheets, and standard operating procedures pertaining to general retail operations. Follow up question and answer session. Begin job shadowing and observation within the facility.
   Day 2: Debrief of Day 1 training exercises, question and answer for clarifying questions and learnings, job shadowing and observation within the facility.
   Day 3: Job shadowing and observation within the facility.
   Day 4: Administrative overview, including: ordering/buying, sanitation and safety, record keeping, dispensing operations compliance, maintenance, opening & closing procedures, cash handling, inventory control, product rotation, product return and disposal, product recalls, merchandising.
   Day 5: Job shadowing and observation within the facility.

Week 2 – Reinforce specific lessons from Week 1 on-site training experiences; for example, if an individual Provisioning Center agent is struggling to learn the point-of-sales system, that individual will have time dedicated in week two to hands on experience interacting with the software. Applicant management and trainees will receive feedback directly from Medicine Man Production staff to help identify strengths and weaknesses as they move through the training process. Identifying knowledge gaps and providing targeted suggestions for improvement before becoming operational will provide Applicant adequate time for additional follow-up training, as needed, to become familiar with the various tasks outlined in the SOPs.
Continuing training includes the first week the Applicant becomes fully operational and may also be provided for temporary contract support for positions yet to be filled. Once Applicant management and key staff are sufficiently trained in the SOPs, designated management staff members will be responsible for internally managing the training process for any new hires. Additional requested follow-up or more customized training will remain available from MMT at one of their partner facilities.

Training on Statutes and Rules
A comprehensive understanding of the laws and regulations that govern the MMJ industry is vital in such a heavily-regulated and highly-scrutinized environment. Employees must appreciate the importance of compliance for their own safety, the safety and health of patients and the very survival of the organization itself. Applicant's Quality Assurance Manager (QAM) will conduct regular training sessions to update staff on current regulatory developments. SOPs will include regulatory references and relevant excerpts that will be hyperlinked to allow the employee to read the entire related regulation without having to exit the online interface. Inclusion of regulatory information in the SOPs will allow employees to view procedures within a regulatory frame of reference and ensure their understanding of the purpose and importance of the steps they are learning. SOPs will be clear, concise, easy to understand and use.

Training Documentation
Attendance at formal training sessions will be mandatory for Applicant employees. Completion of training on specific SOPs, including applicable laws and regulations, will require signatures of acknowledgement from both the employee and their supervisor. Documentation of completed training, whether in-house or external, will be retained in each employee’s personnel file, maintained in hard copy, and backed up electronically per Applicant’s standard recordkeeping policies. Employment contracts will specify mandatory attendance at training sessions. Employees who do not complete the required training in the specified time may have their hours and duties reduced or restricted until the training is completed. Failure to complete the required training may lead to an employee’s reassignment or termination.

Compliance Review and Internal Audit
Applicant’s Training Plan will incorporate audit and evaluation features that clearly show an employee’s level of comprehension for an individual SOP. These assessments provide managers with instant insight into the proficiency of their staff and shows who may require additional training. This commitment to individualized training demonstrates the Applicant’s dedication to effective employee education, rather than simple document distribution.

Applicant’s QAM will be responsible for SOP training and implementing regularly occurring and random employee audits. Recurring audits will include a review of employee personnel files to ensure SOPs within their job description have been acknowledged by both employee and their supervisor. Random audits will entail selecting an employee to demonstrate their knowledge and proficiency of an SOP from their job description. Audit activity, employee performance observations, and the steps taken to improve upon or correct inadequacies will be documented within the employee’s personnel file. Managers and supervisors will be held accountable for the training of their staff as part of their own overall job performance.
Employee Training Manual

The employee training manual will be divided into sections that address areas of concern in the facility. The training manual may include, for example:

1. A new-hire orientation training section - New employees will go through an orientation period. As they begin their tenure, employees will be presented with a training manual to include a review of all company policies, such as drug-free workplace rules and confidentiality requirements. This phase of training will also include an introduction to company SOPs, inventory tracking and point-of-sales systems, and how to use them.

2. Laws and Regulations: This section of the training manual will include the critical laws and regulations Applicant and its employees are subject to. References to these laws and regulations will be incorporated into Applicant’s SOPs.

3. SOP training curriculum: The SOPs themselves will comprise the primary training curriculum. The training manual will include an example of Applicant SOP documents and reference the actual SOP manual. SOP training will be acknowledged by employees and their managers with a signature from each to denote their comprehension, proficiency, and compliance. Documentation will be retained in the employee’s file and made available for inspection by the City of Lansing or Michigan Bureau of Medical Marihuana Regulation (BMMR).

4. Detection and prevention of diversion: This training will be designed and implemented with assistance from Applicant’s professional security consultant. Security consultant will help customize the Applicant’s comprehensive security strategy and will conduct training sessions for its employees.

5. Facility Security: This training will be designed and implemented with assistance from Applicant’s professional security consultant. The security consultant will provide customized security planning and training to Applicant’s employees.

6. Safety and Emergencies: This training will be designed and implemented with assistance from Applicant’s security consultants, Provisioning Center consultants, and local fire and safety agencies. Employees will be trained on emergency situations. Periodic drills will be performed to ensure preparedness.

7. Inventory Control - The training manual will include a section that provides an overview of inventory control. The electronic tracking system is third-party software that will have its own comprehensive user’s manual. This will be retained onsite at the Provisioning Center.

Training and Development Programs

Applicant will develop a detailed training and employee retention program to encourage personal and professional growth within the organization. Operating in a new industry that lacks an established labor pool of readily skilled employees presents a unique opportunity to attract a diverse workforce and to train them to become industry experts. Applicant will provide the training necessary to fully integrate new hires into the industry. Once they become proficient they will have gained a valuable personal asset and be set on a career path in a vibrant growing industry. Engaging with MMT, a premier industry consulting partner with training programs designed to develop employees from entry level to industry expert will provide Applicant with a distinct advantage. In addition to the customized facility training provided by MMT, Applicant envisions providing the following supplementary areas of instruction. Program managers will be encouraged to augment internal training by attending outside seminars.
- Benefits Enrollment
- Supervisory Training
- Cultural Difference Awareness
- Mentoring
- Cross-Training
- Transition training within the organization
- Hazardous Materials and Response Training
- OSHA required courses
- Continuing Education
- Community Volunteering Incentives
Provisioning Center Equipment List

Label Printer
Manufacturer: Zebra Technologies
Model: TLP 2824Plus
Estimated Cost: $300-$350
Web link: http://www.barcodegiant.com/zebra/part-282p-101120-000.htm?awndatyp=pla&admedia=OFFPRINTER&clid=CMWcmu4mZx9ICFY06wAcdRDECQ

Bulk Label Printer
Manufacturer: Zebra Technologies
Model: ZT230
Estimated Cost: $800-$850
Web link: https://www.barcodefactory.com/category/c-10114-zebra-zt230.aspx?clid=Cm820iz9ICFY02waAodioCZg
https://www.barcodesinc.com/zebra/zt230.htm

Receipt Printer
Manufacturer: Star
Model: TSP100 FuturePRNT
Estimated Cost: $200-$300
Barcode Scanner
Manufacturer: Honeywell
Model: Voyager 1200g
Estimated Cost: $130
Web link: https://www.bardecodefactory.com/product/p-55607-honeywell-voyager-1200g-1200g-2ush-1.aspx?gclid=CII0mMKex9JCFO-1wAod-2QBiw
https://www.honeywellaido.com/products/barcode-scanners/general-duty/voyager-1200g-12002g

Fingerprint Scanner
Manufacturer: Futronic
Model: FS80,FS80H
Estimated Cost: $70
Scale
Manufacturer: A&D
Model: FX-1200i
Estimated Cost: $600-$700
Web link: http://balance.balances.com/scales/199

Computer (Point-of-sales terminal)
Manufacturer: Dell
Model: Dell Inspiron 17 5000 17-5767 17.3
Estimated Cost: $600-$700
Cash Drawer
Manufacturer: APG Cash Drawer, Inc
Model: 100 Series 1616 Cash Drawer
Estimated Cost: $140-$175

Server
Manufacturer: Dell
Model: PowerEdge T330 Tower Server for small office 5-10 users
Estimated Cost: $700
Server
Manufacturer: Dell
Model: PowerEdge R430 for medium office 10-20 users
Estimated Cost: $1000-$1400

KVM Switch
Manufacturer: Avocent
Model: 4-Port DVI-I 4K Ultra HD KVM Switch (SV240)
Estimated Cost: $200-$400
Ethernet Cable Switch
Manufacturer: Netgear
Model: ProSAFE - JGSS24
Estimated Cost: $120
Web link: https://www.newegg.com/Product/Product.aspx?Item=N82E16833122058

UPS - Back Up Battery
Manufacturer: APC
Model: BR1500G
Estimated Cost: $170
Web link: https://www.newegg.com/UPS/SubCategory/ID-72
UPS - Back Up Battery (for Point-of-sales terminals)
Manufacturer: APC
Model: BE350G
Estimated Cost: $45
Web link: https://www.newegg.com/Product/Product.aspx?item=N82E16842101344

Refrigerator Bulk
Manufacturer: Everest Refrigeration
Model: EMGR24
Estimated Cost: $1,500
Refrigerator
Manufacturer: Magic Chef
Model: HVBC31ST
Estimated Cost: $250

Product Storage
Manufacturer: Sterilite
Model: Sterilite 50 Gallon Stacker Tote
Estimated Cost: $20

Maintenance

Manufacturer: Rubbermaid
Model: Wave Brake Mop Bucket, Mop Handle, and Mop Heads
Estimated Cost: $150

Manufacturer: Rubbermaid
Model: Wall Mount Wet Floor Signs
Estimated Cost: $50

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Web link: http://www.airdelights.com/floor-safety-signs.html?gclid=CN6I5iKwx9ICFYI2wAoditoDaQ

Manufacturer: Rubbermaid
Model: Lightweight Hybrid 4-step Ladder W/ 2 Large Platform Steps - Painting
Estimated Cost: $60
Web link: https://www.homedepot.com/b/Building-Materials-Ladders/Rubbermaid/N-5ye1vZacnpZ1an
Manufacturer: Rubbermaid
Model: Two Step Folding Step Stool
Estimated Cost: $25

Manufacturer: Hafele
Model: 888.00.015, Aluminum Ultrahold 18" Wall Mounted 4 Hook Broomstick Holder
Estimated Cost: $25
Web link: https://www.build.com/hafele-888-00-015/s368680
Manufacturer: Wen
Model: 73002, 500-lb Capacity Service Cart
Estimated Cost: $80
Web link: http://www.homedepot.com/p/WEN-500-lbs-Capacity-Service-Cart-73002/204787186?cm_mmc=Shopping%7cG%7cBase%7cPLA%7cD25T%7cTools&gclid=COrf91KdyNICFe51wAodmaMIAA&gcolrc=aw.ds

Security
- Product storage safe
- Dedicated computer and screens for security system
- Dedicated server for facility
- Storage room shelving
- Keys/access keys
- Alarm systems
Camera systems

Display
Shelves
Jars
Containers
Hooks
Back board/wall board
Electronic display/TV

Other
Scanner/Printer/Copier
Office supplies
Cleaning Supplies
Money counter
Smaller safe for storing cash
Odor control devices and systems
Odor Management Plan

As part of Applicant’s commitment to positive community impact and in compliance with §1500.9 (I), Applicant has developed odor mitigation strategies to ensure there are no detectable marihuana odors beyond the property boundary. Applicant has considered potential impacts to its neighbors during facility site selection, facility design, and developing company standard operating procedures (SOPs). Both primary and secondary HVAC systems will be installed to reduce detectable odors outside the facility.

Potential Odor Sources

Packaging - The majority of medical marihuana items will arrive at the Provisioning Center pre-packaged for individual sale, which will drastically reduce the potential for odors. Bulk flower shipments requiring repackaging for dispensing directly to patients will be separated according to bud size and placed into child-resistant packaging (CRP) in the packaging room. Mild odor is emitted during the packaging process, as the cured medical marihuana is agitated. This also results in a small amount of particulate matter release, which can contribute to emitted odors. The packaging room will be equipped with an activated carbon filter to absorb a large portion of the odors emitted during packaging, and will feature a pre-filter designed to collect particulate matter.

Storage Area – Odors should be minimal in the storage and designated quarantine areas. All packages will remain sealed and enclosed in a box or safe in the product storage area. Any product being stored for disposal will remain sealed until it is destroyed. Employees will make sure that all containers are closed and sealed, and will immediately close any containers noticed open in the storage area. To ensure odors are kept to a minimum, the storage room will have an activated carbon filter, similar to that in the packaging room.

Dispensing – Opening display or sample jars prior to patient purchase may generate odors. This exposure is brief, minimizing odors while preserving the integrity of the sample. Dispensing agents will immediately replace the lids of sample jars after allowing patients to smell the sample. The dispensing room will also have an activated carbon filter.

Odor Mitigation Devices

Applicant will install a Photohydroionization (PHI) Unit (see specifications below) as the primary odor mitigation device, designed to eliminate 99.99% of all odors safely and efficiently. In rooms where the odor is more intense, Applicant has elected to use activated carbon filters as a secondary odor reduction method.

Commercial PHI Unit by RGF®
Workplace Safety and Emergency Response

Prior to operational startup, the Security Manager (SM), Provisioning Center General Manager (GM), Quality Assurance Manager (QAM) and Applicant’s selected Security Vendor, will develop a Workplace Safety & Emergency Response Plan that will be a subsection of the comprehensive Security Plan required under § 1300.5 (B)(14). Under this plan, security experts will provide Provisioning Center management and employees with a Workplace Safety Manual that will be used for training purposes. The GM and SM will be responsible for training staff regarding safety and emergency protocols and for planning scheduled safety inspections by local regulatory authorities. The QAM will maintain detailed records of inspection results and address resulting health and safety concerns with management and staff. In accordance with regulations, the following safety issues will be covered during training:

- **Security** - Staff will understand their respective security roles and responsibilities including the chain-of-command, especially in the event of a security breach. Employees at all levels will be trained by the General Manager & Security Vendor to identify threats and vulnerabilities, devise mitigating strategies, and contingency plans; when and why they could be targets of threats and how to respond accordingly. Staff will be tested periodically regarding their knowledge of the provisioning center’s security strategies and how to utilize them. Development of security policies and procedures will be on-going. The facility will determine critical control points where security knowledge will be required for handling cannabis, chemicals, cannabis products, cash, personnel, visitors and more.

- **Medical Emergencies** - Staff will learn how to recognize and respond to medical emergencies for an illness or injury requiring urgent medical attention. Response will include when to call 911, location of medical kits, lockdown of the facility, and escort of emergency first responders. If trained properly and certified, certain staff may give appropriate first aid until emergency responders arrive. Reporting injuries: any injury at the facility will be recorded in a document or "injury form."

- **Fires** - Staff will learn the Applicant’s fire plans including the location, use, and maintenance of firefighting equipment. Plans will comprise schedules for periodic fire drills, when to call 911, the need to account for all staff during a fire or other emergency, the escort of fire department and other emergency personnel, the role of the on-scene commander, and expected response times by nearest fire, ambulance, and police departments. Signs will be posted throughout the facility with graphic floor plans indicating at least two ways of escaping the building from every room.

- **Chemical spills** - Staff will be trained to recognize the danger signs of a chemical spill or release, such as the presence of fumes, odors, or smoke. Staff will also learn to recognize telltale symptoms in people that may have been exposed to toxins, including headaches, dizziness, distress, fainting, skin rash, and blurred vision. Staff will know when to notify management, call 911, coordinate with first responders and secure the area. Knowing how to handle chemicals and how to react during an emergency can reduce the risk of injury. A Safety Data Sheet (SDS, previously, MSDS) is a form containing data regarding the properties of a particular substance. An SDS is intended to provide workers and emergency personnel with procedures for handling or working with a substance in a safe manner and includes information such as physical characteristics, proper storage, disposal, required protective equipment, and spill handling procedures. SDSs can be obtained from the product manufacturer, and many can be downloaded from the web. An SDS for the products housed in the facility will be collected and maintained in a readily available file or location.
- Threatening Events - Violence in the workplace can originate from both within and outside an organization. Violent behavior may come from someone as a random act or as a planned act to gain public attention. Since the Provisioning Center handles a controlled substance, it may be a target for armed robbery, burglary, or other criminal incidents.

- Training - The Security Team will train staff on how to address hostage situations, shooting situations, bomb threats, natural disasters, transportation security, communication and information security and how and when to fill out an incident report form. Staff will be given periodic tests to demonstrate their security knowledge. The General Manager will follow an inspection schedule to monitor threats and vulnerabilities and will keep records of any potential threats or vulnerabilities.

- Testing - Staff will be given periodic tests to demonstrate their security knowledge.

- Inspection - The General Manager will follow an inspection schedule to monitor threats and vulnerabilities.

- Record Keeping - The General Manager will keep records of any potential threats or vulnerabilities.

Worker Safety Standards
The safety of the employees and the public is one of Applicant’s foremost business considerations. Every attempt will be made to prevent accidents from occurring. Applicant’s safety and sanitation SOPs address both OSHA regulations and good laboratory practice. Key personnel will be required to participate in health and safety educational classes for OSHA Certification. All employees will be fully trained in the safe and efficient use of cleaning and sanitizing agents.

Chemical Handling Safety
Safety data sheets (SDS), material safety data sheets (MSDS), and product safety data sheets (PSDS) are an important component of product stewardship and occupational health and safety. They are intended to provide workers and emergency personnel with procedures for handling or working with a substance in a safe manner, and include information such as physical data (melting point, boiling point, flash point, etc.), toxicity, health effects, reactivity, storage, disposal, protective equipment, first aid, and spill-handling procedures.

Applicant SOPs will include reference to relevant SDS applicable to that specific process. In addition, Applicant will maintain a comprehensive database of all SDS in hard copy and keep electronic scanned copies on site. The Quality Assurance Manager will obtain and maintain appropriate SDS and ensure they are readily accessible to employees for the chemicals in their workspace.

Employees will be trained on how to use SDS as part of their orientation process and in specific training provided by their supervisor during the performance of their duties. OSHA has published a brief describing the “Hazard Communication Standard: Safety Data Sheets” that covers the handling and storage of chemicals and outlines the type of information that will be included in the SDS for a chemical. This brief will be provided to all employees in the training process to familiarize them with the format and contents of safety data sheets. SDS will also be included in relevant SOPs and made available in the electronic version as clickable links.
Emergency Response
Applicant has created emergency notification SOPs in cooperation with our security alarm vendors, integrating both standard operating plans for employees and physical alarms within the facility, to ensure timely notification to the City of Lansing and Michigan Bureau of Medical Marihuana Regulation (BMMR), law enforcement, and emergency response professionals. The Security Manager will ensure all equipment is kept in good working order and will have the system inspected by an authorized security vendor at least once a year. The security vendor will repair or replace any failed video surveillance component within twenty-four hours.

In accordance with § 1300.9, all medical marihuana storage areas will be physically separated from the public reception area and the restricted access dispensing area by a permanent barrier. The public reception area will be further segregated from the restricted access dispensing area by second permanent barrier. No marihuana products will be stored, displayed, or transferred in the public reception area of the Provisioning Center.

The provisioning center's alarm system will be equipped with an automatic voice dialer that will generate a prerecorded message to alert key employees and authorities via email, phone, text, or a combination thereof of the event of a facility security breach, employee alarm activation, or alarm system failure, including, but not limited to, power outage, loss of supervision, or connectivity issues.

Facility Security and Crime Prevention
All employees will attend a mandatory security and safety training program regarding personal safety and crime prevention techniques to prevent diversion. The training will reinforce company SOPs establishing a uniform method of notification and response to armed robbery, invasion, burglary, or any other criminal incident, providing the safest possible environment for responding officers and involved citizens. Training may include:
- Evaluation of the facility and premises for areas that may be vulnerable to attack
- Evaluation of suspicious persons, vehicles, or packages
- Locations of the Emergency Alert System and other media devices
- Location of the silent alarms under each point-of-sale terminal and the portable buttons to notify local law enforcement that a robbery is in progress or that there is other need for police presence
- Dispatcher communication
- Logs and information forms that would be helpful to emergency responders such as a Bomb Threat Sheet
- Process of informing staff to stop all activities to avoid activating a bomb
- A map of the pre-determined safe location away from the facility
- Several copies of the floor plan to assist emergency personnel
- Understanding the potential of a community-wide threat
- How to handle potentially false alarms
- Documentation of the incident on the Alarm Log

Employees will be trained to observe the premises for suspicious persons or activity prior to entering the facility. Every day, the opening manager on duty (MOD) will perform a complete
walkthrough of the facility to look for and address potential safety hazards. These inspections will include looking for burned out bulbs, damaged equipment, lack of cleanliness, evidence of pests, and more. Any concerns observed will be immediately corrected when possible, or scheduled to be corrected.

If suspicious activity is noted, the MOD that made the observation will immediately notify Security Vendor of the potential threat before approaching the facility. If Security believes the person or activity to be a threat, the onsite security guard will notify local authorities of the situation. As soon as authorities have mitigated the potentially threatening situation, the opening MOD will file a police report regarding the incident, if required. Once the authorities have cleared the opening MOD, they can enter the facility and record the occurrence in an incident report. The incident will be immediately reported to the City of Lansing and BMMR (when appropriate).

Security training for employees will include procedures for facility inspection at the end of each day. This inspection will include a walkthrough of each room to ensure there are no observed security risks including inoperative security lighting, damaged or inoperative security equipment, or unauthorized persons in the facility.

Employees responsible for closing the Provisioning Center will be trained to view the exterior surveillance monitor to ensure there are no observable security threats, such as suspicious persons or activities taking place near the licensed premises. Closing procedures will also include a final exterior walk around the facility to confirm all entrances and exits are securely locked.

Employees who are required to operate the security alarm system will be trained to activate and deactivate the system, as well as how to respond to burglary, fire, or other emergency that is indicated by the security alarm system.

Once trained, employees that are required to interface with the security alarm system will be issued a unique control panel code, that will identify any actions performed by the employee in the security alarm system. Training of all employees will include the “All-Clear” and “Distress” codes assigned to the facility by the security alarm monitoring company, and the appropriate use of each code in the event of an actual or false alarm.

Employees will be informed of the location and operation of all panic buttons throughout the facility. Some employees may also be equipped with a remote panic button, located on their person. Throughout the business day, a minimum of two employees will be present in the facility, especially during opening and closing procedures. Additionally, Applicant’s security vendors will monitor the licensed premises 24 hours a day, seven days a week, at both occupied and unoccupied times.

Applicant will conduct periodic security and safety drills to ensure that employees know and take the correct action in various situations. Drills will train facility employees to protect themselves and to also observe and review the security procedures for limitations that can be improved by modifications to security systems, altering response plans, or improving employee awareness of safety protocols.
Detecting Unauthorized Entry

Applicant will engage the services of a secondary Security Vendor to install, maintain, and monitor the facility whenever the business is closed. This alarm system will detect movement in all required areas within the Provisioning Center when the premises are vacant. The system will detect unauthorized entry at all ingress and egress points (including roof hatches), and all exterior windows (including skylights) of the premises using passive infrared (or other) motion detectors placed throughout the facility.

The alarm system will be programmed to notify the Security Vendor, the General Manager, and Security Manager, or their authorized assignee, in the event of a breach. If unavailable, law enforcement will be contacted and dispatched as necessary.

Employee Alarm Procedures

The alarm system will be armed as the last person of the day is leaving. The alarm system will be set up to notify the General Manager and Security Manager if it is not armed after a specific time and will be capable of remote arming. The system will also be programmed to arm automatically at a certain time if the alarm is not armed upon exiting the facility or by the specified time.

Employees will be assigned a unique duress code to use in the event of an emergency. If during an emergency, such as a robbery, an employee is being forced to disarm a system by an intruder, they can instead enter their duress code, which will trigger a silent alarm that will dispatch law enforcement and notify the appropriate personnel of the breach.

Panic buttons will be placed strategically throughout the facility to enable staff to trigger an alarm in the event of an emergency. Once pressed, the panic buttons will immediately send text and email alerts to all appropriate security and management personnel. Triggering a panic button will also sound an audible alarm.

System Backup

The facility’s alarm will be equipped with a failure notification system that will provide an email, phone call, or text within five minutes of any failure in the surveillance system. An autonomous power supply will be installed to allow the alarm system to remain active in the event of a power outage for a minimum of 48 hours.

Emergency Operating Procedures

The purpose of the Emergency Operations Plan (EOP) is to organize Applicant’s response to emergencies and disasters while providing for the safety and welfare of its staff and patients. The EOP addresses emergencies and disasters caused by natural or manmade events. The EOP covers the full range of complex and changing requirements prior to, during, and following an emergency or disaster. It sets forth lines of authority, responsibilities, and organizational relationships, and shows how emergency actions will be coordinated among the staff.

As required by § 1300.5 (B)(2), the Provisioning Center General Manager will be designated as the Applicant’s emergency contact person; each Shift Manager will be designated as an alternative in charge if the GM is unable to serve in that capacity.
Specific Job Action Sheets will be available for each employee that instructs them on what to do during a shelter-in-place or evacuation event. These sheets will be kept handy for employees, either at workstations or in Go-Kits. Go-Kits will be prepared in advance and stored within easy reach at each workstation.

Several copies of the EOP will be located around the facility and employees will know where they are kept. Applicant will maintain a system for keeping facility SOPs updated, what documents will be prioritized in case of emergency evacuation, and a plan for transporting these documents to an alternate location in the event of an evacuation (including the name of the person, and an alternate, who will be responsible for this task).

The EOP will anticipate and plan for as many emergency contingencies as possible, particularly from power losses during severe weather. Since power may go out, employees may only bring non-perishable food and water to the provisioning center. The facility will have the ability to communicate without power, cell phones, cable or other hard line telephones by using a battery operated two-way radio or a hand-crank radio and will maintain a supply of working backup batteries. During an extended emergency situation, such as a blizzard, garbage pick-ups will be delayed mitigating issues with the storage of refuse.

The Provisioning Center will immediately identify itself to local utility companies on receipt of its operating license to inform them of the facility’s need for critical services during emergencies. This means that if the power goes off, for example, the facility may be put on a priority list to get power back on as soon as possible. Applicant recognizes the importance of sharing its EOP with local government emergency managers (city and county). This will ensure that emergency responders include the facility when planning for community-wide emergencies. Emergency managers can also help assess local hazard risks and list nearby resources (shelters, transportation, etc.). Emergency plan review and maintenance will be conducted by the Applicant at least once a year; review could include:

- Communications with the local Office of Emergency Management (OEM)
- Close review of evacuation destinations and directions
- Physical plan analysis along with annual fire safety reviews
- Mutual aid agreements with other facilities, agencies, etc.
- Evacuation maps
- Procedures for Sheltering in Place, evacuation, and fire hazards, and any other hazards specific to the region
- Cross-training efforts and cross-coverage assignments
- Review and/or update the following emergency plan information every two months:
  - Contact information and call-down lists for key staff members
  - Contact information for contacting staff families
  - Designated staff and departmental emergency assignments
  - Staff organizational chart
  - Supplies List
  - Extra plastic eating utensils, paper plates, cups, garbage bags, and other dry goods supplies may be needed during ANY emergency.
  - Trash bags
- Flashlights
- Communications Equipment

The Applicant will keep at least one copy of any confidential information off-site in a secure, restricted access location as insurance from loss due to fire. HIPAA laws still apply during disasters, so confidential facility information will not be left unsecured or stored in a manner that allows access to those other than the authorized facility employees.

If there is a hazard within the facility, such as a fire or chemical spill, occupants within the building will be evacuated or relocated to safety. Incidents such as a bomb threat or receipt of a suspicious package may also require evacuation. If a tornado warning is broadcast, everyone will be moved to the strongest part of the building and away from exterior glass. If a transportation accident on a nearby highway results in the release of a chemical cloud, the fire department may warn to “shelter-in-place.” To protect employees from an act of violence, “lockdown” will be broadcast and everyone will hide or barricade themselves from the perpetrator. The emergency plan will include the following protective actions for life-safety:

- Evacuation
- Sheltering
- Shelter-In-Place
- Lockdown

Evacuation
Prompt evacuation of employees requires a warning system that can be heard throughout the facility. Regular testing of the fire alarm system will verify that it can be heard by all employees. In the event of a fire alarm system failure, a public-address system, air horns or other means will be used to warn everyone to evacuate. The facility will be inspected to make sure that there are sufficient exits available at all times. At least two exits will allow access from hazardous areas regardless of position in the building. Exits will be marked with illuminated signs and there will be sufficient emergency lighting to ensure people can safely travel to the exits.

Applicant will conduct periodic drills to ensure employees are familiar with the sound and know how and where to evacuate. An appointed evacuation team leader will establish a safe assembly area for evacuees away from the building. In addition, at least one person will be assigned to each floor or separate activity/work area to act as a “health-and-safety warden” to direct employees to the nearest safe exit. Employees requiring special assistance to evacuate or move to a shelter will be assigned a “buddy,” or aide, to assist them during an emergency. Applicant will work with the local fire department to develop an emergency plan for the evacuation of persons with disabilities.

When employees are evacuated from a building, OSHA regulations require a head count to ensure that everyone has gotten out safely. To make sure all employees are accounted for during an emergency, a list of employees and a visitor log will be maintained at the front desk reception area or main office area. During an emergency an employee will be assigned to take the log to the preassigned evacuation location and to conduct a head count. A fire, chemical spill or other hazard may block exits requiring evacuation teams to direct employees to an alternative safe egress point.
Sheltering
Since there may be little time to shelter during a severe weather emergency, early warning is important. If a severe weather warning is broadcast, the General Manager will sound a distinct signal and everyone will move to shelter in the strongest part of the building. Shelters may include basements or interior rooms with reinforced masonry construction. During periodic inspections, current and potential shelter spaces will be checked to ensure they will hold all employees.

Shelter-In-Place
Applicant will develop a shelter-in-place plan that will include a means to warn everyone to move away from windows and move to the core of the building. Anyone working outside will be told enter the building immediately. After moving everyone to a higher floor (if in a multi-story building) exterior doors and windows will be closed and the building’s air handling system shut down. Everyone will remain sheltered until public officials broadcast that it is safe to evacuate the building.

Lockdown
An act of violence in the workplace could occur without warning. If loud “pops” are heard and gunfire is suspected, every employee will know to hide and remain silent. They will seek refuge in a room, close and lock the door, and barricade the door if it can be done quickly. They will be trained to hide under a desk, in the corner of a room and away from the door or windows. Multiple people will be trained to broadcast a lockdown warning from a safe location.
Diversion Prevention

A medical marijuana business has a primary responsibility to eliminate opportunities for the diversion of flower and other products to unauthorized recipients. In conjunction with our security partners, Applicant has developed and will implement a counter-diversion policy based on best practices in the marijuana industry. Using lessons learned from real situations and example strategies that have failed other businesses, Applicant will avoid repeating other’s failures. Applicant’s counter-diversion strategy is broken into three parts: general rules, internal counter-diversion strategy, and external counter-diversion strategy.

General Rules
All employees will adhere to the Applicant’s general rules, regardless of their position or status within the company. To be effective, counter-diversion strategies must be two-pronged: internal and external. Internal counter-diversion will consist of safeguards within the facility itself and within standard operational procedures (SOPs) to prevent diversion of medical marijuana and medical marijuana products by persons within the company such as employees, contractors, contracted security or transport personnel, visitors, or vendors. External diversion strategies minimize the risk of marijuana or marijuana products being removed or otherwise diverted by focusing on threats from persons not employed or contracted by the company.

Two-Person Rule
Applicant’s internal strategy will rely heavily on the industry standard for high-level asset protection known as the “two-person rule.”

The two-person rule is defined as, “a system designed to prohibit access by an individual to certain limited-access areas and vulnerable medical marijuana products by requiring at all times the presence of two or more authorized personnel capable of detecting incorrect, unauthorized, or criminal behavior with respect to the task to be performed.”

This statement, as well as an affirmation declaring that the employee will not willingly violate the spirit of the two-person rule, will be included in each employee’s new hire paperwork. Prospective employees will sign an acknowledgement of this affirmation before being allowed to work at the Provisioning Center.

Specifically, two people will be required to:
- Make any changes in the quantity of marijuana within the inventory control system.
- Make physical changes in the form of marijuana (e.g., trimming).
- Move medical marijuana to or from a storage or preparation area.
- Move medical marijuana to an area where a change in form is to be made.
- Move medical marijuana from storage to sales floor.
- Engage in any activity requiring weighing, counting or measuring of marijuana or marijuana products.
- Move marijuana waste to a waste disposal area.
- Enter the waste disposal area for any reason.
- Enter a secured medical marijuana storage area for any reason.
- Dispose of marijuana waste.
- Take possession of recalled medical marijuana product(s).
Access Control Policy

Minimizing access to medical marihuana products within the Provisioning Center is a key strategy for eliminating the potential for product diversion to unintended recipients. Access Control allows employees to keep track of who is in the facility, what part of the facility they are accessing, and the reason for the access. Logs will be maintained when employees enter restricted access areas housing the safe or where product is stored. Signs will be clearly posted in the facility to signify the different access areas. Applicant will frequently audit video of daily operations to ensure that employees are following policies restricting access to the established zones in the facility.

The Provisioning Center will be divided into public space and limited access areas, defined by accessibility. The reception area in the front of the facility will be the only public area, separated from the rest of the facility by a locked door that will have an unlocking mechanism on the other side that is only accessible to employees. No marihuana will be displayed or sold in this public area. Any individual wanting to gain access to the Provisioning Center will be required to provide valid identification. Once reception has confirmed the validity of an individual’s credentials (patient, vendors, and employee), the door will be unlocked to allow access into the limited access dispensing area.

Areas past public reception are considered limited access and are subject to Applicant’s visitor policy. Areas where medical marihuana is stored, the safe, and any additional locked rooms are considered restricted access areas, subject to the two-person rule. As such, no one person will be left alone in these rooms for any reason. The following additional security precautions will apply to all restricted access areas:

- The use of a sign in/out sheet that includes:
  - The name of the employees who entered the restricted access room
  - The duration the employees were present in the room
  - The purpose for entering the restricted access area
- Product movements will be recorded within the inventory tracking system (METRC)
- Rooms are to remain secure when not occupied

Access to secure areas will be given only to individuals who demonstrate a clear and present need. The Provisioning Center General Manager (GM) and Security Manager (SM) have ultimate responsibility for issuing access. Issuance will be recorded by the issuing individual, including documentation of any assigned facility keys, alarm codes, electronic access codes, passwords, or combination codes.

Employees will be issued keys, based on their position, for access to specific rooms and storage areas. Managers will have keys to the rooms where product is stored and the code to the safe. Provisioning Center employees are responsible for security and must safeguard keys, access control cards, and security codes at all times. Employees may not provide access through any means to any other person; all keys and access cards issued to employees will be retained in the possession of the employee to whom it was issued and may not be transferred directly from one employee to another. Only managers may grant temporary access to any employee, contractor, or visitor.
Employees must report lost keys or access cards to their manager immediately. The GM and SM will together determine whether the system has been compromised and whether re-keying will be necessary. It will be against Applicant’s policy to duplicate keys, share passwords, or share access codes.

When the business is not open, the SM will ensure that external doors are securely locked and that keys or key codes to the facility remain in the possession of the licensee, licensee’s representative, or authorized personnel.

Should Applicant choose to install electronic access hardware, it will have a failsafe (keys) and will remain in a fail-secure position in the event of a power outage.

Prohibited Items
Consumption of medical marihuana by either employees or customers will be prohibited on the premises in accordance with § 1300.13 (B). The following items are prohibited while inside the restricted access dispensing area:

- Electronic devices such as cell phones, digital media storage devices, cameras, music devices, recording devices, or other devices capable of capturing, recording, or storing information
- Purses, bags, backpacks, or other containers
- Food or drinks, except water in a clear bottle, or doctor-prescribed medicines

Visitor Policy
The Provisioning Center will not be open to public visitors. In accordance with § 1300.9 (E), (F), and (M), all medical marihuana storage areas will be physically separated from the public reception area and the restricted access dispensing area by a permanent barrier. Only individuals possessing a valid medical marijuana registry identification card will be allowed past the public reception area. The public reception area will be further segregated from the restricted access dispensing area by second permanent barrier. No marihuana products will be stored, displayed, or transferred in the public reception area of the Provisioning Center.

Contractors, law enforcement, City of Lansing and BMMR employees, or other individuals authorized by law will be permitted into limited access areas of the facility. Contractors will be required to schedule an appointment to access the facility and present both personal identification and company credentials to the security employee working at the front desk (or receptionist) upon arrival. The security agent at reception will copy or scan the visitor’s credentials, record their identification details on the facility visitor log, and issue the vendor a visitor’s badge. Contractors will be accompanied by a constant employee escort to keep track of their movements. Escorts will be assigned by security and will remain with their designated vendor while work is performed. When complete, the contractor will return their visitor’s badge to security at reception. The facility visitor log will be updated to show the time the badge was returned and the visitor’s final departure time.

Employee Training
Prospective employees will be given initial training by staff before they begin working at the Provisioning Center. Training will include facility-specific and position-related materials.

Prospective employees will be required to pass a quiz to be eligible for their position. As part of the training, mock situations will simulate varying circumstances including, for example, how to prevent diversion. The staff will be trained to prevent and identify potential internal and external forms of diversion by correctly using the electronic inventory tracking system software (METRC), the point of sales system (if applicable), operating plans, log forms, camera and security plans, transport manifest creation, accepting shipments, patient interactions, inventory data reporting, packaging, etc. Employees will be required to sign an affidavit acknowledging they have read the employee handbook and SOPs and that they will comply with the regulatory requirements set forth by the City of Lansing and BMMR. The affidavit will be permanently kept in the employee’s file.

Employees will be trained in recognizing signs of possible internal theft by other employees (and the appropriate reporting procedures) to include:

- Another employee attempts to gain access to areas alone, in violation of the two-person rule
- Another employee’s financial situation seems to have improved in an unrealistically brief amount of time—the employee is making exorbitant purchases that are not likely or possible at their salary level.
- Another employee removes something from a restricted or limited access area without supervisor approval, including trivial things such as a used container.

Employees will be trained in observing patients and caregivers for signs of possible theft (and the appropriate reporting procedures) to include:

- Exchanging money in the parking lot or lobby
- Using a cell phone in the lobby or dispensing room
- Multiple patients/caregivers coordinating purchases together, including the use of obvious hand gestures
- Attempted avoidance of cameras, security areas, or resistance to any security protocol
- Patient has already completed a purchase transaction earlier in the day

Should an employee believe a sale will be diverted to a party other than the designated patient or caregiver, it will be Applicant policy to terminate the sale and to ask the patient to leave the facility. Security personnel may be required to escort an offending patient off the premises. If a patient or caregiver is asked to leave on suspicion of diversion of medical marijuana, the manager on duty will make a note in their patient profile to inform other agents to refuse future sales. If a patient or caregiver is observed giving or selling medical marijuana to another person on company property, the manager on duty will notify the appropriate authorities immediately.

In cooperation with Security Vendor, Applicant will provide training modules on external counter-diversion strategy that will educate employees on:

- Proper reporting procedures for contacting and communicating with law enforcement
- Proper completion of suspicious activity report forms
- Counter surveillance training to identify possible criminal threats (surveillance, stalking)
- OSHA workplace violence and late-night retail violence prevention training modules
Internal Counter-Diversion Strategy

In order to ensure no marihuana or marihuana products are removed by employees or other personnel otherwise authorized to be in the facility, an internal counter-diversion strategy is necessary. The internal counter-diversion strategy will focus on threats from within the company.

Misrepresentation/Diversion of Waste

The misrepresentation of useable marihuana as waste is the most common method of internal diversion. This process may be done internally by Provisioning Center employees avoiding the use of or exploiting the lack of information within the electronic tracking system pertaining to waste.

Employees have an opportunity to divert product between the time the product is deemed "waste" in METRC, but before it is made unusable:
- Log the product (expired edible, product that has been dropped on the floor, packaging is incorrect, product was recalled) as waste and destroyed
- Recover or segregate usable marihuana at the disposal site before it is made unusable and unrecognizable.

Other common ways to divert product and avoid the electronic inventory control system can occur when employees:
- Store small quantities of marihuana in loose fitting clothing.
- Use gloves to collect and use the residual marihuana remnants.
- Steal containers used to store marihuana in order to collect and use the residual marihuana remnants.

To minimize the possibility of the diversion or misrepresentation of waste, Applicant will implement the following measures throughout the facility:
- Tasks to be performed within a limited-access area will be completed using the two-person rule. If an employee must leave a designated area, the other employee must not remain alone in that area. The task will be halted and resumed when two employees are available again. All limited-access areas will remain locked while not in use.
- Tasks will be compartmentalized by process and will take place within defined and separate areas. For example, the shipping area will be separate from the site where waste is made unusable and unrecognizable.
- Employees will be subject to search and random inspections at the request of a manager. Employees will sign an affirmation declaring that they will consent to random searches and inspections as a condition of employment.
- All containers used to store marihuana will be serialized and tracked.
- The area where waste is to be made unusable and unrecognizable will be clearly defined with tape or paint on the floor. This area will be free of clutter or storage to eliminate potential "hiding places" for marihuana to be stored and retrieved at a later date.

Electronic Inventory Tracking System (METRC)
Prior to beginning operations at the Provisioning Center, Applicant will implement METRC, the BMMR-selected inventory tracking system capable of providing inventory management for all forms of medical marihuana products in the facility. The complete chain-of-custody, combined with every transaction being recorded, and regular inventory audits provide a strong basis to prevent diversion, theft, or loss. This technology will enable tracking of every movement of inventory by capturing unique identifiers for every traceable entity such as product, transaction, transfers, transport manifests, purchase orders, adjustments, reconciliation, sales, product recalls, outdated and manual entries and associate these actions with an individual user’s identification, ensuring the quality, security, and traceability of inventory at all times. All employees will receive training in METRC, each employee will have a personal log-in and password that they will not share with anyone.

Applicant will rely on the experience of their selected consultant to help identify critical inputs into the electronic tracking system, ensuring best practices are applied and all medical marihuana product inventory is tracked within the facility. The Inventory Control Manager and the OM will ensure individuals with approved access to the electronic tracking system are properly managing critical input points. This will help prevent diversion of medical marihuana from within the facility, ensuring patient, product, and public safety.

Some of the identified critical input points to the electronic tracking system are:

1. Tracking of received medical marihuana products
2. Tracking of on-hand medical marihuana products available for future sale
3. Tracking of damaged, defective, expired or contaminated medical marihuana products
4. Tracking of returned medical marihuana products to grower/processors
5. Tracking of medical marihuana products dispensed to a patient or caregiver
6. Tracking of all dispensing transactions

**Point-of-Sales**

Applicant will utilize a point of sale system as secondary support software to provide sales information not available within METRC. The point-of-sales system can also be used to create sales reports, calculate business metrics, quotas, and generate inventory reports not available in METRC. Depending on functionality, the system will also be programmed with automatic alerts to prevent sales beyond patient limits and outside permitted hours.

Tracking sales information provides redundancy with METRC improving the accuracy and efficiency of the entire inventory audit process. Weekly checks will be performed on both systems to ensure that the data is consistent and to quickly pinpoint potential theft, loss, or other diversion.

**External Diversion**

In order to ensure no marihuana or marihuana products are removed by burglaries, break-ins, theft, or situations that arise as threats from persons not employed or contracted by the company, the external counter-diversion strategy will focus on threats from outside the company. The external diversion strategy will consist of the facility construction and security system, employee training, and a proper method of creating and compiling a suspicious activity report system.
Security System
Applicant has contracted with Security Vendor to create a plan for maintaining the safety and security of the employees, patients, and caregivers from known potential threats and hazards. This plan will also protect against any known potential threats to Applicant’s facility, physical assets, inventory or transportation from internal or external hazards including but not limited to medical marihuana diversion and workplace violence.

Security Vendor will install, monitor and maintain Applicant’s facility camera monitoring and alarm systems as required by City of Lansing and BMMR regulations; these systems will play an essential role in preventing diversion by stopping unauthorized entry and using video surveillance recordings to detect and prevent an adverse loss. Video cameras will be installed in all limited access areas (all rooms containing medical marihuana, medical marihuana storage, security equipment room, etc.), all entrances and exits to the facility including exterior windows, and any area in the facility where employees are interacting with medical marihuana plants or products.

Applicant’s Security Manager will be responsible for the following duties:
- Maintain and implement security SOPs and training
- Manage security personnel
- Provide training to personnel in risk and anti-diversion matters
- Minimize risks to the premises
- Primary point of contact with security vendors
- Ensure compliance with all security procedures
- Master security technology such as video surveillance, passwords, and point-of-sale applications
- Oversee security of marihuana product and cash both onsite and in transit
- Ensures all systems (surveillance, alarm, and access) are consistently monitored
- Ensures all locks and security equipment are in good working order; performs monthly inspections

Suspicious Activity Reporting System
The suspicious activity reporting system will be put in place so any events that are out of the ordinary or suspicious can be compiled and recorded. The purpose of the suspicious activity report binder will be to compile a record of events, witnessed by employees or recorded on the security and surveillance system, so that a chain of events leading to possible break-ins or internal theft may be identified.
DRUG AND ALCOHOL AWARENESS SUPPORT PLAN

APPLICANT: EDENZ 1 CENTER INC.
6450 S CEDAR ST., LANSING, MI 48911
DRUG AND ALCOHOL AWARENESS SUPPORT PLAN

This is the written Drug and Alcohol Awareness Support Plan for Edenz 1 Center Inc. ("We", "Us", "Our", "Applicant"). This plan addresses and meets the application requirements of the City of Lansing's Medical Marijuana Program Rules and Regulations and intends to address potential substance abuse problems.

INTRODUCTION

A. Overview

People try alcohol and drugs for various reasons, including but not limited to: curiosity, they “want to have fun,” or in an effort to ease pain, stress, anxiety, or depression. While trying drugs or alcohol does not necessarily lead to abuse, each individual is different. Substance abuse and addiction are less about the amount or frequency of drugs or alcohol consumed, and more about the consequences of drug use – for example, whether your drug use is causing problems in your life at work, school, home, or in your relationships. If your substance abuse is causing problems such as those listed above, you may likely be facing a drug abuse or addiction problem. It is important to know that help is available. Do not hesitate to reach out to someone.

Drugs

Drugs are a synthetic mechanism that trigger feelings of happiness. Drugs target the brain’s “reward system” by flooding it with dopamine. Dopamine is a chemical in the brain that communicates information between the brain and the body and affects movement, emotion, motivation, and feelings of pleasure. For example, dopamine is released when you eat something you like or spend time with someone you love. Drugs affect the brain by producing these same euphoric feelings, in surges. Over time, the brain adapts to these dopamine surges by producing less dopamine or shutting down dopamine receptors. The result? More drug use to maintain the dopamine high.

Drug use can also affect other areas of the brain – studies have shown changes in parts of the brain that oversee judgement, decision-making, learning, memory and behavior. This can cause degeneration in the brain overtime, wherein users seek out more drugs, more often, to “feel normal.”

Alcohol

Alcohol is the most commonly used addictive substance in the United States: 17.6 million people, or one in every 12 adults, suffer from alcohol abuse or dependence along with several million more who engage in risky, binge drinking patterns that could lead to alcohol problems.

More than half of all adults have a family history of alcoholism or problem drinking, and more than 7 million children live in a household where at least one parent is dependent on or has abused alcohol.

Alcohol abuse and alcoholism can affect all aspects of a person's life. Long-term alcohol use can cause serious health complications, can damage emotional stability, finances, career, and impact one's family, friends and community. Overtime, excessive alcohol use can also lead to numerous health problems, including but not limited to: chronic diseases such as heart disease, stroke, and liver disease, gastrointestinal issues such as gastritis and pancreatitis and psychiatric problems such as depression, anxiety and suicidal ideations.

Alcoholism has very little to do with the kind of alcohol you drink, how long you have been drinking, or how much alcohol you drink. Rather, it has to do with an uncontrollable need to drink. The feeling can be as strong as the natural and biological need for food and water. It is difficult to overcome and recovery can be a trying process, but with support and treatment, many can address the disease and move forward.

B. Questionnaire

If you are concerned that you may have a substance abuse problem, ask yourself the following questions. Answer yes or no and tally your answers at the end of the questionnaire.

1. My use of alcohol or drugs has increased over the past year.
2. I have used more than one drug at a time.
3. I have attempted to cut down on how much or how often I drink or use other drugs but have not been very consistent.
4. I can’t get through the week without using drugs or alcohol.
5. I have lied or minimized to family or friends about how much, or how often I drink or use other drugs.
6. I drink or use other drugs even when I have planned not to.
7. I have used drugs other than those required for medicinal reasons.
8. I have used prescription drugs at higher doses than recommended.
9. In the last year, I have said to myself or others, "I can quit any time," or, "I don’t have a problem."
10. On more than one occasion I could not remember some things that happened while I was drinking or using other drugs ("blackouts").
11. On more than one occasion, I have said or done things while using alcohol or other drugs that I deeply regret.
12. Sometimes, I feel bad or guilty about my drug or alcohol use.
13. My use of alcohol or other drugs has caused tension or problems in at least one of my most important relationships.
   a. My spouse, parent or other family member has complained about my drug or alcohol use.
14. In the last year, I have missed work or school because of alcohol or other drugs.
   a. I have been in trouble at school or work because of my drug or alcohol use.
   b. I have lost a job or been removed from school because of my drug or alcohol use.
15. I have had accidents or been injured as a result of drinking or drug use.
16. I have legal problems related to drinking or drug use.
17. I have experienced withdrawal symptoms (felt sick) when I stopped taking drugs or alcohol.
18. I have had medical problems as a result of your drug use (e.g. memory loss, hepatitis, convulsions, bleeding, etc.).

C. Results

• If you have answered yes to at least 3 questions, you may be experiencing some symptoms associated with substance abuse. You may benefit from speaking with a substance abuse program in your area about your concerns.

• If you have answered yes to 4 or more questions, this indicates that you are currently experiencing many of the symptoms associated with substance abuse. You should consult your local substance abuse center as soon as possible.

D. Facilities Within 50 Miles of Dispensary

Choosing recovery over addiction opens up a world of possibilities for living a healthy, substance-free life. We have provided the following list of facilities that can help you on your journey with substance abuse. Know that you are not alone and help is always available.

Also know that relapse is a real and viable thing. Relapse however does not signal failure, but rather, that treatment should be reinstated or adjusted to help an individual recover.

**Mid-Michigan Recovery Services**
913 West Holmes Road, Suite 200
Lansing, MI 48910
Phone: 517.887.0226
Toll Free: 800.337.2310
Fax: 517.887.8121
E-mail: info@mmrsinc.org

**Patricia Evelyn Berstch Holy Cross Womens’ Behavioral Healthcare**
3410 Old Lansing Road
Lansing, Michigan 48917
Admissions: 844.4KAIROS | (844.452.4767)
Office: 517.657.2980

**PAR Rehab Services**
3960 Patient Care Dr., Suite 104 and Suite 117
Lansing, MI 48911
Phone: (517) 887-9801
Fax: (517) 887-9826
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Deposit Total Owner Balance: 100,095.00

Loan Total Owner Balance: 0.00
JASON AND ZENA ABRO

NOVEMBER 20, 2017

STATEMENT OF FINANCIAL CONDITION
JASON AND ZENA ABRO

STATEMENT OF FINANCIAL CONDITION
NOVEMBER 20, 2017

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FINANCIAL STATEMENT:
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ACCOUNTANT'S COMPILATION REPORT

Mr. and Mrs. Jason and Zena Abro
6713 Shadowood Dr
West Bloomfield, MI 48322

Jason and Zena Abro are responsible for the accompanying statement of financial condition as of November 20, 2017, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statement nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by Jason and Zena Abro. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial statement.

Supplementary Information
The supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statement. The information is the representation of Jason and Zena Abro. The information was subject to our compilation engagement, however, we have not audited or reviewed the supplementary information and, accordingly, do not express an opinion, a conclusion, nor provide any assurance on such supplementary information.

Jason and Zena Abro have elected to omit substantially all the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the statement of financial condition, they might influence the user's conclusions about the financial condition of Jason and Zena Abro. Accordingly, the financial statement is not designed for those who are not informed about such matters.

Bahoura Barringer, PLC

Bahoura Barringer, PLC
Farmington Hills, Michigan

November 29, 2017
JASON AND ZENA ABRO

STATEMENT OF FINANCIAL CONDITION
November 20, 2017

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SEE ACCOUNTANTS' COMPILATION REPORT
THE ATTACHED SELECTED INFORMATION FORM AN INTEGRAL PART OF THESE STATEMENTS
-139-
JASON AND ZENA ABRO

SELECTED INFORMATION -
SUBSTANTIALLY ALL DISCLOSURES REQUIRED BY GENERALLY ACCEPTED ACCOUNTING PRINCIPLES ARE NOT INCLUDED
NOVEMBER 20, 2017

NOTE 1  SUMMARY OF ACCOUNTING POLICIES

The following is a summary of certain accounting policies followed in the preparation of this financial statement. The accompanying financial statement includes the assets and liabilities of Jason and Zena Abro. Assets are stated at their estimated current values, and liabilities at their estimated current amounts.

Estimated Income Taxes

Estimated income taxes have been provided on the excess of the estimated current values of assets over their tax bases as if the estimated current values of the assets had been realized on the statement date, using applicable tax laws and regulations. The provision will probably differ from the amount of income taxes that eventually might be paid because those amounts are determined by the timing and the method of disposal or realization and the tax laws and regulations in effect at the time of disposal or realization.

Use of Estimates

The preparation of the financial statement requires the individuals to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement. Actual results could differ from those estimates.

NOTE 2  CONTINGENT LIABILITY

Jason and Zena Abro have personally guaranteed loans of various entities they are involved with. The effects of these loans have not been reflected in the statement of financial condition as Jason and Zena Abro anticipate the entities will have the ability to repay these loans without having to honor the guarantee...
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**Total Investment:** $4,137,927
Edens 1 Center INC.
6450 South Cedar Street
Lansing MI 48911

Deposit Total Owner Balance: 100,100.00

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Loan Total Owner Balance: 0.00

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<th>Current Balance</th>
<th>Available Payment Amount</th>
<th>Amount To Int Rate</th>
<th>Mat Date</th>
<th>AcctRole</th>
</tr>
</thead>
</table>
George Brikho
6420 Malvern
Troy, Michigan 48098
586-855-2500
edenzi41t@yahoo.com

Edenz Gardening Center
2011—Present
Owner and General Manager
Oversee all business operations including budgets, inventory, scheduling, ordering, marketing, supervising, planning, and day to day operations.

Evergreen Management and Political Consulting
2016 — Present
Founder and President
Organizing and lobbying for sensible government legislation in Lansing and local municipalities.

Green Magic Gardens
2013—Present
Owner and President
Manage budget, shipping and receiving, marketing, staff, distribution, and sales.

Republican Nominee, 4th District Congressional
2014
Won the primary. Ran a major political campaign. Managed campaign staff. Experienced in all aspects of running a political organization.

Lorelli Law Firm
2009—2010
Clerk
Organized and managed office and staff. Various office skills were utilized including typing, Excel, Word, Publisher, PowerPoint, Access, and QuickBooks.

Buscemis
1996—2009
Owner and Operator
Oversee employees, organize and schedule operations, marketing, budget, and manage finances.

Objective
My extensive experience in management and leadership will be very valuable for the clerk's office. We have an opportunity to make positive changes for our community. I am excited to share my business acumen and professionalism.

References
Available upon request.
George Brikho Bio

George is a lifelong resident of Michigan where he lives with his wife of 13 years and raises four children.

George has invested in his community by establishing and actively managing gardening stores in Madison Heights (2010) and Lapeer (2011). He provides jobs in the community and expert advice to their customers. He has also developed his own products to help his gardening customers with superior plant food under the name Green Magic.

In Oakland, Macomb and Lapeer counties these businesses have participated in the Adopt-a-Highway program. This program is foundational to his interest in being a good steward of our resources and the planet.

His passionate advocacy for others extends beyond gardening. In 2014 George ran for Representative of Michigan’s 9th district in Congress. He was supported by an endorsement from the Republican Liberty Caucus. George has served as a precinct and state delegate since 2014. He has also served on the Oakland County Republican Executive Committee.

George is an active member of St George Catholic Church and Martyr Catholic Church and St Hugo. He has also served as a member of the Chaldean Chamber of Commerce and the Madison Heights Chamber of Commerce and the Knights of Columbus.

He is a passionate patient advocate providing caregiving services since 2009 in the marihuana medical industry. This is coupled with his interest in improving the environment and the quality of our food.

George served a close friend’s brother who was diagnosed with terminal cancer. The family contacted George because his stores have caused him to be known in the community as both an advocate and a subject matter expert. George was able to supply marihuana oil to this patient which allowed the patient to improve the quality and length of his life. After the patient passed, the father of the patient expressed his appreciation for the work George and gave him a token of that appreciation via a knife that was an heirloom of the patient’s family.

A patient with lung cancer has been under George’s care with marihuana oil for the past year. Traditional medicines were not able to cure or manage her cancer and pain medication was not well tolerated. The oil she received alleviated pain allowing her to live more comfortably.

George has also heard some of his customers at the gardening center testify that marihuana products have made a difference in the lives of people who are suffering from addiction to opioids. These life changing stores fuel his passion for this industry.
Jason Abro

(810) 523-6325 | jason.abro@wirelessrevolution.com | 6713 Shadowood Dr, West Bloomfield, MI 48322

Experience

President
Abro Brothers Inc, Wyoming, MI (Retail Management) 2001-Current

President
Abro & Korkis Inc, Wyoming, MI (Property Management) 2005-Current

Partner
Wireless Revolution/Allstar Wireless, Pontiac, MI (Retail Management) 2010-Current

Partner
6450 Cedar LLC, Lansing, MI (Property Management) 2017-Current

Partner
2734 Miller LLC, Muskegon, MI (Property Management) 2017-Current

Partner
23771 Blackstone LLC, Warren, MI (Property Management) 2017-Current

Partner
5124 MLK LLC, Lansing, MI (Property Management) 2017-Current

Partner
12504 Stephens LLC, Warren, MI (Property Management) 2017-Current

Partner
1811 Continental LLC, Muskegon, MI (Property Management) 2017-Current

Community Service

Director
Chaldean Chamber of Commerce, Farmington Hills, MI 2015-Current

Board Member
Chaldean Community Foundation, Sterling Heights, MI 2015-Current

Council Member
Holy Cross Catholic Church, Farmington Hills, MI 2013-Current
Jason Abro

Jason is a lifelong resident of Michigan where he lives with his wife Zena. They have been married 16 years and have 5 children.

Jason is co-owner of several companies, one of which is Wireless Revolution. Operating 43 sprint stores in the Midwest, 32 in Michigan, Wireless Revolution employs over 200 people.

Jason also owns All Star Wireless Inc, which is a master dealer for Metro PCS. Allstar Wireless caters to over 103 Metro PCS retail doors. 68 are in Michigan and the rest are located in Illinois, Indiana, and Massachusetts. These locations employ, in addition to our corporate owned doors, over 300 people.

Working in retail from the age of 16, Jason took ownership of his first business at 19. He has built his success on putting his customers first and always listening to his employees.


Jason serves as a Director on the Chaldean Chamber of Commerce since 2015 and was just reelected in November 2017. He is also on the board for the Chaldean Community Foundation which has helped raise over 2 million dollars for misplaced refugees. In the last two years, the Foundation has helped over 20,000 people and counting.

Jason was also a founding member of Holy Cross Catholic Church. He and his wife Zena both served as parish council members for over 2 years.

Jason has a passion to help and educate others which is driving his passion to venture into this industry. In 2009, his daughter Chloe was diagnosed with cancer. With the help of medicine, doctors, and educating himself, she has been cancer free since.
In addition to advertising on our own website, Edenz' Centers will host a menu of our products on Weedmaps™ and Leafly™. These websites are designed to assist patients in finding provisioning centers in their area, as well as specific products to help treat their symptoms. Leafly™, in particular, offers a wide range of information available for each strain in an extensive, searchable database. Patients can base search parameters on their specific symptoms. Both of these sites include landing pages that require visitors to confirm they are either a registered medical marijuana patient or over the age of 21 to enter.

Edenz Centers will work hard to maintain an excellent reputation for offering high-quality medical marijuana in a safe,-friendly, patient-focused environment. Our concerted efforts will engender word-of-mouth recommendations as the primary mechanism to drive our sales.

8. OWNERSHIP GROUP

George Brihó – Owner

George is a lifelong resident of Troy, Michigan, where he has lived with his wife of 13 years and raised his four children.

George has invested in his community by establishing and actively managing gardening stores in Madison Heights (2010) and Lapeer (2011). He provides jobs in his community and expert advice to his customers. He has also developed his own products to help his gardening customers with superior plant food under the name Green Magic.

In Oakland, Macomb, and Lapeer counties, these businesses have participated in the Adopt-a-Highway program. This program is foundational to George's interest in being a good steward of our resources and the planet.

His passionate advocacy for others extends beyond gardening. In 2014, George ran for Representative of Michigan’s 5th congressional district. He was endorsed by the Republican Liberty Caucus, for whom George has served as a precinct and state delegate since 2014. He has also served on the Oakland County Republican Executive Committee.

George is an active member of St George Catholic Church, Martyr Catholic Church, and Saint Hugo. He has also served as a member of the Chaldean Chamber of Commerce, the Madison Heights Chamber of Commerce, and the Knights of Columbus.

George is a passionate patient advocate, providing caregiving services himself since 2009 in the medical marijuana community. His passion is coupled with his interest in improving the environment and the quality of our food.

George served as caregiver for a close friend’s brother who was diagnosed with terminal cancer. The family contacted George because his stores have given him a reputation in the community as both an advocate and a subject matter expert. George was able to supply marijuana oil to this patient, which allowed the patient to improve the quality and length of his endangered life. After the patient passed, the father of the patient expressed his appreciation for the work George did by giving him a family heirloom as a token of that appreciation in the form of a knife that had been passed down from father to son in the patient’s family.
A patient with lung cancer has been under George's care with marihuana oil for the past year. Traditional medicines were not able to cure or manage her cancer and pain medication was not well tolerated. The oil she receives has alleviated her pain allowing her to live more comfortably.

George has also heard some of his customers at the gardening center testify that marihuana products have made a difference in the lives of people who are suffering from addiction to opioids. These life changing stories continue to fuel his passion for the Cannabis industry.

Jason Abro – Owner

Jason is a lifelong resident of Michigan where he lives with his wife Zena. They have been married 16 years and have 5 children.

Jason is co-owner of several companies, one of which is Wireless Revolution, operating 26 stores in the Midwest. In Michigan, Wireless Revolution employs over 200 people.

Jason also owns All Star Wireless Inc, which is a master dealer for Metro PCS. Allstar Wireless caters to over 103 Metro PCS retail doors. 68 are in Michigan and the rest are located in Illinois, Indiana, and Massachusetts. These locations employ, in addition to our corporate owned doors, over 300 people.

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Jason was also a founding member of Holy Cross Catholic Church. He and his wife Zena have both served as parish council members for over 2 years.

Jason has a passion to help and educate others which is driving his passion to venture into this industry. In 2009, his daughter Chloe was diagnosed with cancer. With the help of medicine, doctors, and educating himself about cannabis and cancer, she went into remission and has been cancer-free since.
EDENZ

Security Plan
Addressing the Needs of Edenz 2 Center Inc

5124 South Martin Luther Boulevard, Lansing, MI 48911
December 12, 2017
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EXECUTIVE SUMMARY

Strategic Value: Why Is This Plan Important
The building at 5124 South Martin Luther King Boulevard, Lansing, MI 48911 is the anticipated location of Edenz 2 Center Inc. If approved and licensed, management is going to remodel and use of this building as a medical marijuana dispensary/provisioning center.

Management not only needs this plan for its application, but it considers the safety and security of its patients, employees, and the medical cannabis as the business's top priorities.

This security plan is critical because it mitigates any physical security gaps within the facility as well as in the immediate exterior of the building.

Origin
On November 28, 2017, WJ Cousins & Associates was formally engaged to design a physical security plan, addressing both the facility's interior and exterior.

Scope of Assessment
The team from WJ Cousins & Associates has designed a physical security plan that mitigates potential problems from criminal activity, either from an insider threat or from an external source. Specifically, we have:

- Designed a plan that prevents the theft or diversion of medical cannabis and that assists law enforcement and regulators
- Designed a methodology for record-keeping, tracking and monitoring inventory that discourages unlawful activity
- Designed a security plan for the entire facility that protects patients, employees, product, and shipping transportation
- Designed a security plan that utilizes technology, such as a security surveillance system and an access control system
- Set security standards for the arrival and departure of a secure transport as well as for the proper destruction of old or unusable product.
- Designed a plan that provides a safe, secure environment for patients and employees.

INTRODUCTION

Our Methodology for Vulnerability and Risk Assessments
At WJ Cousins & Associates, our way of assessing facilities' physical security risks and needs

Proprietary and Confidential
is based on more than 40 years of experience. We begin by identifying and assessing potential risks by examining vulnerabilities and evaluating the extent to which security measures, if properly employed, can effectively mitigate any potential violations. We then recommend these measures to our client. If requested, we will ensure these new measures or recommendations are properly employed by acting in an advisory or supervisory capacity.

Additionally, we are available to conduct periodic reviews to ensure that recommendations are performing to expectations.

For this project and all projects of this nature, WJ Cousins & Associates employs the time-proven methodologies used by the United States Secret Service, which involve the basic principle of three concentric circles of security, allowing for an outer, middle, and inner perimeter. This provides for maximum security, resulting in 360 degrees of coverage.

Our Philosophy: Be Proactive Not Reactive
At WJ Cousins & Associates, we believe that a security plan should be designed and implemented to be proactive, not reactive.

For over 150 years, the entire protection and security philosophy of the United States Secret Service has been based on the principle of prevention. In short, if unnecessary risks are minimized, the likelihood of having a safe, secure environment will greatly increase. This fundamental principle has served the agency so well over the years that it has been embraced by the military, law enforcement agencies, and some security firms and corporations.

If designed by an experienced security professional, proactive or prevention-based programs can be established that blend well with both the business and cultural needs of the client.

We routinely adhere to best practice recommendations that are set forth by the American Society for Industrial Security (ASIS). ASIS is an International organization of security professionals that sets security standards worldwide.

GENERAL ENVIRONMENT

Building Geographical Location and General information
The building is a single story with 2567 square feet. It is primarily composed of wood and siding. The roof has a steep pitch and is constructed of asphalt shingles and plywood.

The building is on the west side of S. Martin Luther King Blvd, just south of W. Jolly Road. The front entrance of the building faces the south driveway. The entrance into the parking lot is gained from S. Martin Luther King Boulevard via the driveway on the north side of Edenz 2. The driveway is shared by both the subject building and a CVS Pharmacy, which is on the north side.

The Immediate neighborhood is described best as a combination of small businesses. Private residences are located in the subdivision to the west of the building.

Proprietary and Confidential
The Edenz 2 Center Inc. will operate within the specified city ordinance hours, daily from 10:00 am to 8:00 pm.

Community Impact

The Edenz 2 Center Inc. at 5124 S. Martin Luther King Blvd., Lansing, MI will have a positive impact on the neighborhood and the community in general. The structural and security upgrade investment is anticipated to be approximately $40,000.00. The exterior cameras of Edenz 2 Center will provide a safer environment for the neighborhood; Edenz 2 camera recordings will be made available to the Lansing Police Department in the event that it is investigating criminal activity in the area. Additionally, Edenz 2 will employ after hours' roving security patrols for this location and the locations at 6450 S. Cedar, Lansing, MI. This security presence not only protects the investments in the two Edenz Centers, but also assists in the protection of the businesses and neighborhoods surrounding the buildings. The security teams will act as the eyes and ears of the police, notifying them in the event of suspicious activity.

Traffic patterns in the area will not be affected. The current driveways, which allow for ingress and egress off Martin Luther King Blvd., are more than adequate to handle any traffic volume. There is ample parking on the premises, so there will not be a backup of traffic.

It is the intent of Edenz's ownership to become fully engaged with the community by being proactive as a good corporate citizen. Edenz will support such efforts as neighborhood or community fund raisers, contributions to the police and fire funds, and participating in social causes, such as providing economic support for homeless shelters and food banks.

Owners and management remain committed to supporting the neighborhoods and residents of Lansing.
Criminal Activity

Examining the local crime statistics is a critical part of a vulnerability assessment. Criminal activity can be used as an indicator of potential risks to a facility, staff, and visitors. Examining the types of crime that are occurring in the environment surrounding the facility can assist in determining immediate and future threats. This information also assists in determining what security measures should be put in place to help mitigate potential threats.

According to www.bestplaces.net, "Lansing, Michigan violent crime, on a scale from 1 (low crime) to 100, is 89. Violent crime is composed of four offenses: murder and non-negligent manslaughter, forcible rape, robbery, and aggravated assault. The US average is 31.1." 

"Lansing, Michigan, property crime, on a scale from 1 (low) to 100, is 48. Property crime includes the offenses of burglary, larceny-theft, motor vehicle theft, and arson. The object of the crime is the taking of money or property, but there is no force or threat of force against the victims. The US average is 38.1" (www.bestplaces.net).

Based on the statistics above, the city of Lansing has a significant criminal activity problem. Overall, this is a significant factor when you include the fact that Eden 2 Dispensary will contain large quantities of medical marihuana and currency. Security must therefore operate at a heightened level.

2015 Crime Statistics from Bestplaces.net- Google Maps
Security, Law Enforcement, and Fire Department

Local law enforcement is handled by the Lansing City Police Department. The department headquarters is located at 120 W. Michigan Ave., Lansing, MI 48933, approximately 4 miles from Edenz 2 Center, with a normal drive time of approximately 8 minutes. Lansing PD is a full service police agency with uniformed patrol, an investigative unit, and a specialized unit. Currently the department has approximately 160 sworn officers. The department is fully capable of handling any emergency situation.

Fires and medical emergencies are handled by the Lansing Fire Department. The department has a staff of approximately 209 officers in six stations that are staffed 24/7. This full time professional fire department performs firefighting as well as the EMS and Fire Marshall functions. In the event of an emergency, the stations located at 120 E. Shiawassee, Lansing, MI, will be the most likely to respond. These stations are approximately 5 miles away (or nine minutes from) the Edenz 2 Center.

Private security will be contracted for the site upon issuing of the required license and the building being approved for business. During business hours, an officer will be posted within Edenz 2, acting in a security capacity to greet patients and to ensure that they have their identification and state issued medical marijuana card. After hours, the security company will be present to patrol the exterior of the building.

OUTER PERIMETER

Perimeter Lighting

Currently, the building has three lamps, which are attached to the exterior walls. One is attached to the north side, one is attached to the south side, and the remaining lamp is attached to the west side.

These lamps will be replaced with eight (8) more modern and efficient lamps. They will be mounted to the walls and rear roof to provide 360 degree lighting, which will cover the entrances/exits, driveways, and parking area. See photos below and on the next page.
Utility Lines
The power and gas lines going into the building are exposed on the south side of the building. These lines will be relocated underground and will not be exposed, which will deter tampering. See photo on the next page.
Additional Security
On the west side of the building, the existing structure has two roll up garage doors, which creates a potential security gap. These doors will be removed. A solid wall will be built to secure the building. See photo below.
Entrance and Exits
Edenz 2 will have three exterior doors, two on the north side and one on the south side. The door on the northeast side will be utilized for deliveries, such as secure transport and other business related deliveries. As it exists now, this door is made of metal in a metal frame. The door will be replaced with a newer commercial-grade metal door with a peephole. The door will be secured with an electric strike plate lock. Access through this door will be via a key fob and reader. See photo below.
The door on the northwest side will be used only as an emergency exit. The current door is made of glass with a metal frame. This door will be replaced with an all metal commercial-grade door with a panic bar on the interior side. See photo below.

The door on the south side of the building will be used as the main entrance for Edenz 2 Center. This door will be used by patients. The existing door, which is glass in a metal frame, will be replaced with a metal, commercial-grade door with a peep hole. The locking mechanism for the door will be an electric strike plate. The door will be controlled by a key fob and reader.
Windows

Unless otherwise required by fire code, Edenz 2 Center Inc. will not have any exterior windows. This will be an added security measure to help minimize potential breaking and entering.

Roof Top

The roof is composed of standard plywood and shingles. Because of its angle/pitch, making it difficult to break and enter into the building through the roof. Security for the roof top is covered under the Technology/Camera section of this plan.
MIDDLE PERIMETER

Lobby/Reception Area
The lobby/reception area will be separated from the retail sales floor and the office area by floor to ceiling walls. This area will also contain a lavatory, furnace room, and closet for general storage. The lobby/reception area will act as a lounge area for patients to wait until a position and employee become available in the sales area.

Adjacent to the lobby, a metal security door will separate the lobby area from the office area that contains the safe/vault, IT server, camera monitors, and management office.

Patients will arrive through the main entrance and be greeted by a security officer. The officer will request to see the patient's identification and medical marihuana card. Once this has been done, the patient will be guided to the reception desk. At this location, the patient’s identification will be rechecked and the patient will be given a random number. When a position in the retail sales area becomes available, a monitor in the waiting area will display the next patient's number. Using a key fob and reader, the security officer will grant the patient entry into the retail sales floor.

CCTV camera coverage is provided in these areas. Refer to the Security Technology section of this plan for details.
INNER PERIMETER

Retail Sales Floor
Security for the retail sales floor is controlled by a combination of CCTV security cameras, access control, and panic alarms. Every area has cameras that provide overlapping coverage. All Point of Sales locations are have security camera coverage. Refer to the Security Technology section of this plan.

The storage room area will contain a DEA rated vault and work area. Security is provided here by CCTV security cameras and panic alarms. Refer to the Security Technology section of this plan.

NOTE: Only a minimal amount of marihuana products will be on display. All marihuana stock will be kept in the DEA rated vault in the secured storage room. No marihuana product will be visible from the front of the building.

Main Office-Safe/Vault
As noted in the section, "Middle Perimeter," the main office is adjacent to the lobby/waiting room area. The office is separated from the lobby/waiting room by a floor to ceiling wall, which covers the entire length of the rooms/buildings. The office features a commercial grade security door that is controlled with a key fob and reader, which is mounted on the wall.

At least one safe/vault will be placed in the main office. The safe/vault will meet or exceed DEA TL-15 standards to secure schedule 1-5 narcotics as well as currency. The safe/vault will weigh in excess of 750 lbs. and will be secured to either the wall or floor. The safe room will have security grade steel mesh surrounding it on all four walls and ceiling.

TL rated safes are combination lock safes that offer protection against combinations of mechanical, electrical, and cutting tools. Safes with a TL rating will resist abuse by a variety of tools depending on classification, from picking tools to hand tools, mechanical or electrical tools, grinding points, carbide drills, pressure-applying devices, cutting wheels, power saws and impact tools.

The office also will contain the IT server, which will be secured in the safe/vault room. Access to this room will be secured and have surveillance camera coverage. Refer to the Security Technology section of this plan.

SECURITY TECHNOLOGY

Cameras
The security plan for Edenz 2 provides for Internet Protocol CCTV coverage for both the exterior and interior of the building. The system will include video monitors, digital archiving devices, and a color printer capable of delivering still photos. The system will be made accessible to police and regulatory officials.

Proprietary and Confidential
The camera and recording system will run 24/7 and provide evidentiary quality images that clearly identify the individuals in the recordings.

The surveillance system will be equipped with a "failure" notification system, which will immediately alert ownership and management if there is an interruption or failure of the video surveillance system or video surveillance system storage device.

The video surveillance system will include a Network Video Recorder capable of meeting or exceeding requirements as well as a color that will have the capability of delivering still photos.

All media related to the surveillance cameras will be stored in a secure manner. This security measure will include keeping the media in a safe or vault or secured in the locked, secured server room.

All cameras will be permanently mounted in fixed locations.

All recordings will be retained for a minimum of 14 days.

Areas covered by CCTV include but are not limited to:

- Storage area where the surveillance system is stored
- All areas where marijuana products are weighed, packed, stored, loaded/unloaded for transportation, and prepared or moved within the facility.
- Point of Sales areas
- Safes/Vaults and any location where currency is used for a transaction or stored
- Entrances, exits and parking areas

Ownership will designate at least one management person to be responsible for maintaining a log of all recordings which will include:

- Identities of the employees responsible for monitoring the video surveillance system
- Identity of the employee who removed the recording from the video surveillance system storage device and the time and date removed
- The identity of the employee who destroyed any recordings

The security plan prescribes a total of 24 cameras, which are fixed to the exterior and interior of the building. All cameras are equipped with a "smart infra-red" for viewing in darkness.

The plan includes eight 4-mega-pixel cameras permanently attached to the exterior of the building, providing 360-degree coverage. Two are located on the east side of the building (covering the east), two are located on the north corners of the building (covering the north area), two are on the west corners of the building (covering the west and parking area) and two are located in the south corners. Additionally, camera coverage is provided for the exterior entrances on the north side entrance and the south side main entrance.
The interior of the building has 16 4-mega-pixel fixed cameras, providing coverage as follows:

- Two cameras cover the entrances/exits on the north and south side.
- One camera covers the secure vault room that contains the vault and IT Servers/NVR.
- One camera covers the manager's office.
- Two cameras provide coverage for the main lobby area.
- Ten (10) cameras cover the retail sales floor, including the floor, entryway from the lobby, and all Point of Sale locations.

Refer to the attachment, which details camera placement.

Access Control: FOBS and Keys
Access into the suite will be accomplished via a key fob and reader. As a backup measure, the standard lock and key format will be available. The lock will be of a security grade electric strike.

The door from the lobby reception area into the retail sales floor will be controlled via key FOBS/reader, and it also has an electronic door strike that can be controlled from the reception window area.

The remaining interior doors, storage room, and rear door will be controlled via the FOBS and electric door strike.

Only designated individuals who work at Edenz 2 will be issued a FOBS. In the event an individual who has a FOBS leaves employment, management will immediately disable the FOBS.

The plan has a total of five FOBS readers located as follows: one for the north exterior door, one for the south exterior door, one for the secure vault/IT NVR storage room, one for the manager's office, and one for the door that separates the lobby area from the retail sales floor.

Please refer to the attachments for specific locations of the access control technology.
intrusion Alarms

For Intrusion type alarms, the security plan prescribes six motion detectors, three door contact- or door position-switch alarms and three audible alarms.

Motion detectors are located as follows: one in the safe/vault room, two in the manager's office, one in the lobby area, and two in the retail sales floor.

Door contacts are located at the north and south entrance as well as at the emergency exit door on the north side.

Edenz 2 will contract with Emergency 24, who will be contacted in the event that an alarm is activated. Emergency 24 will call the Lansing Police Department in the event of an alarm. After hours, Emergency 24 also will notify the contracted company who provides a roving patrol. Refer to the attachments for the alarm system for details.

Panic Alarms

Five Panic or Hold-up alarms will be discreetly located in the retail sales area, cash registers, and Point of Sale locations. They are specifically designed to prevent accidental activation by unintentional touching of the button. If an alarm is activated, Emergency 24 will notify the Lansing Police Department of the alarm.

Refer to the Interior Security Device attachment for placement of the alarms.

EMPLOYEE BACKGROUND SCREENING

To help prevent product diversion or theft, management will conduct pre-employment screening of all employees. The background will examine the Individual's civil and criminal records.

Individuals who have been convicted in the last 10 years of a felony or 5 years for a misdemeanor involving theft, controlled substances, dishonesty, or fraud will not be hired.

Proprietary and Confidential
INVENTORY CONTROL/ANTI-DIVERSION PROTOCOL

All product will be monitored and controlled while at Edenz 2 Center. Edenz 2 will utilize a four-tier "checks and balance" process to eliminate the potential of employee diversion or theft. This process includes the Metric System, multiple employee witnesses to the transfer/transaction, CCTV System, and a weekly audit of all inventory.

SECURE TRANSPORT ARRIVAL/DEPARTURE PROTOCOL

Protocol for deliveries
- Upon receiving a delivery from the secure transport, an Edenz 2 employee will inspect the delivery to ensure it is the correct strain of marihuana or product and quantity ordered and logged in the Metric System. This transaction will be witnessed by another employee of Edenz 2.

- The employee will then accept the delivery entering it into the Metric System via RFD or online.

- The medical marihuana will then be secured in the DEA safe previously described in this plan.

- The transfer will be monitored and recorded by the CCTV system located in the secure room.

- Additionally, the transfer will be recorded either manually or electronically via a proprietary recording system.

Protocol for medical marihuana leaving Edenz 2 Center
- The medical marihuana will be removed from the DEA rated safe. The exact data of the marihuana product will be entered into the Metric System as leaving Edenz 2.

- The secure transport will acknowledge receipt of the product by scanning it into the Metric System as required.

- This transfer will be witnessed by another employee of Edenz 2.

- The transfer will be monitored and recorded by the CCTV system located in the secure room.

- Additionally, the transfer will be recorded either manually or electronically via a proprietary recording system.

Protocol for medical marihuana sales at Edenz 2 Center
- The patient provides the required identification and state issued medical marihuana card to the security officer greeting him/her in the lobby.

- The patient then proceeds to a check in desk (in the lobby) and again presents the required identification and state issued medical marihuana card. The patient is assigned a random number.

- The patient is then directed to the waiting area.
• When availability becomes available in the retail area, the patient’s randomly issued number appears on a TV monitor in the waiting area.

• The patient approaches the security officer, who lets the patient into the retail area.

• The patient meets with an employee of Edenz 2 to make a purchase.

• The patient pays for the purchase at which time the employee takes the cash and places it into the safe.
  
  o This transaction is monitored and recorded by the surveillance camera system.

  o This cash transaction is recorded into a proprietary accounting system.

• The employee obtains the required medical marihuana from the safe in the secure room and enters the transaction into the Metrc System as well as the proprietary system.

• The entire transaction process is monitored and recorded by the CCTV system and witnessed by at least one other employee.

• Once the transaction is complete, the patient exits the sales floor and then out the building.

Inventory control audit procedures

• A comprehensive audit of all inventory will be conducted every five days.

• Two employees will be designated to audit the medical marihuana products that are still in inventory. One employee will conduct the audit while the other acts as a witness.

• A daily audit will be conducted at least two times per day. The first audit will be conducted mid-day and the other audit will be conducted at closing time.

• Employees will compare the “on hand” medical marihuana products to the records kept both in the Metrc System and in the proprietary system.

• If a discrepancy is found, employees will immediately notify management who will then initiate an investigation to determine the reason for the discrepancy.

• If during the investigation process it is determined that theft or diversion is the reason for the discrepancy, management will immediately notify the proper law enforcement and regulatory authorities. The authorities will then initiate the proper criminal investigation.

NOTE: Only a minimal amount of medical marihuana will be present on the sales floor, which will help to reduce diversion.
CASH HANDLING PROCEDURES

This section addresses the proper procedures for the safe handling of cash for patient purchases as well as for cash being moved out of the provisioning center.

Patient purchases

- The employee always will require the patient to pay before receiving the medical marihuana.
- Once the employee receives payment, the employee will count the money in front of the patient.
- The employee will enter the purchase amount into the Metrc System (if applicable) and/or into the proprietary recording system.
- The employee will immediately take the money into the secure room and place it into the vault and return with the purchase.
- The entire purchase and movement of the money will be recorded on the CCTV system.

Cash transfers

- All cash transfers will be conducted with a licensed secure transport company.
- The cash will be placed in an approved locked container for transport.
- If applicable, all cash transfers will be entered into the Metrc System. If not, they will be recorded into the proprietary recording system.
- All cash transfers will be witnessed by two employees, who will be identified in the record system.
- All cash transfers will be conducted in the secured storage area, which is monitored by CCTV cameras.
- The arrival/departure protocol used by the secured transport company will be identical to the protocol used for delivery of the product, which is through the rear doors of the building and provisioning center.

DESTRUCTION OF PRODUCT PROTOCOL

Solid marihuana waste will be processed through a shredder, mixing it with inert paper products. The mix will then be blended with dirt or cat litter and placed in an approved container for proper destruction.

Liquid marihuana product will be placed into a container and mixed with dirt and/or cat litter.

Destroyed product will be turned over for proper destruction as compost.
All destruction processes will take place in the secured storage area and witnessed by two employees who will sign or initial the internal proprietary inventory log.

All disposals will be entered into the Metro System as required by state regulations.

The process will be recorded into the required Metro System statewide medical marijuana tracking system.

Final disposal of the mixed waste will be in compliance with the state of Michigan or local guidelines.

OPENING AND CLOSING PROCEDURES—EMPLOYEE SECURITY

This section outlines the procedures to be used by employees for opening and closing the provisioning center. A minimum of two employees must be present to open or close the center.

Management and employees will establish code words that indicate everything is “all clear” or if there is a “problem.” During any portion of the below procedures, the employees should not hesitate to use the code words.

Opening procedure
- The first employee who arrives at the center will drive through the parking lot to determine if there are any suspicious persons or vehicles.
- If a suspicious person or activity is observed, the employee will not park and exit the vehicle.
  - The employee will wait for the arrival of another employee and security. If the situation appears urgent, the employee will call the local police and report a suspicious person or activity.
  - The employees will wait until the police arrive and investigate/clear the situation.
- Upon arrival and when the employee or manager sees that the area is safe, the manager or employee will enter the building through the door on the east side. At least one employee will remain in the parking lot to observe.
- Once inside, the manager or employee will deactivate the alarm and ensure that the interior of the building is secure.
  - If there is a problem, the manager or employee will give the code word indicating there is a problem in the building.
- The manager or employee will then give the all clear signal to any employees waiting in the parking lot to come into the building.
  - The manager or employee will use the camera system to monitor the remaining employees as they enter the building.
- The security officer will take a position near the east side door.
Closing Procedure

- At closing time, employees, with the assistance of security, will ensure all patients and visitors have left the building.

- All cannabis and currency will be placed into the safe and locked.
  - This activity should be recorded in the Metrc System.
  - All closing activities will be monitored and recorded by the camera surveillance system.

- After all medical marijuana and currency have been secured, employees, with the exception of the manager, will exit the building via the east side door.
  - These employees will be escorted to the parking lot by the security officer.
  - The manager, who remains in the building, will monitor the employees who leave using the camera surveillance system.
  - Employees will wait in their vehicles until the security officer goes back to the east side door.
  - The manager on duty will then set the alarm, exit, and lock the building.
  - Once the manager on duty has exited and reached his/her vehicle, all employees may leave for the night.

- If at any time an employee observes suspicious activity, s/he should immediately notify the police.

- ALL MOVEMENTS WILL BE MONITORED AND RECORDED BY THE CAMERA SURVEILLANCE SYSTEM.
Delivery Confirmation™ Service Number:
9405 5116 9900 0757 6871 68
Priority Mail 2-DAY with USPS TRACKING #
Electronic Service Fee: $0.00
Total Postage and Fees: $8.33
Weight: 1 oz
Print Date: 12/03/2018
Mailing Date: 12/03/2018

From: Chris Swope
Lansing City Clerk's Office
124 W Michigan Ave Floor 9
Lansing MI 48933

To: Edenz 2 Inc.
c/o George Brikho
6420 Malvern Dr.
Troy MI 48098-2141

*Regular Priority Mail 2-DAY Service postage rates apply. There is no fee for Delivery Confirmation™ service on Priority Mail services with use of this electronic shipping label. Postmark required if fee refund requested. Delivery Information is not available by phone for the electronic option.

Instructions:
1. Adhere shipping label to package with tape or glue - DO NOT TAPE OVER BARCODE. Be sure all edges are secured. Self-adhesive label is recommended.
2. Place the label so it does not wrap around the edge of the package.
3. This package may be deposited in any collection box, handed to your mail carrier, or presented to a clerk at your local Post Office.
4. Each confirmation number is unique and can be used only once - DO NOT PHOTOCOPY.
5. You must mail this package on the "mail date" that is specified on this label.
December 3, 2018

Edenz 2 Center Inc
C/O George Brkalo, Jr.
6420 Malvern Drive
Troy, MI 48098

Dear Provisioning Center Applicant,

I have reviewed the report and recommendation of the hearing officer on your appeal of the Scoring and Ranking denial of your application to operate a Medical Marihuana Provisioning Center in the City of Lansing at 5124 S Martin Luther King Jr Blvd. I have determined your appeal is denied.

You have the right to appeal this denial of licensure to the Medical Marihuana Commission within thirty (30) days of the date of this letter by filing a written statement to the Commission with the City Clerk's Office. The Medical Marihuana Commission Appeal will become a matter of public record. The Commission's review of an appeal shall not be de novo. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope

Chris Swope, CMMC
City Clerk

cc: M. Yankowski, Lansing Police Chief
    J. Smiertka, Lansing City Attorney
CITY OF LANSING
HEARING OFFICER
DECISION RECOMMENDATION

In Re: EDENZ 2
Provisioning Center Application
Licensee Scoring and Ranking Denial

The within decision is for purposes of recommending a decision to the Lansing City Clerk on an appeal of a denial of a license under the provisions of the Lansing Medical Marihuana Establishments Ordinance. (Chapter 1300) This decision is a Recommendation for a decision to the City Clerk provided authority to appoint a hearing officer to hear and evaluate the appeal and make such a recommendation. (Section 1300.15(c)). It is recommended that 74 of 100 points be awarded in the scoring of the within application. This is an inadequate number of points to meet the threshold for further consideration. This Recommended decision is to deny the appeal of the applicant Edenz 2 Inc. for a license to run a Provisioning Center at 5124 South Martin Luther King Jr. Blvd based upon the current application and record.

PRELIMINARY DISCUSSION

The within Recommendation is pursuant to the Lansing Medical Marihuana Establishments Ordinance. Section 1300.15 (c) provides the specific authority of appointed hearing officers. It states:

"Appeal of denial of an application or revocation of a license: the City Clerk shall notify an applicant of the reason(s) for denial of an application for a license or license renewal or for revocation of a license or any adverse decision under this chapter and provide the applicant with the opportunity to be heard. Any applicant aggrieved by the denial or revocation of a license or adverse decision under this chapter may appeal to the City Clerk, who shall appoint a hearing officer to hear and evaluate the appeal and make a recommendation to the Clerk. Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action complained of has been mailed to the applicant's last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The Clerk shall review the report and recommendation of the hearing officer and make a decision on the matter. The Clerk's decision may be further appealed to the commission if applied for in writing to the commission no later than 30 days from the Clerk's decision. The review on appeal of a denial or revocation or adverse action shall be by the commission pursuant to Section 1300.03. Any decision by the commission on an
appeal shall be final for purposes of judicial review. The Clerk may engage professional experts to assist with the proceedings under this Section 1300.15.

The Ordinance provides multistage process for an Applicant to address the evaluation of an application for a license. It includes:

1. An initial decision;
2. The Recommendation of an appointed Hearing officer;
3. The review by the City Clerk; and,
4. The final determination resting with the Commission.

Final judgment rests with the Commission under the Ordinance. The stages give the Applicant an opportunity to present clarification to the ultimate body lawfully holding the final authority to grant or deny a license under the application. There has been no authority presented to call in to question the legality of the mechanism created.

Provision 1300(5)(b) of the Ordinance requires the application to contain “all” required material in conjunction with the original application. Section 1300.15 provides the mechanism for appeal stating:

"Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action complained of has been mailed to the applicant's last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The Clerk shall review the report and recommendation of the hearing officer and make a decision on the matter."

No new evidence is accepted upon appeal. The application stands on its merits based upon the evidence submitted at the time of the original application.

The process used to evaluate and consider applicants for licensure are set forth in Section 1300.05. It indicates that:

“(a) The City Clerk shall assess, evaluate, score and rank all applications submitted according to the provisions of this chapter. No application shall be accepted for assessment, evaluation, scoring, and ranking unless such application contains the approvals required by Section 1300.05.

(b) In its application assessment, evaluation, scoring, and ranking, deliberations, the Clerk shall assess, evaluate, score, and rank each application based upon a scoring and ranking procedure developed by the Clerk consistent with the requirements, conditions, and provisions of this chapter in each of the
categories set forth below in this subsection. Overall scoring and ranking shall be conducted and applied by the Clerk on the basis of assigned points from zero points to 100 points with the lowest overall total score as zero points and the highest possible total score being 100 points..."

***

(c) Based upon testimony, written and oral comments from the public, Planning Board review, maps, historical data, Council committee deliberations, and public hearings, the City Council finds and determines that it is in the public interest and serves a public purpose that the maximum number of licenses issued for medical marijuana provisioning centers shall be capped at 25, and implemented in a two-phase process in order to balance serving patients' needs and spreading economic development.”

Section 1300.01 sets forth the legislative intent of the ordinance, which must be considered in it’s implementation. It “…declares that economic development, including job creation and training, and the protection of the public health, safety, and welfare of City neighborhoods and residents are public purposes.” This intent is embodied in the evaluation process, and provision (c) of Section 1300.15. The Ordinance contemplates more than a simple list of criteria that will be met for a license.

The ordinance clearly intends a competitive determination for a limited number of licenses to be granted within the limits of Lansing. Any applicant is put on notice of a competitive evaluation between applicants based upon the specified scoring criteria. The specific criteria are neither arbitrary nor lacking in transparency. Scoring will necessarily represent a comparative evaluation with other Applicant submissions. The criteria for scoring is readily identifiable. (See specifically Section 1300.05 and 1300.06). Similar to a competitive bidding process, the criteria for the competition must be supplied and met, but the successful bid cannot be known. An element of discretion is evident in final selections.

The evaluation by a hearing officer falls essentially into three basic categories in the appellate process. First, legal analysis. The evaluation of legal arguments for correctness and weight are considered. Second, deals directly with the weight and accuracy of factual conclusions. Reviewing the original application and submission material to determine if ultimate conclusions are supported by reasonable and substantial evidence. Finally, the third area is that conclusion that involves discretion.

While commentary might be presented on comparative application strength, the relative comparison of applications, (in terms of the weight given beyond the rudimentary requirements of the Ordinance) are best suited to the initial, and concluding Appellate stages. Hearing officers do not see every application. The meeting of, or failure to meet, basic requirements of the Ordinance are well suited to the retained expert under the ordinance. The modification of discretionary conclusions as to which submissions are ultimately “best”, once the basic requirements are met, is not. It must be noted that the ordinance makes
the comparative nature clear in establishing a limited number of licenses. Notice is provided that the process does not contemplate a license issued to every entity meeting the basic requirements, but only a limited number of licenses will be granted.

DISCUSSION

Areas of Appellants objections will be addressed sequentially as presented by Appellant:

I. Marketing, Advertising, and Promotion

Appellant scored three of four points. Appellant argues that the failure of the ordinance to specifically require "an optimal amount of examples" precludes the factor as a basis for points. The initial determination rested its conclusion on the failure to provide them, as well as additional supporting details. The Ordinance 1305(b)(12) states that an application shall provide:

"A copy of the proposed business plan for the establishment, including, but not limited to, the following:

***

iii.) A proposed marketing, advertising, and business promotion plan, including plans to minimize the exposure of marketing or promoting marihuana products to minors"

The Ordinance expressly opens consideration beyond minimum requirements for an application. Consideration of the submission of additional details including specific examples is a reasonable exercise of authority under the ordinance. No change is recommended.

II. Tangible Investment into the City of Lansing

Nine of fifteen points were awarded. Appellant Edenz 2 restates the investments that have been made, and that would be expected to be made in the City of Lansing. A clerical area is referenced because of the initial decision referencing another property not in the application that the owners would have an interest in. Apparently this is not true. The Applicant does not appear to have been penalized, but typically broader investment and integration would have helped, so had the investment been correct, and made a part of the application materials, more points may have been awarded. This seems to have been a harmless error in any event.

The area of Tangible Investment is not referring to plans, but is dealing primarily with concrete tangible assets in physical form. The assets were considered in the original decision. The deductions in points were based upon "lack of details about integrated operations and less than optimal capital dollar investment amount". The Appellant argues that additional details are difficult given the lack of current operations. The comparative details provided other applicants as well as greater investment amounts
and details provides the main basis for lower point totals. These considerations are justified in the Ordinance and valid considerations is this process. **No change is recommended.**

III. **Job Creation**

One of five points was awarded. There appears to have been a reduction, in part over the number of jobs proposed, but additional points were apparently lost in considering the proposed employment to be for two applications rather than one. Given that two separate applications were filed, the Appellants assertion that the jobs proposed were for the immediate applications is reasonable.

Comparative evaluation is not made simply based upon whether jobs are sufficient for the business proposed. The consideration of benefit to the City is clearly withing the contemplation of the ordinance, and points for a larger employment is reasonable. It is recommended that additional points be awarded based upon the commitment of more jobs than in the original application. The within recommendation is for two points additional, but it is recognized that the comparative value of applications meeting basic requirements is best suited for the Clerk or Commission, having the opportunity to review all competing applications. **Three of five points are recommended.**

IV. **Financial Structure and Financing**

Two of three points were awarded. The same rationale as the immediately prior discussion applies here. The investment is intended for the current application and is not divided among two. An additional point is recommended. **Three of three points are recommended.**

V. **Plans to Integrate Facility With Other establishments**

One of two points were awarded. Appellant argues that no points should be deducted for the failure to specify the size of operations they plan to integrate with. This is based upon the language of the Ordinance stating at 1300.05(b)(12):

> "ix. If a medical marihuana grower facility(ies) are proposed, plans to integrate such facility(ies) with other proposed medical marihuana establishments and a statement whether the medical marihuana grower facility will grow 1,000 plants or more and the square footage of the building(s) housing such grower facility, and if so, will the facility contain more than 10,000 square feet of space"

Appellant reasonably points out that the requirement applies if a medical grower facility is proposed. The requirement does not expressly apply to a Provisioning Center, which is the sole purpose of the
within application. While it might be argues that clear plans of integration beyond the proposed "reaching out" may be of more value, the rationale set forth in the conclusion is technically incorrect. **Two out of two points are recommended.**

VI. Charitable Plans and Strategies

Two of four points were originally awarded. Upon review of application materials a specification of funds in the amount of $24,000.00 was found within application materials. **Recommendation is made for three of four points.**

VII. Number of Jobs at the Provisioning Center

Four of five points were awarded. Two bases were provided for the one point reduction in the original decision. One was the failure to specify if the job totals were for one license or two. This was addressed previously. The application proposal is a separate entity, and should be considered on its merits. However, the conclusion also indicates that the details supplied were not sufficiently clear. If competing applications offer greater details this would suggest a reasonable basis for the loss of a point on that discretionary basis. The stated number of jobs however does not given the pledge of all jobs indicated to the within application. Accepting that the lack of details may be found to represent sufficient basis for a reduction on a comparative basis, for purpose of this recommendation, **four of five points is recommended.**

VIII. Amount and Type of Compensation

One of two points was awarded. The Appellant again ably notes that the ordinance does not require the "optimal amount of support details" and requests a full two point score. The discretion to render a comparative analysis of applications is once again noted. Full points were given in other categories specifying acknowledgment that all employees would receive at least fifteen dollars an hour. The Ordinance clearly allows for a competitive application process. Applications with superior referenced details as to payrolls, hours, wages etc, together with additional supportive details justifiably may be scored higher. **No change is recommended.**

IX. Sufficient Financial Resources

Three of five points was awarded. The previous error again affected the within application when the bank statement showing $100,000.00 was considered to apply to two applications. The full amount is therefore applicable to the current application. The modification justifies an increase in points. **Given the amount of the immediate financial resource available four of five points is recommended.**
X. Business Experience

Four of five points was awarded. Appellant objects, again objecting to the decisions reduction based upon a lack an “optimal amount” of business experience. The reduction for this comparative category is best address by other appellate levels. The levels of experience of all other applicants is justifiably considered. Of interest in that consideration is the claim that the other application filed by the same shareholders produced a score of five out of five. The score of four out of five is not modified in this recommendation.

XI. Buffering Between Residential Zoned Areas and Establishment

Two of Five Points were awarded. The initial decision was readdressed, again using computer measuring tools. The tools show that there is residential zoning (not necessarily existing residences) with 1/4 mile of the location proposed. Appellant asserts there is more than enough buffer zone and “any residential areas”. An exhibit number 11 is not reviewed as it was not submitted in conjunction with the prior application. Appeal is limited to the evidence in the record. Section 1300.15 provides the mechanism for appeal stating:

“Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action complained of has been mailed to the applicant's last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The Clerk shall review the report and recommendation of the hearing officer and make a decision on the matter.”

No basis for evidentiary submissions or fact hearings are provided. Evidence submitted on appeal must be rejected. No basis exists to modify the original scoring of two of five.

XII. Increased Traffic on Side Streets

Four of five points was originally awarded. Subsequent review establishes a high scoring traffic plan in all categories. Five of five points is recommended.

XII.(sic) Entrance and Exit on Main Streets, Adequate Parking and Quality of Security Plan

Seven of ten points was awarded. In support of Appellants request for additional points is Exhibit 12.
This exhibit was not a part of the original application and is not considered. (See issue XI.) No change is recommended.

XIII. Plan to Meet With Neighborhood Organizations

Zero of Two points were awarded. Appellant notes it's other application contained the same supporting materials and one point was awarded. Review of the record supports the score. One additional point is awarded.

XIV. Improvements Proposed to Building

One of three points was awarded. The Clerks office reworked the calculations to determine 128% of the SEV in the area was proposed. Three points are recommended.

XV. Plan to Minimize Traffic

Zero of one points was awarded. Appellant’s main argument is that the Provisioning Center operation is inherently quieter than production facilities. The initial decision finds the submission inadequate. No change is recommended.

XVII. LPD Complaints

Two of Four Points Were Awarded. Appellant does not contest the occurrence of a number of incidents at or near the premises. It is argued that the incidents occurred prior to acquisition, and further, no operations have begun upon the premises. It appears reasonable to conclude that there is no direct link between Appellant’s use of the premises and any of the LPD complaints. The City may reasonably desire to avoid areas where criminal conduct is prevalent. The issue is called to the Clerk’s attention for consideration. No change is recommended at this time.

XIX. Litigation History

Zero of Two points were awarded. The requirement for a litigation history is not contested. Appellant suggests that the submission of such a history for one of the two principals should be sufficient for credited points. The interest of the City in securing superior operators is well served by consideration of litigation history. The Ordinance required such submissions by all such principals and employees. It was not fully complied with. No change is recommended.
CONCLUSION

It is recommended that 74 of 100 points be awarded in the scoring of the within application. This is an inadequate number of points to meet the threshold for further consideration. This Recommended decision is to deny the appeal of the applicant Edenz 2 Inc. for a license to run a Provisioning Center at 5124 South Martin Luther King Jr. Blvd based upon the current application and record.

November 7, 2018

Respectfully Submitted,

Timothy A. O'Rourke, Hearing Officer.
<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>EDEN22 CENTER S124 S. MLK BLVD.</th>
<th>EDEN22 CENTER S124 S. MLK BLVD.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Address</td>
<td>---</td>
<td>S124 S. MLK BLVD.</td>
<td>S124 S. MLK BLVD.</td>
</tr>
<tr>
<td>Marketing, Advertising and Promotion</td>
<td>4</td>
<td>3</td>
<td>Applicant provides several examples relating to their proposed marketing, advertising, promotion and plans to minimize exposure to minors (e.g., no public ads on radio, TV, bus stops, age verified websites, weedmaps, work with FACT to educate about minor alcoholization). Lacks an optimal amount of examples and details. Lacks an optimal amount of examples and details. Two brief paragraphs. (Tab 8)</td>
</tr>
<tr>
<td>Tangible Capital Investment in the City of Lansing</td>
<td>15</td>
<td>9</td>
<td>Applicant indicates they are seeking to open two provisioning centers in the Lansing area (S124 S. MLK Blvd. that will be leased from S124 MLK, LLC (owned by individuals with ownership share in the provisioning center) and 6450 S. Cedar St. S124 S. MLK will have startup costs of $400K. Does not mention that two of the team members are also seeking to lease a property at 915 E. Miller Road for a 2635 sq. ft. PC (MI Capital Center). Applicant states that they will reach out to licensed vendors to get supplies, but no other details are provided. Lacks details about integrated operations and less than optimal capital dollar investment amount.</td>
</tr>
<tr>
<td>Job Creation (Integrated System) Overall number of jobs created</td>
<td>5</td>
<td>1</td>
<td>Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify job totals are for only one or two provisioning centers. Lacks sufficiently clear detail and falls short of an optimal number of jobs.</td>
</tr>
<tr>
<td>Financial Structure and Financing</td>
<td>3</td>
<td>2</td>
<td>Applicant provides net worth statements demonstrating combined net worth of $1.1 million (CPA attested) and provides a company bank statement showing a balance of $100K. However, the $100K is divided across two applications (Eden22 and Eden22) and it is not acknowledged in the application how this will sufficiently cover the business plans in both.</td>
</tr>
<tr>
<td>Plan Description</td>
<td>Score</td>
<td>Weight</td>
<td></td>
</tr>
<tr>
<td>-------------------------------------------------------------------------------</td>
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<td></td>
</tr>
<tr>
<td>Plans to Integrate Facility with Other Establishments</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Applicant indicates they will reach out to licensed vendors to obtain supplies but does not specify the size or plant amount of any operations they intend to integrate with.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable Plans and Strategies</td>
<td>4</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Applicant indicates they will be active in organizations like the Knights of Columbus, Jesus Saves, and work with FACT to educate about minor marijuana. Will also award employees up to 7 vacation days for participating in community service and pledge to donate portion of profits to variety of organizations. Lacks any proposed dollar commitment amount and proof of any actual payment or executed agreement. Updated 9/10 it was discovered that the amount for charitable contributions was included in the original application. Therefore, an additional point was awarded.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number of Jobs at the Provisioning Center Category Thresholds: 1 = &lt; 6 jobs, insufficient details; 2 = 6 jobs, sufficient details; 3 = 6 jobs, sufficient details; 4 = &gt; 6 jobs insufficient details; 5 = &gt; 6 jobs, sufficient/good details.</td>
<td>5</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers (organization chart indicates about 11 FTE positions). Lacks sufficiently clear details.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amount and Type of Compensation (PC)</td>
<td>2</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Applicant indicates all provisioning center positions (100%) will pay at least $15/hour but does not provide an optimal amount of support details.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Percent of Employees Earning At Least $15/Hour (PC)</td>
<td>3</td>
<td>3</td>
<td></td>
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<tr>
<td>Applicant indicates all provisioning center employees will earn at least $15/hour.</td>
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<tr>
<td>Projected Annual Budget and Revenue (PC)</td>
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<td>2</td>
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<tr>
<td>Applicant provides detailed projected annual budget and revenue data (e.g., $4.1 million in expenses plus startup cost details) and $4.6 million in revenues during year 1) that are understandable.</td>
<td></td>
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<td>0</td>
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| Plan to minimize/eliminate odor | 3 | 3 | tab 7 pg 39 - 42
Updated 9/20/18 After further review, the odor plan is considered comprehensive.
Detailed plan |
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<td>0</td>
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</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>67</td>
<td>---</td>
</tr>
</tbody>
</table>
December 13, 2018

Edenz 2 Center Inc
c/o George Brikho, Jr.
6420 Malvern Drive
Troy, MI 48098

Dear Provisioning Center Applicant,

In response to your inquiry on December 6, 2018 your current score for Edenz 2 Center is 68 (see attached).

The City Clerk is not bound by the Hearing Officer’s recommendation. All recommendations are considered, however points are only added if the Hearing Officer’s recommendations are logical given the scoring rubric. The following recommendations could not be accepted:
• **Job Creation (Integrated System)** – Only the jobs created by the provisioning center in this application can be considered because other Provisioning Centers are considered speculative due to the competitive nature of the licensing structure. Based upon the information provided by the applicant, the City may consider whether the proposed medical marihuana establishment is definite, feasible or speculative.

• **Financial Structure & Financing** – the applicant was awarded one additional point. The remaining one point deduction is due to expert review finding the $7.1M net worth is not enough to sufficiently fund the proposed plans and that the liquidity of the assets is questionable.

• **Plans to Integrate Facility with Other Establishments** – There are no plans to integrate with any grower or processor in this application. Because this information was not included in the application, the Hearing Officer’s recommendation of full points was not accepted.

• **Sufficient Financial Resources** – The score should remain a 3 due to Mr. Brikho’s actual litigation activity for past due accounts, and because Jason Abro did not provide a comprehensive litigation compliance form. Note: the score was increased to 4 when proof of two separate bank accounts was found on 12/1/2018.

You have the right to appeal this denial of licensure to the MedicalMarijuana Commission on or before January 2, 2019 by filing a written statement to the Commission with the City Clerk’s Office. The MedicalMarijuana Commission Appeal will become a matter of public record. The Commission’s review of an appeal shall not be de novo. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope, CMMC
City Clerk

Jennifer Smith-Zande
Licensing & Elections Clerk
Lansing City Clerk’s Office
124 W. Michigan Avenue | Lansing, MI 48933
Office: 517-483-4151  Fax: 517-377-0058
Jennifer.Smith-Zande@lansingmi.gov
Website | Facebook | Twitter
From: Biehler, Deb <Deb.Biehler@lansingmi.gov>
Sent: Thursday, December 6, 2018 4:16 PM
To: Smith-Zande, Jennifer <Jennifer.Smith-Zande@lansingmi.gov>
Subject: FW: Provisioning Center Application Update - Edenz 2

From: Murphy, Charles E. <cmurphy@clarkhill.com>
Sent: Thursday, December 06, 2018 4:14 PM
To: Biehler, Deb <Deb.Biehler@lansingmi.gov>; brikho1128@yahoo.com
Subject: RE: Provisioning Center Application Update - Edenz 2

Deb-

The revised scoring sheet dated October 4, 2018 (67 points) does not match up with the Hearing Officer Recommendation (74 points) which is dated November 7, 2018. Can you check and confirm that the scoring sheet attached is the correct one. Thank you.

Charles E. Murphy
CLARK HILL PLC
151 South Old Woodward Ave | Suite 200 | Birmingham, Michigan 48009
248.988.5879 (direct) | 248.988.2331 (fax) | 248-703-7235 (cell)
cmurphy@clarkhill.com | www.clarkhill.com

From: Biehler, Deb [mailto:Deb.Biehler@lansingmi.gov]
Sent: Monday, December 03, 2018 2:13 PM
To: brikho1128@yahoo.com; Murphy, Charles E.
Subject: FW: Provisioning Center Application Update - Edenz 2

And with the Hearing Officer Decision attached.
From: Biehler, Deb
Sent: Monday, December 03, 2018 2:09 PM
To: 'brikho1128@yahoo.com' <brikho1128@yahoo.com>; 'Murphy, Charles E.' <cmurphy@clarkhill.com>
Subject: FW: Provisioning Center Application Update - Edenz 2

Please see the attached revised score sheet.

Deb Biehler
Medical Marihuana Specialist
Lansing City Clerk’s Office
124 W. Michigan Avenue  | Lansing, MI 48933
O: 517-483-4132  Fax: 517-377-0068
Deb.Biehler@lansingmi.gov
Website | Facebook | Twitter

Chris Swope, CMMC/CMC
Lansing City Clerk

From: Biehler, Deb
Sent: Monday, December 03, 2018 2:05 PM
To: 'brikho1128@yahoo.com' <brikho1128@yahoo.com>; 'Boldrey, R. Lance' <lBoldrey@dynamic.com>
Subject: Provisioning Center Application Update - Edenz 2

December 3, 2018

Edenz 2 Center Inc
C/o George Brikho, Jr.
6420 Malvern Drive
Troy, MI 48098

Dear Provisioning Center Applicant,

I have reviewed the report and recommendation of the hearing officer on your appeal of the Scoring and Ranking denial of your application to operate a Medical Marihuana Provisioning Center in the City of Lansing at 5124 S Martin Luther King Jr Blvd. I have determined your appeal is denied.

You have the right to appeal this denial of licensure to the Medical Marihuana Commission within thirty (30) days of the date of this letter by filing a written statement to the Commission with the City Clerk’s Office. The Medical Marihuana Commission Appeal will become a matter of public record. The Commission’s review of an appeal shall not be de novo. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be
arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope
CMMC
City Clerk

cc: M. Yankowski, Lansing Police Chief
    J. Smiertka, Lansing City Attorney

Deb Biehler
Medical Marihuana Specialist
Lansing City Clerk’s Office
124 W. Michigan Avenue  |  Lansing, MI 48933
O: 517-483-4132  Fax: 517-377-0068
Deb.Biehler@lansingmi.gov
Website | Facebook | Twitter

This email message and any attachments are confidential and may be privileged. If you are not the intended recipient, please notify us immediately by reply email and destroy all copies of this message and any attachments. Please do not copy, forward, or disclose the contents to any other person. Thank you.
<table>
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<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>EDENZ2 CENTER</th>
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<tbody>
<tr>
<td>Applicant Address</td>
<td>5124 S. MLK Blvd.</td>
<td>5124 S. MLK Blvd.</td>
</tr>
</tbody>
</table>

### Scoring Insights

1. **Marketing, Advertising and Promotion**
   - Score: 4 / 3
   - Applicant provides several examples relating to their proposed marketing, advertising, promotion and plans to minimize exposure to minors (e.g., no public ads on radio, TV, bus stops, age verified website, weedmaps, work with FACT to educate about minor minimization). Lacks an optimal amount of examples and details. Lacks an optimal amount of examples and details. Two brief paragraphs. (Tab 8)

2. **Tangible Capital Investment in the City of Lansing**
   - Score: 15 / 9
   - Applicant indicates they are seeking to open two provisioning centers in the Lansing area (5124 S. MLK Blvd. that will be leased from 5124 MLK, LLC (owned by individuals with ownership share in the provisioning center) and 6450 S. Cedar St. 5124 S. MLK will have startup costs of $100K. Does not mention two of the team members are also seeking to lease a property at 915 E. Miller Road for a 2635 sq. ft. PC (MI Capital Center). Applicant states that they will reach out to licensed vendors to get supplies, but no other details are provided. Lacks details about integrated operations and less than optimal capital dollar investment amount.

3. **Job Creation (Integrated System)**
   - Score: 5 / 1
   - Overall number of jobs created
   - Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers. Lacks sufficiently clear detail and falls short of an optimal number of jobs.

4. **Financial Structure and Financing**
   - Score: 3 / 2
   - Applicant provides net worth statements demonstrating combined net worth of $7.1 million (CPA attested) and provides a company bank statement showing a balance of $100K. However, the $100K is divided across two applications (Eden1 and Eden2) and it is not acknowledged in the application how this will sufficiently cover the business plans in both. 9/10/18 UPDATE: After further review proof of 2 individual accounts, with one being dedicated to this PC, has been found. The insufficiency is based on expert review, which questions the liquidity of the assets.

5. **Plans to Integrate Facility with Other Establishments**
   - Score: 2 / 1
   - Applicant indicates they will reach out to licensed vendors to obtain supplies but does not specify the size or plant amount of any operations they intend to integrate with.

6. **Charitable Plans and Strategies**
   - Score: 4 / 3
   - "Applicant indicates they will be active in organizations like the Knights of Columbus, Jesus Saves, and work with FACT to educate about minor minimization. Will also award employees up to 7 vacation days for participating in community service and pledge to donate portion of profits to variety of organizations. Lacks any proposed dollar commitment amount and proof of any actual payment or executed agreement. Updated 9/10 it was discovered that the amount for charitable contributions was included in the original application. Therefore, an additional point was awarded."

7. **Number of Jobs at the Provisioning Center Category**
   - Score: 5 / 4
   - Thresholds: 1 = < 6 jobs, insufficient details; 2 = < 6 jobs, sufficient details; 3 = 6 jobs, sufficient details; 4 = > 6 jobs, sufficient details; 5 = > 6 jobs, sufficient/good details.
   - Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers (organization chart indicates about 11 FTE positions). Lacks sufficiently clear details.
<table>
<thead>
<tr>
<th>8. Amount and Type of Compensation (PC)</th>
<th>2</th>
<th>1</th>
<th>Applicant indicates all provisioning center positions (100%) will pay at least $15/hour but does not provide an optimal amount of support details.</th>
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<tbody>
<tr>
<td>9. Percent of Employees Earning At Least $15/Hour (PC)</td>
<td>3</td>
<td>3</td>
<td>Applicant indicates all provisioning center employees will earn at least $15/hour.</td>
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<td>10. Projected Annual Budget and Revenue (PC)</td>
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</tr>
<tr>
<td>12. Business Experience</td>
<td>5</td>
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<td>Applicant indicates they have 8 years of medical marijuana caregiver experience, plus is working with medical marijuana technology, a consulting firm with &gt; 8 years of operating experience in the medical marijuana industry. Also have &gt; 25 years of other applicable work experience (garden supply industry, retail management). Lacks the optimal amount of applicable business experience. Updated 11/26/18 - score was changes sometime around Oct 17, because caregiver experience has a 25% deduction compared to commercial mm experience.</td>
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<td>3</td>
<td>3</td>
<td><em>tab 7 pg 39 - 42 Updated 9/20/18 After further review, the odor plan is considered comprehensive. Detailed plan.</em></td>
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<td>Total Score</td>
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<td>68</td>
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EDENZ 2 CENTER, INC., ("APPELLANT") APPEAL

Prepared by

Michael D. Stein, Esq.
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<td>V. CONCLUSION</td>
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<td>VI. RELIEF REQUESTED</td>
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STATEMENT OF ISSUES PRESENTED

1. **WAS THE REVIEWER’S DECISION SUPPORTED BY COMPETENT MATERIAL, AND SUBSTANTIAL EVIDENCE?**
   
   Appellant Answers: No

2. **WERE THE APPLICANTS SCORES BASED ON CLEARLY ERRONEOUS FINDINGS**
   
   Appellant Answers: Yes

3. **WERE THE APPLICANTS SCORES BASED ON IMPROPER/INCONSISTENT SCORING**
   
   Appellant Answers: Yes

4. **DID THE SCORING METHOD COMPLY WITH LANSING’S ORDINANCE**
   
   Appellant Answers: No

5. **SHOULD THIS CITY CLERK REVERSE THE DECISION TO DENY APPELLANTS APPLICATION?**
   
   Appellant Answers: Yes
I. INTRODUCTION

This appeal involves highly recognized and awarded local Michigan residents. As the owners of Edenz 2 Center Inc., Jason Abro and George Brikho bring to the table the combined corporate operations experience necessary to run a safe, profitable, and compliant medical marijuana dispensary business. The applicant has applied for a Provisioning Center license in the City of Lansing under its ordinance and in accordance with the Michigan Medical Marihuana Facilities Licensing Act however, Appellant’s license was denied for purported insufficient material. Quite simply, the City of Lansing either did not fully review the entire application or ignored the sufficiency of the plans provided. Appellant has therefore filed the instant appeal as its only avenue to seek review of its score and status in the City of Lansing and asks this Clerk to reverse the City’s decision due to lack of material, competent, and substantial evidence, erroneous and improper scoring and failure to score the application in accordance with its own ordinance.

II. STATEMENT OF FACTS

A. APPELLANT’S MMPC APPLICATION

Appellant, EDENZ 2 CENTER INC., (“Edenz 2”) is owned by highly recognized and awarded local Michigan residents, who timely filed an application for an MMPC license with the City of Lansing for the location of 5124 s. Martin Luther King Jr., Blvd., Lansing, MI.

B. PROCEDURAL HISTORY

On or about August 13, 2018, EDENZ 2 received an email from your office advising that it would not be selected to receive a Provisioning Center license. The correspondence from your office indicated that the basis for the denial was as follows: “Your score of 63 out of 100
eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.” In addition, the denial correspondence included the applicant’s sub-scores based on the ordinance criteria along with a brief summary of determining factors for each sub-score.

After this denial, EDENZ 2 was left with no further avenues for reconsideration of the City’s administrative decision. EDENZ 2 filed an Appeal to the City Clerk to seek review of its score. The Clerk assigned a hearing officer.

On December 3, 2018, EDENZ 2 received an email from your office advising that it would not be selected to receive a Provisioning Center license. The correspondence from your office indicated that the basis for the denial was as follows: “Your score of 67 out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.” In addition, the denial correspondence included the applicant’s sub-scores based on the ordinance criteria along with a brief summary of determining factors for each sub-score; this scoring sheet is also attached (Exhibit A). The hearing officer recommended a score of 74 but the Clerk did not adopt the recommendation (Exhibit B).

After this denial, EDENZ 2 is left with no further avenues for reconsideration of the City’s administrative decision. EDENZ 2 filed the instant Appeal to seek review of its score.

III. STANDARD OF REVIEW

The basis for this appeal is (1) the scoring is not based on competent, material and substantial evidence; (2) Scoring Insights are based on clearly erroneous findings; (3) Applicants scoring was based on improper/inconsistent scoring; (2) Scoring methods do not comply with the ordinance; and (3) Scoring was an abuse of discretion.
Although Appellant recognizes the Clerk’s office is not a court of law, the applicable standard of review is whether the decision is supported by competent, material, and substantial evidence on the record, and represents the reasonable exercise of the board’s discretion. “Substantial evidence” is evidence that a reasonable person would accept as sufficient to support a conclusion.” Edw C Levy Co v Marine City Zoning Bd of Appeals, 293 Mich App 333, 341-42; 810 NW2d 621 (2011) (quoting Dowerk v Charter Tp of Oxford, 233 Mich App 62, 72; 592 NW2d 724 (1998)). Furthermore, scoring must be proper, consistent, comply with the applicable ordinance and not an abuse of discretion.

IV. ARGUMENT

A. Tangible Capital Investment in the City of Lansing (Investment in applicants other provisioning centers was not Included in score).

The scoring insight for this category states, in part, as follows: “Applicant lacks details about integrating operations and less than optimal capital dollar investment amount.” This is erroneous as the applicant clearly states it has purchased two location in Lansing. 5124 S. MLK & 6450 S. Cedar St. with an investment over $1,000,000.00. The scoring in this section fails to recognize applicant has already made a commitment to improve the existing building. Applicant was punished significantly (9 out of 15 points) because of a misinterpretation of the plan by the reviewer. The reviewer acknowledged the start up cost but disregarded the cost to purchase/lease the property. A plain reading of this section of the application demonstrates a full committal to the new construction. This scoring category simply asks what the tangible capital investment will be; the purchase and improvements are a tangible capital investment and the score needs to reflect this tremendous additional investment in Lansing.
This type of scoring is improper and inconsistent and must be adjusted upward by 6 points.

B. *Job Creation (Integrated System) Overall number of jobs created*

In the category entitled “Job Creation”, the reviewers determined that “12-25 new Lansing lacks optimal number of jobs.” The applicant was only awarded 1 out of 5 points due to this alleged deficiency. Again, the reviewers fail to cite that the plan says “initial” jobs. The reviewer even notes that “employee training program, benefits, job titles and descriptions” are given. 12-25 jobs per location is a significant amount of jobs. 24-50 jobs in conjunction with the detail provided is more than worthy of an additional 4 points in this category.

C. *Financial Structure and Financing*

The applicant was only awarded 2 out of 3 point in this category. The reviewers clearly states “Applicant provides CPA-attested proof of a combined net worth of $7.1 million....” How has the applicant not clearly demonstrated enough funding for the proposed projects? An additional point is not only warranted it has been justified in the reviewer’s notes and applicants plan.

D. *Charitable Plans and Strategies.*

Applicant provides specific organizations for whom they will partner with (e.g., knights of Columbus, Jesus Saves), their plan to encourage community service and pledge to donate a portion of profits. In fact, charitable contribution amounts were included in the original application.

Specific references to charitable organizations represent more than mere conjecture and demonstrate proof of a well thought out plan. The plan along with the appropriate figure of
charitable contribution commitments per year and volunteering time demand an additional 4 points for full points in this category.

E. Number of Jobs at the Provisioning Center

Edenz 2 submitted within its Business Plan an employee staffing, hiring, training, and compensation plan. This plan discloses that Edenz 2 anticipates between 12-25 employee positions, as well as a CFO, a COO, a Quality Assurance Manager, Human Resources Manager, an Accountant, a General Manager, an Office Manager, a Security Manager, a Marketing and Sales Manager, and Provisioning Center Agents. Edenz 2 will also have a security consultant training their staff regarding facility security. See pp. 3-10 of Operating Plan and pp. 13-16 of Business Plan.

Edenz 2 was awarded 4 of 5 points in this category. The comments to Edenz 2’s scoring criteria state that Edenz 2 “indicates there will be 12 to 25 new jobs created and described employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers (organization chart indicates about 11 FTE positions). Lacks sufficiently clear details.” Edenz 2 only applied for one provisioning center license to operate at 5124 MLK. Edenz 1 has a separate, independent business and operating plan in a separate, independent application. Edenz 2 anticipates needing between 12-25 employees to operate this one 2,567 square foot provisioning center at an optimal level. The shareholders of Edenz 2 filed a separate application for Edenz 1. Edenz 1 also estimates hiring 12-25 employees for a 3,734 square foot facility on Cedar Street. The total combined jobs created are 24 to 50 jobs. Information presented by Edenz 2 regarding the operation of Edenz 2 should not be construed as being for two provisioning centers, because Edenz 2 is applying for only one license. Edenz 2 should be awarded a full five points in this category, as Edenz 2 plans
to employ an optimal and sufficient number of employees to operate one 2,567 square foot provisioning center and provided extensive detail regarding the positions it intends to fill with qualified, competent employee and management members.

**F. Amount and Type of Compensation**

Edenz 2 fully described the amount and type of compensation it expects to pay for its employees in its application materials. The Edenz 2 Operating Plan includes a benefits enrollment procedure for employee benefits. See Edenz 2 Operating Plan at pp. 20-21. Page 17 of Edenz 2’s Business Plan, indicates that, in addition to their compensation, each employee will receive $250 per month for reimbursement of health insurance costs, and will receive two weeks of paid time off. Employees will be paid on a bi-weekly basis and will receive a performance review after 90 days and at each one year anniversary. Pay raises will be granted based on merit during their performance reviews. Edenz 2 provided significant information regarding the amount and type of compensation it will provide to its employees.

The scoring criteria “insights” state that, Edenz 2 included provisioning center positions and pay of at least $15.00/hour, but Edenz 2 “does not provide an optimal amount of support details.” The scorer ignored the two page chart after p. 20 of the Business Plan which describe a minimum of $15 per hour for dispensary agents, $20 per hour for 7 different classifications of managers, and $30 per hour for security contractors. See 2 page chart following p. 20 of Business Plan

**G. Sufficient Financial Resources**

Edenz 2 included with its application (1) a statement of Christian Financial Credit Union account #20692792276 owned by Edenz 2 evidencing a balance of $100,095.00, and (2) a CPA
attested net worth statement of shareholder Jason Abro showing $4,068,927.00 as of November 20, 2017. Edenz 2 has no debt, bankruptcy, insolvency, or history of non-tax compliance.

Edenz 2 was awarded only 3 of 5 points in this category. The reviewers clearly states “Applicant provides CPA-attested proof of a combined net worth of $7.1 million....” How has the applicant not clearly demonstrated enough funding for the proposed projects? An additional 2 points is not only warranted it has been justified in the reviewer’s notes and applicants plan.

H. Business Experience

The reviewer notes that applicant does not have any medical marijuana experience. This is not accurate. Applicant clearly states he has several years of experience as a medical marijuana caregiver. Pursuant to Michigan law, “dispensaries” were illegal in Michigan prior to December 15th, 2017 so why would applicants be awarded points for illegal operation? Applicants have a significant amount of experience as a caregiver but not as an illegal dispensary owner. Applicant should not be punished for following the law and deserves another point because they have medical marijuana experience. Applicant also has engaged the services of MedMen, an industry leader in dispensary operations, to consult in all areas related to its Lansing location.

I. Buffering between residential

The applicant was only awarded 2 out of 5 points and the comment states “residential zoning found on West Side”. Appellant seriously questions the motives behind this unordinary conduct and wonders whether all distances for all applicants have been re-measured with a “better tool”. The “re-measurement” that occurred on 9/18/18 is both highly unusual and not permitted under the ordinance in any manner. Moreover, the reviewer cites no complaints or issues from adjacent residential properties. Ordinance section §1300.13 is entitled “Location,
buffering, dispersion, and zoning requirements for medical marihuana provisioning centers.” Specifically, the applicant’s location is zoned Commercial and, as such, a provisioning center is permitted in this zone. Ordinance §1300.13(B). The buffering between the subject property and the residential has been approved by the City of Lansing and meets the screening and buffering requirements of the Lansing Zoning Ordinance in Chapter 1290. Furthermore the reviewer never states how “distant from homes” the location is. There is no authority in the ordinance to deduct points for an inadequate fence when the location is in a permitted zone, has complied with the buffering requirements in both the general zoning ordinance and the medical marihuana ordinance. The city council did not adopt a setback or buffering requirement for residential properties adjacent to a provisioning center in and F-1 Commercial zone, and there is no basis to administratively determine that a houses around the location but not close warrants a four point deductions for “buffering”. An additional 3 points should be added.

\[ J. \] Entrance and exit on main streets, adequate parking not on residential streets, and quality of security plan.

The applicant only received 7 out of 10 points in this category. Why was applicant docked 3 points? The reviewer only notes “strong traffic patterns, driveways, parking and circulation”. What does that mean? There is no specific issue cited with the driveways and no reason to take 3 points. The criteria does not describe what the traffic issue is or what “tier 2” refers to. Since the location sits near the intersection of two major roads and the entrance to the strip mall is off a major road and is well-designed, there is no traffic issue. Edenz 2 submitted sufficient information to demonstrate it has sufficient parking and nominal, if any, contribution to additional traffic flow. Edenz 2’s security consultant, William Cousins, observed that: “Traffic patterns in the area will not be affected. The current driveways, which allow for ingress and
egress off Martin Luther King Blvd., are more than adequate to handle any traffic volume. There is ample parking on the premises, so there will not be a backup of traffic.” See p. 3 of Security Plan. The Edenz 2 Security Plan in the Application materials satisfies the City’s requirements for a security plan of a provisioning center under Section 1300.05 (b)(14). Edenz 2 should have been awarded 10 of 10 points for this category.

K. Plan to Meet with Neighborhood Organizations

As part of its Business Plan, Edenz 2 proposed community engagement efforts, which includes plans to work with FACT to provide free educational classes to patients and youth in the community regarding medical marihuana. Jason Abro and George Brihko are active supporters of Jesus Saves, a rescue mission in Lansing. Edenz 2 also described its plans to promote community engagement by its staff by offering employee rewards for engaging in community service in Lansing. Edenz 2 further included information regarding its plans to be a financial sponsor for qualified, local non-profit organizations. See p. 17 of Business Plan.

L. Plan to minimize noise,

In spite of the voluminous submissions by applicant addressing this issue, the applicant was awarded no points for this category. In regards to noise, the applicant provided a full set of architectural plans with city building permit approvals for all required categories and compliance with the applicable building codes and SOP’s which state how noise is reduced. Please add two additional points in this category (See application SOP’s and site plan).

M. Plan to Minimize/Eliminate Traffic

Edenz 2 was awarded 0 of 1 point for this category. The proposed provisioning center is located in a small strip mall on the west side of S. Martin Luther King Jr. Blvd., south of Jolly Road, in commercial district in Lansing. Both roads are commercial thoroughfares able to
handle patient and staff traffic in accordance with the City of Lansing Master Plan. Edenz 2's
security consultant, William Cousins, observed that: "Traffic patterns in the area will not be
affected. The current driveways, which allow for ingress and egress off Martin Luther King
Blvd., are more than adequate to handle any traffic volume. There is ample parking on the
premises, so there will not be a backup of traffic." See p. 3 of Security Plan. Edenz 2's
marketing plan will reach residents in the surrounding neighborhoods, who can walk or bike to
the facility. Edenz 2 should have been awarded 1 point for this category, instead of 0.

N. LPD Complaints

The scoring criteria lists several incidents and calls that may have taken place at the
location prior to the acquisition of the property by the owners. These incidents should not have
any bearing on Edenz 2. The Edenz 2 provisioning center is not operational, and any LPD
complaints are not attributable to the leasing of the property by Edenz 2 since December 12,
2017, or its proposed operations in the future. Edenz 2 should not be penalized for incidents that
may have taken place at this location prior to the real estate acquisition or related to CVS
Pharmacy. Two more points must be added.

O. Litigation History

Edenz 2 disclosed the complete business litigation history of one of its two shareholders,
George Brikho. This disclosure should have resulted in Edenz 2 receiving at least one point for
this category. Furthermore, as part of its "experience" section, applicants attest to the fact they
have no litigation history. The applicant & stakeholder's significant business history and lack of
litigation history demand 2 out of 2 points in this category.
V. CONCLUSION

On behalf of the applicant, we request an immediate review of this appeal as we have raised serious concerns about the competency of this review and scoring that has missed many items that were actually supplied.

VI. RELIEF REQUESTED

It is clear in this case that EDENZ 2's application was wrongfully denied and that it has now been unfairly stripped of its ability to receive a license. The City's denial is clearly inappropriate and inaccurate.

WHEREFORE, Appellant respectfully requests the City Clerk order the City of Lansing to reverse its decision, award 31 additional points and give applicant approval for its Lansing Medical Marijuana Provisioning Center.

Respectfully submitted,

Michael D. Stein, Esq
<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>EDENZ2 CENTER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Address</td>
<td>3124 S. MLK BLVD.</td>
<td></td>
</tr>
<tr>
<td>Marketing, Advertising and Promotion</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Tangible Capital Investment in the City of Lansing</td>
<td>15</td>
<td>9</td>
</tr>
<tr>
<td>Job Creation (Integrated System) Overall number of jobs created</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Financial Structure and Financing</td>
<td>3</td>
<td>2</td>
</tr>
</tbody>
</table>

**Marketing, Advertising and Promotion**
- Applicant provides several examples relating to their proposed marketing, advertising, promotion and plans, including exposure to minors (e.g., no public ads on radio, TV, bus stops, age-verified website, website, work with FACT to educate about minor minimization). Lacks an optimal amount of examples and details. Two brief paragraphs. (Tab B)

**Tangible Capital Investment in the City of Lansing**
- Applicant indicates they are seeking to open two provisioning centers in the Lansing area (5124 S. MLK Blvd, that will be leased from 5124 MLK LLC (owned by individuals with ownership share in the provisioning center) and 6450 S. Cedar St. 5124 S. MLK will share startup costs of $400K. Does not mention two of the team members are also seeking to lease a property at 915 E. Miller Road for a 2635 sq. ft. PC (MI Capital Center). Applicant states that they will reach out to licensed vendors to get supplies, but no other details are provided. Lacks details about integrated operations and less than optimal capital dollar investment amount.

**Job Creation (Integrated System) Overall number of jobs created**
- Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers. Lacks sufficiently clear detail and fails short of an optimal number of jobs.

**Financial Structure and Financing**
- Applicant provides net worth statements demonstrating combined net worth of $7.1 million (CPA attested) and provides a company bank statement showing a balance of $100K. However, the $100K is divided across two applications (Edenz1 and Edenz2) and it is not acknowledged in the application how this will sufficiently cover the business plan in both.
## City of Lansing Provisioning Center Ranking

<table>
<thead>
<tr>
<th>Plans to Integrate Facility with Other Establishments</th>
<th>2</th>
<th>1</th>
<th>Applicant indicates they will reach out to licensed vendors to obtain supplies but does not specify the size or plant amount of any operations they intend to integrate with.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charitable Plans and Strategies</td>
<td>4</td>
<td>3</td>
<td>Applicant indicates they will be active in organizations like the Knights of Columbus, Jesus Saves, and work with FACT to educate about minor minimization. Will also award employees up to 7 vacation days for participating in community service and pledge to donate portion of profits to variety of organizations. Lacks any proposed dollar commitment amount and proof of any actual payment or executed agreement. Updated 9/10 it was discovered that the amount for charitable contributions was included in the original application. Therefore, an additional point was awarded.</td>
</tr>
<tr>
<td>Number of Jobs at the Provisioning Center Category Thresholds:</td>
<td>5</td>
<td>4</td>
<td>Applicant indicates there will be 12 to 25 new jobs created and describes employee training program, benefits, job titles and descriptions. Applicant does not specify if job totals are for only one or two provisioning centers (organization chart indicates about 11 FTE positions). Lacks sufficiently clear details.</td>
</tr>
<tr>
<td>Amount and Type of Compensation (PC)</td>
<td>2</td>
<td>1</td>
<td>Applicant indicates all provisioning center positions (100%) will pay at least $15/hour but does not provide an optimal amount of support details.</td>
</tr>
<tr>
<td>Percent of Employees Earning At Least $15/Hour (PC)</td>
<td>3</td>
<td>3</td>
<td>Applicant indicates all provisioning center employees will earn at least $15/hour.</td>
</tr>
<tr>
<td>Projected Annual Budget and Revenue (PC)</td>
<td>2</td>
<td>2</td>
<td>Applicant provides detailed projected annual budget and revenue data (e.g., $4.1 million in expenses plus startup cost details) and $4.6 million in revenues during year 1) that are understandable.</td>
</tr>
<tr>
<td>Sufficient Financial Resources</td>
<td>5</td>
<td>3</td>
<td>Applicant provides litigation compliance verification forms for the stakeholders and includes litigation history details for one member (Mr. Briko) showing issues relating to the proximity of a medical marijuana establishment, a landlord/tenant dispute (garding center business), and past due accounts owed to Green Magic Nutrients. Applicant indicates they have sufficient capital to build two provisioning centers and operating capital to cover expenses until they reach positive cash flow. Applicant provides net worth statements demonstrating combined net worth of $7.1 million (CPA attested) and provides a company bank statement showing a balance of $100K. However, the $100K is divided across two applications (Eden1 and Eden2) and it is not acknowledged in the application how this will sufficiently cover the business plans in both. 9/4 UPDATE Applicant already provided the litigation history information for the EDEN2 Center application. Suggestion: No change in the score is recommended.</td>
</tr>
<tr>
<td>Business Experience</td>
<td>5</td>
<td>4</td>
<td>Applicant indicates they have 8 years of medical marijuana caregiver experience, plus is working with medical marijuana technologies, a consulting firm with &gt;8 years of operating experience in the medical marijuana industry. Also have &gt;25 years of other applicable work experience (garden supply industry, retail management). Lacks the optimal amount of applicable business experience.</td>
</tr>
<tr>
<td>---------------------</td>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</td>
<td>5</td>
<td>5</td>
<td>Met or exceeded requested items</td>
</tr>
<tr>
<td>Buffering between residential zoned areas and establishment</td>
<td>5</td>
<td>2</td>
<td>Inadequate barriers and close to homes. Updated score using a better measurement tool. 9/18/18 residential zoning found on west side which falls short of the optimal distance of 1/4 mile (1320 feet) to receive full points.</td>
</tr>
<tr>
<td>Increased traffic on side streets will be scored lower</td>
<td>5</td>
<td>5</td>
<td>Minor issue. Updated 9/25/18. High scores in all categories (change in score)</td>
</tr>
<tr>
<td>Entrance and exit on main streets, adequate parking not on residential streets, Plan to meet with neighborhood organizations</td>
<td>10</td>
<td>7</td>
<td>Strong traffic patter, driveways, parking, and circulation. Traffic 5 pts, Minimum requirement for Sec plan. Tier 2 2 pts</td>
</tr>
<tr>
<td>Improvements made or proposed to building</td>
<td>1</td>
<td>0</td>
<td>Inadequate plan</td>
</tr>
<tr>
<td>Plan to minimize/eliminate traffic</td>
<td>3</td>
<td>3</td>
<td>Only cosmetic improvements planned. Updated 9/25/18. Using a more accurate measurement tool, $109,000 of improvements which is 128% of the SEV of $85,400.</td>
</tr>
<tr>
<td>Plan to minimize/eliminate noise</td>
<td>2</td>
<td>0</td>
<td>Inadequate or no noise plan</td>
</tr>
<tr>
<td>Plan to minimize/eliminate odor</td>
<td>3</td>
<td>3</td>
<td>Tab 7 pg 39 - 42. Updated 9/20/18. After further review, the odor plan is considered comprehensive. Detailed plan.</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---</td>
<td>---</td>
<td>----------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>LPD Complaints</td>
<td>4</td>
<td>2</td>
<td>1 assault report - 1 damage to property report - 1 susp. Person call - 1 other calls - 1 MOOP - 1 trouble w/ subject calls - 2 threat calls, 8 calls (5-9 calls drops score to 2pts)</td>
</tr>
<tr>
<td>Demo of Regulatory Compliance</td>
<td>4</td>
<td>4</td>
<td>No tax history, no code issues.</td>
</tr>
<tr>
<td>Litigation History</td>
<td>2</td>
<td>0</td>
<td>Missing or inadequate litigation history for one of two stakeholders = 0 points.</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>67</td>
<td>---</td>
</tr>
</tbody>
</table>
EXHIBIT B
CITY OF LANSING
HEARING OFFICER
DECISION RECOMMENDATION

In Re: 
EDENZ 2
Provisioning Center Application
Licensee Scoring and Ranking Denial

The within decision is for purposes of recommending a decision to the Lansing City Clerk on an appeal of a denial of a license under the provisions of the Lansing Medical Marihuana Establishments Ordinance. (Chapter 1300) This decision is a Recommendation for a decision to the City Clerk provided authority to appoint a hearing officer to hear and evaluate the appeal and make such a recommendation. (Section 1300.15(c)). It is recommended that 74 of 100 points be awarded in the scoring of the within application. This is an inadequate number of points to meet the threshold for further consideration. This Recommended decision is to deny the appeal of the applicant Edenz 2 Inc. for a license to run a Provisioning Center at 5124 South Martin Luther King Jr. Blvd based upon the current application and record.

PRELIMINARY DISCUSSION

The within Recommendation is pursuant to the Lansing Medical Marihuana Establishments Ordinance. Section 1300.15 (c) provides the specific authority of appointed hearing officers. It states:

"Appeal of denial of an application or revocation of a license: the City Clerk shall notify an applicant of the reason(s) for denial of an application for a license or license renewal or for revocation of a license or any adverse decision under this chapter and provide the applicant with the opportunity to be heard. Any applicant aggrieved by the denial or revocation of a license or adverse decision under this chapter may appeal to the City Clerk, who shall appoint a hearing officer to hear and evaluate the appeal and make a recommendation to the Clerk. Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action complained of has been mailed to the applicant's last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The Clerk shall review the report and recommendation of the hearing officer and make a decision on the matter. The Clerk's decision may be further appealed to the commission if applied for in writing to the commission no later than 30 days from the Clerk's decision. The review on appeal of a denial or revocation or adverse action shall be by the commission pursuant to Section 1300.03. Any decision by the commission on an
appeal shall be final for purposes of judicial review. The Clerk may engage professional experts to assist with the proceedings under this Section 1300.15.

The Ordinance provides multistage process for an Applicant to address the evaluation of an application for a license. It includes:

1. An initial decision;
2. The Recommendation of an appointed Hearing officer;
3. The review by the City Clerk; and,
4. The final determination resting with the Commission.

Final judgment rests with the Commission under the Ordinance. The stages give the Applicant an opportunity to present clarification to the ultimate body lawfully holding the final authority to grant or deny a license under the application. There has been no authority presented to call in to question the legality of the mechanism created.

Provision 1300(S)(b) of the Ordinance requires the application to contain “all” required material in conjunction with the original application. Section 1300.15 provides the mechanism for appeal stating:

"Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action complained of has been mailed to the applicant’s last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The Clerk shall review the report and recommendation of the hearing officer and make a decision on the matter."

No new evidence is accepted upon appeal. The application stands on its merits based upon the evidence submitted at the time of the original application.

The process used to evaluate and consider applicants for licensure are set forth in Section 1300.06. It indicates that:

(a) The City Clerk shall assess, evaluate, score and rank all applications submitted according to the provisions of this chapter. No application shall be accepted for assessment, evaluation, scoring, and ranking unless such application contains the approvals required by Section 1300.05.

(b) In its application assessment, evaluation, scoring, and ranking, deliberations, the Clerk shall assess, evaluate, score, and rank each application based upon a scoring and ranking procedure developed by the Clerk consistent with the requirements, conditions, and provisions of this chapter in each of the
categories set forth below in this subsection. Overall scoring and ranking shall be conducted and applied by the Clerk on the basis of assigned points from zero points to 100 points with the lowest overall total score as zero points and the highest possible total score being 100 points.”

***

(c) Based upon testimony, written and oral comments from the public, Planning Board review, maps, historical data, Council committee deliberations, and public hearings, the City Council finds and determines that it is in the public interest and serves a public purpose that the maximum number of licenses issued for medical marijuana provisioning centers shall be capped at 25, and implemented in a two-phase process in order to balance serving patients’ needs and spreading economic development.”

Section 1300.01 sets forth the legislative intent of the ordinance, which must be considered in its implementation. It “...declares that economic development, including job creation and training, and the protection of the public health, safety, and welfare of City neighborhoods and residents are public purposes.” This intent is embodied in the evaluation process, and provision (c) of Section 1300.15. The Ordinance contemplates more than a simple list of criteria that will be met for a license.

The ordinance clearly intends a competitive determination for a limited number of licenses to be granted within the limits of Lansing. Any applicant is put on notice of a competitive evaluation between applicants based upon the specified scoring criteria. The specific criteria are neither arbitrary nor lacking in transparency. Scoring will necessarily represent a comparative evaluation with other Applicant submissions. The criteria for scoring is readily identifiable. (See specifically Section 1300.05 and 1300.06). Similar to a competitive bidding process, the criteria for the competition must be supplied and met, but the successful bid cannot be known. An element of discretion is evident in final selections.

The evaluation by a hearing officer falls essentially into three basic categories in the appellate process. First, legal analysis. The evaluation of legal arguments for correctness and weight are considered. Second, deals directly with the weight and accuracy of factual conclusions. Reviewing the original application and submission material to determine if ultimate conclusions are supported by reasonable and substantial evidence. Finally, the third area is that conclusion that involves discretion.

While commentary might be presented on comparative application strength, the relative comparison of applications, (in terms of the weight given beyond the rudimentary requirements of the Ordinance) are best suited to the initial, and concluding Appellate stages. Hearing officers do not see every application. The meeting of, or failure to meet, basic requirements of the Ordinance are well suited to the retained expert under the ordinance. The modification of discretionary conclusions as to which submissions are ultimately “best”, once the basic requirements are met, is not. It must be noted that the ordinance makes
the comparative nature clear in establishing a limited number of licenses. Notice is provided that the process does not contemplate a license issued to every entity meeting the basic requirements, but only a limited number of licenses will be granted.

DISCUSSION

Areas of Appellants objections will be addressed sequentially as presented by Appellant:

I. Marketing, Advertising, and Promotion

Appellant scored three of four points. Appellant argues that the failure of the ordinance to specifically require “an optimal amount of examples” precludes the factor as a basis for points. The initial determination rested its conclusion on the failure to provide them, as well as additional supporting details. The Ordinance 1305(b)(12) states that an application shall provide:

“A copy of the proposed business plan for the establishment, including, but not limited to, the following:

***

iii.) A proposed marketing, advertising, and business promotion plan, including plans to minimize the exposure of marketing or promoting marihuana products to minors”

The Ordinance expressly opens consideration beyond minimum requirements for an application. Consideration of the submission of additional details including specific examples is a reasonable exercise of authority under the ordinance. **No change is recommended.**

II. Tangible Investment into the City of Lansing

Nine of fifteen points were awarded. Appellant Edenz 2 restates the investments that have been made, and that would be expected to be made in the City of Lansing. A clerical area is referenced because of the initial decision referencing another property not in the application that the owners would have an interest in. Apparently this is not true. The Applicant does not appear to have been penalized, but typically broader investment and integration would have helped, so had the investment been correct, and made a part of the application materials, more points may have been awarded. This seems to have been a harmless error in any event.

The area of Tangible Investment is not referring to plans, but is dealing primarily with concrete tangible assets in physical form. The assets were considered in the original decision. The deductions in points were based upon “lack of details about integrated operations and less than optimal capital dollar investment amount”. The Appellant argues that additional details are difficult given the lack of current operations. The comparative details provided other applicants as well as greater investment amounts
and details provides the main basis for lower point totals. These considerations are justified in the Ordinance and valid considerations is this process. No change is recommended.

III. Job Creation

One of five points was awarded. There appears to have been a reduction, in part over the number of jobs proposed, but additional points were apparently lost in considering the proposed employment to be for two applications rather than one. Given that two separate applications were filed, the Appellants assertion that the jobs proposed were for the immediate applications is reasonable.

Comparative evaluation is not made simply based upon whether jobs are sufficient for the business proposed. The consideration of benefit to the City is clearly withing the contemplation of the ordinance, and points for a larger employment is reasonable. It is recommended that additional points be awarded based upon the commitment of more jobs than in the original application. The within recommendation is for two points additional, but it is recognized that the comparative value of applications meeting basic requirements is best suited for the Clerk or Commission, having the opportunity to review all competing applications. Three of five points are recommended.

IV. Financial Structure and Financing

Two of three points were awarded. The same rationale as the immediately prior discussion applies here. The investment is intended for the current application and is not divided among two. An additional point is recommended. Three of three points are recommended.

V. Plans to Integrate Facility With Other establishments

One of two points were awarded. Appellant argues that no points should be deducted for the failure to specify the size of operations they plan to integrate with. This is based upon the language of the Ordinance stating at 1300.05(b)(12):

"ix. If a medical marihuana grower facility(ies) are proposed, plans to integrate such facility(ies) with other proposed medical marihuana establishments and a statement whether the medical marihuana grower facility will grow 1,000 plants or more and the square footage of the building(s) housing such grower facility, and if so, will the facility contain more than 10,000 square feet of space"

Appellant reasonably points out that the requirement applies if a medical grower facility is proposed. The requirement does not expressly apply to a Provisioning Center, which is the sole purpose of the
within application. While it might be argues that clear plans of integration beyond the proposed “reaching out” may be of more value, the rationale set forth in the conclusion is technically incorrect. Two out of two points are recommended.

VI. Charitable Plans and Strategies

Two of four points were originally awarded. Upon review of application materials a specification of funds in the amount of $24,000.00 was found within application materials. Recommendation is made for three of four points.

VII. Number of Jobs at the Provisioning Center

Four of five points were awarded. Two bases were provided for the one point reduction in the original decision. One was the failure to specify if the job totals were for one license or two. This was addressed previously. The application proposal is a separate entity, and should be considered on its merits. However, the conclusion also indicates that the details supplied were not sufficiently clear. If competing applications offer greater details this would suggest a reasonable basis for the loss of a point on that discretionary basis. The stated number of jobs however does not given the pledge of all jobs indicated to the within application. Accepting that the lack of details may be found to represent sufficient basis for a reduction on a comparative basis, for purpose of this recommendation, four of five points is recommended.

VIII. Amount and Type of Compensation

One of two points was awarded. The Appellant again ably notes that the ordinance does not require the “optimal amount of support details” and requests a full two point score. The discretion to render a comparative analysis of applications is once again noted. Full points were given in other categories specifying acknowledgment that all employees would receive at least fifteen dollars an hour. The Ordinance clearly allows for a competitive application process. Applications with superior referenced details as to payrolls, hours, wages etc, together with additional supportive details justifiably may be scored higher. No change is recommended.

IX. Sufficient Financial Resources

Three of five points was awarded. The previous error again affected the within application when the bank statement showing $100,000.00 was considered to apply to two applications. The full amount is thereafter applicable to the current application. The modification justifies an increase in points. Given the amount of the immediate financial resource available four of five points is recommended.
X. Business Experience

Four of five points was awarded. Appellant objects, again objecting to the decisions reduction based upon a lack an “optimal amount” of business experience. The reduction for this comparative category is best address by other appellate levels. The levels of experience of all other applicants is justifiably considered. Of interest in that consideration is the claim that the other application filed by the same shareholders produced a score of five out of five. The score of four out of five is not modified in this recommendation.

XI. Buffering Between Residential Zoned Areas and Establishment

Two of Five Points were awarded. The initial decision was readdressed, again using computer measuring tools. The tools show that there is residential zoning (not necessarily existing residences) with 1/4 mile of the location proposed. Appellant asserts there is more than enough buffer zone and “any residential areas”. An exhibit number 11 is not reviewed as it was not submitted in conjunction with the prior application. Appeal is limited to the evidence in the record. Section 1300.15 provides the mechanism for appeal stating:

“Such appeal shall be taken by filing with the City Clerk, within 14 days after notice of the action complained of has been mailed to the applicant’s last known address on the records of the City Clerk, a written statement setting forth fully the grounds for the appeal. The Clerk shall review the report and recommendation of the hearing officer and make a decision on the matter.”

No basis for evidentiary submissions or fact hearings are provided. Evidence submitted on appeal must be rejected. No basis exists to modify the original scoring of two of five.

XII. Increased Traffic on Side Streets

Four of five points was originally awarded. Subsequent review establishes a high scoring traffic plan in all categories. Five of five points is recommended.

XII.(sic) Entrance and Exit on Main Streets, Adequate Parking and Quality of Security Plan

Seven of ten points was awarded. In support of Appellants request for additional points is Exhibit 12.
This exhibit was not a part of the original application and is not considered. (See issue XI.) No change is recommended.

XIII. Plan to Meet With Neighborhood Organizations

Zero of Two points were awarded. Appellant notes it's other application contained the same supporting materials and one point was awarded. Review of the record supports the score. One additional point is awarded.

XIV. Improvements Proposed to Building

One of three points was awarded. The Clerk's office reworked the calculations to determine 128% of the SEV in the area was proposed. Three points are recommended.

XV. Plan to Minimize Traffic

Zero of one points was awarded. Appellant's main argument is that the Provisioning Center operation is inherently quieter than production facilities. The initial decision finds the submission inadequate. No change is recommended.

XVII. LPD Complaints

Two of Four Points Were Awarded. Appellant does not contest the occurrence of a number of incidents at or near the premises. It is argued that the incidents occurred prior to acquisition, and further, no operations have begun upon the premises. It appears reasonable to conclude that there is no direct link between Appellant's use of the premises and any of the LPD complaints. The City may reasonably desire to avoid areas where criminal conduct is prevalent. The issue is called to the Clerk's attention for consideration. No change is recommended at this time.

XIX. Litigation History

Zero of Two points were awarded. The requirement for a litigation history is not contested. Appellant suggests that the submission of such a history for one of the two principals should be sufficient for credited points. The interest of the City in securing superior operators is well served by consideration of litigation history. The Ordinance required such submissions by all such principles and employees. It was not fully complied with. No change is recommended.
CONCLUSION

It is recommended that 74 of 100 points be awarded in the scoring of the within application. This is an inadequate number of points to meet the threshold for further consideration. This Recommended decision is to deny the appeal of the applicant Edenz 2 Inc. for a license to run a Provisioning Center at 5124 South Martin Luther King Jr. Blvd based upon the current application and record.

November 7, 2018

Respectfully Submitted,

Timothy A. O’Rourke, Hearing Officer.
Timeline
Lansing Provisioning Center LLC
6510 S Cedar Street
Lansing, Michigan 48910

December 15, 2017 - Application submitted

December 21, 2017 - Department review of applications begins

July 31, 2018 - Scoring and Ranking denial letter sent.................................1

Original Score - ............................................................................................4

August 14, 2018 - Appeal submitted..............................................................7

August 16, 2018 - Applicant reinstatement to pending email.....................38

October 1, 2018 - Score and Ranking denial letter sent..............................39

Updated Score..............................................................................................42

October 15, 2018 - Updated Hearing Officer Appeal submitted...............46

October 26, 2018 - Appeal to Hearing Officer

November 27, 2018 - Hearing Officer Denial letter sent.........................84

Hearing Officer Decision.............................................................................86

December 17, 2018 - Commission Appeal Date email................................95

December 27 - Commission Appeal submitted.........................................97

Updated Score..............................................................................................142
July 31, 2018

Lansing Provisioning Center LLC  
Yousif Badra  
111 Swallowtail Lane  
Owosso, MI 48864

Dear Provisioning Center Applicant,

The Lansing City Ordinance section 1300.6 discusses Provisioning Center license application evaluation. **Your score 66 of out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.**

Attached are your sub-scores based on the criteria posted on https://lansingmi.gov/1637/Medical-Marijuana and a brief summary of determining factors for each sub-score.

**You will not be selected to receive a Provisioning Center license in the City of Lansing for the proposed business at 6510 S Cedar St.**

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk’s Office a written statement setting forth fully the grounds for the appeal pursuant to Chapter 1300.15(c). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review the appeal and information submitted by the City Clerk. The hearing officer will consider the information and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you would like the hearing officer to consider. Appeals are limited to materials provided during the application process. No new application material will be considered on appeal.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.
If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope
Chris Swope, Master Municipal Clerk
Lansing City Clerk

CC: City of Lansing Law Department
<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>Lansing Provisioning Center Inc.</th>
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</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>6510 S. Cedar St.</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>---</td>
<td>Scoring Insights</td>
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<table>
<thead>
<tr>
<th>Marketing, Advertising and Promotion</th>
<th>4</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant provides many marketing, advertising, promotion, and minor minimization examples (e.g., marketing plan is tailored to advertise &amp; promote effectively and reduce advertising exposure to youth; discreet signage in order to prevent exposure to minors; will not advertise in newspapers, no flyer distribution in the community, no marihuana symbols on logos; website; social media; will target licensed adult patients and constantly work to minimize exposure of ads and marketing to minors).</td>
<td></td>
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<table>
<thead>
<tr>
<th>Tangible Capital Investment in the City of Lansing (Investment in applicants other provisioning centers was not included in score)</th>
<th>15</th>
<th>6</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant indicates they have a 5-year lease for the provisioning center at 6510 S. Cedar St. with startup costs of $300,000. Lacks any discussion about integrating with grow and/or processing facilities, ownership of the provisioning center, and an optimal amount of tangible capital investment.</td>
<td></td>
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<tr>
<th>Job Creation (Integrated System) Overall number of jobs created</th>
<th>5</th>
<th>2</th>
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<tbody>
<tr>
<td>Applicant only indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc. Lacks an optimal number of jobs.</td>
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<table>
<thead>
<tr>
<th>Financial Structure and Financing</th>
<th>3</th>
<th>3</th>
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<tbody>
<tr>
<td>Applicant indicates their members will fund the initial provisioning center startup expenses ($300K) from their own personal funds. Provides proof of a bank account balance of $300K and a Bank Certificate For Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million.</td>
<td></td>
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<table>
<thead>
<tr>
<th>Plans to Integrate Facility with Other Establishments</th>
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<tbody>
<tr>
<td>Applicant does not discuss any plans to integrate the provisioning center with a grow/cultivation facility.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable Plans and Strategies</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Number of Jobs at the Provisioning Center Category Thresholds: 1 = &lt; 6 jobs, insufficient details; 2 = &lt; 6 jobs, sufficient details; 3 = 6 jobs, sufficient details; 4 = &gt; 6 jobs insufficient details; 5 = &gt; 6 jobs, sufficient/good details.</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Amount and Type of Compensation (PC)</td>
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<tr>
<td>Percent of Employees Earning At Least $15/Hour (PC)</td>
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<td>3</td>
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<tr>
<td>Projected Annual Budget and Revenue (PC)</td>
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<tr>
<td>Sufficient Financial Resources</td>
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<tr>
<td>Business Experience</td>
<td>5</td>
<td>3</td>
</tr>
<tr>
<td>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</td>
<td>5</td>
<td>2</td>
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<tr>
<td>Buffering between residential zoned areas and establishment</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>Increased traffic on side streets will be scored lower</td>
<td>5</td>
<td>3</td>
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<tr>
<td>Entrance and exit on main streets, adequate parking not on residential streets, Quality of Security Plan</td>
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<td>8</td>
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<td>Plan to meet with neighborhood organizations</td>
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<td>Improvements made or proposed to building</td>
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<td>Plan to minimize/eliminate traffic</td>
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<td>Plan to minimize/eliminate noise</td>
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</tr>
<tr>
<td>Plan to minimize/eliminate odor</td>
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<td>1</td>
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<tr>
<td>LPD Complaints</td>
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<td>3</td>
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<td>Demo of Regulatory Compliance</td>
<td>4</td>
<td>2</td>
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<tr>
<td>Litigation History</td>
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<td>2</td>
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<tr>
<td>Total</td>
<td>100</td>
<td>66</td>
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</table>
Deb,

Please find attached Lansing Provisioning Center, LLC’s appeal of its Lansing MMPC license denial located at 6501 S. Cedar St. Please do not hesitate to call me with any further questions.

Michael D. Stein
The Law Firm of Michael D. Stein, PLLC
30833 Northwestern Hwy. Suite 200
Farmington Hills, MI 48334
248-249-3700 - Phone
248-796-0738 - Fax
LANSING PROVISIONING CENTER, LLC ("APPELLANT") APPEAL

Prepared by

Michael D. Stein, Esq.
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STATEMENT OF ISSUES PRESENTED

1. Was the reviewer’s decision supported by competent material, and substantial evidence?
   Appellant Answers: No

2. Were the applicants scores based on clearly erroneous findings
   Appellant Answers: Yes

3. Were the applicants scores based on improper/inconsistent scoring
   Appellant Answers: Yes

4. Did the scoring method comply with Lansing’s ordinance?
   Appellant Answers: No

5. Should this city clerk reverse the decision to deny Appellants application?
   Appellant Answers: Yes
I. INTRODUCTION

This appeal involves highly recognized and awarded local Michigan residents. As the owners of Lansing Provisioning Center, LLC, Yousif Badra, Dr. Angela Badra, Chris Sotiropoulos and Mark Saydek bring to the table the combined corporate operations experience necessary to run a safe, profitable, and compliant medical marijuana dispensary business. The applicant has applied for a Provisioning Center license in the City of Lansing under its ordinance and in accordance with the Michigan Medical Marihuana Facilities Licensing Act however, Appellant’s license was denied for purported insufficient material. Quite simply, the City of Lansing either did not fully review the entire application or ignored the sufficiency of the plans provided. Appellant has therefore filed the instant appeal as its only avenue to seek review of its score and status in the City of Lansing and asks this Clerk to reverse the City's decision due to lack of material, competent, and substantial evidence, erroneous and improper scoring and failure to score the application in accordance with its own ordinance.

II. STATEMENT OF FACTS

A. APPELLANT'S MMPC APPLICATION

Appellant, LANSING PROVISION CENTER, LLC (“LPC”) is owned by highly recognized and awarded local Michigan residents, who timely filed an application for an MMPC license with the City of Lansing for the location of 6510 S. Cedar St., Lansing, MI.

B. PROCEDURAL HISTORY

On or about July 31, 2018, LPC received an email from your office advising that it would not be selected to receive a Provisioning Center license (Exhibit A). The correspondence from your office indicated that the basis for the denial was as follows: "Your score of 66 out of 100
eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.” In addition, the denial correspondence included the applicant’s sub-scores based on the ordinance criteria along with a brief summary of determining factors for each sub-score; this scoring sheet is also attached (Exhibit B).

After this denial, LPC is left with no further avenues for reconsideration of the City’s administrative decision. Therefore, LPC files the instant Appeal.

III. STANDARD OF REVIEW

The basis for this appeal is (1) the scoring is not based on competent, material and substantial evidence; (2) Scoring Insights are based on clearly erroneous findings; (3) Applicants scoring was based on improper/inconsistent scoring; (2) Scoring methods do not comply with the ordinance; and (3) Scoring was an abuse of discretion.

Although Appellant recognizes the Clerk’s office is not a court of law, the applicable standard of review is whether the decision is supported by competent, material, and substantial evidence on the record, and represents the reasonable exercise of the board’s discretion.

“Substantial evidence” is evidence that a reasonable person would accept as sufficient to support a conclusion.” Edw C Levy Co v Marine City Zoning Bd of Appeals, 293 Mich App 333, 341-42; 810 NW2d 621 (2011) (quoting Dowerk v Charter Tp of Oxford, 233 Mich App 62, 72; 592 NW2d 724 (1998)). Furthermore, scoring must be proper, consistent, comply with the applicable ordinance and not an abuse of discretion.

IV. ARGUMENT

A. Tangible Capital Investment in the City of Lansing (Investment in applicants other provisioning centers was not Included in score).
The scoring insight for this category states, in part, as follows: "Applicant...lacks Any discussion about integrating with grow and/or processing facility....and an optimal amount of tangible capital investment" This is erroneous as the applicant clearly states it will be building an additional brand new on the property with an investment over $1,000,000.00 (See Exhibit C). The scoring in this section also fails to recognize applicant has already made a commitment to improve the existing building. Applicant was punished significantly (6 out of 15 points) because of a misinterpretation of the plan by the reviewer. The reviewer acknowledged the lease cost but disregarded or misinterpreted that another $80,000 in improvements will be made and a significant tangible capital investment of $1,000,000.00 will be invested in the new construction. Furthermore, construction quotes were provided. A plain reading of this section of the application demonstrates a full committal to the new construction. This scoring category simply asks what the tangible capital investment will be; the new construction is a tangible capital investment and the score needs to reflect this tremendous additional investment in Lansing.

This type of scoring is improper and inconsistent and must be adjusted upward by 9 points.

B. Job Creation (Integrated System) Overall number of jobs created

In the category entitled “Job Creation”, the reviewers determined that “15 new Lansing jobs will be created.....lacks optimal number of jobs.” The applicant was only awarded 2 out of 5 points due to this alleged deficiency. Again, the reviewers fail to cite that the plan says “initial” jobs. Applicant also gives detail as to other Lansing based employment it will seek in the form of tradesmen. 15 initial jobs plus the addition of further employees and tradesmen is more than worthy of an additional 2 points in this category.
C. Charitable Plans and Strategies.

Applicant provides specific companies for whom they will partner with (e.g., Trinity Church, Foster Community Center) and discuss their long term financial contributions based on meetings with each specified company (See Exhibit D). Obviously, charitable contributions don’t decrease, they increase, and that is the applicants plan moving forward. In addition to financial contributions, the principles also encourage its employees and owners to volunteer their time.

Specific references to charitable organizations represent more than mere conjecture and demonstrate proof of a well thought out plan. Apparently this section was not reviewed at all. The plan along with the appropriate figure of in charitable contribution commitments per year and volunteering time demand an additional 4 points for full points in this category.

D. Sufficient Financial Resources

The scoring insight for this category states that “Applicant does not provide a complete litigation compliance verification form for the key team members. This is incorrect. The checklist prepared by the Clerk’s office upon receipt of the application on December 15, 2017 did not indicate this was missing. In fact, the applicant and stakeholder stated they have no litigation history. This disclosure is in full compliance with Ordinance No. 1217 § 1300.6(4). Again, this is very perplexing that this item was supplied and referenced in the Table of Contents but scored as if nothing was supplied. The reviewer also notes that applicant provides proof it has $300,000 in the bank and access to a $5,000,000.00 line of credit which is 50 times more than the required capital to operate a PC in Lansing.

Applicant has provided evidence of its financial ability and this score should be adjusted upward to match the 5 out of 5 so rightfully deserved.
E. Business Experience

The reviewer notes that applicant does not have any medical marijuana experience. This is not accurate. As part of his resume, Mark Saydek clearly states he has several years of experience as a medical marijuana caregiver. Pursuant to Michigan law, “dispensaries” were illegal in Michigan prior to December 15th, 2017 so why would applicants be awarded points for illegal operation? Mr. Saydek has a significant amount of experience as a caregiver but not as an illegal dispensary owner. Applicant should not be punished for following the law and deserves 2 more points because they have medical marijuana experience.

F. Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items.

The reviewer insight comments do not reference a single issue with “content and sufficiency of information” or “professionalism of submitted documentation including clear labeling of required items”. Taking two points was another blatant attempt to erroneously steal points from an otherwise impeccably drafted application. Why would applicant be deducted two points for a minor issue that was cured? 1) no issue as to the application presentation was cited and 2) the “minor” issue was cured immediately. The applicants run very successful businesses with thousands of transactions a year without any issues…..why would a minor issue warrant a loss of over 40% of points in a category? This deduction is unwarranted, an abuse of discretion and excessive. 3 additional points should be awarded in the category.

G. Increased traffic on side streets

Applicant provided a robust “Land Use” plan to minimize traffic on the side streets. In fact, the site plan specifically address’s “traffic control renovations”. The site plan shows that
applicant will cut off building access from the side street. What more can it do? Based on applicant’s plan to further minimize side street traffic 2 more points must be awarded in this category.

H. Entrance and exit on main streets, adequate parking not on residential streets, and quality of security plan.

The applicant only received 8 out of 10 points in this category. Why was applicant docked 2 points? The reviewer only notes “inadequate driveways”. What does that mean? This appears to be another blatant attempt to deduct points. There is no specific issue cited with the driveways and no reason to take 2 points.

I. Plan to minimize noise,

In spite of the voluminous submissions by applicant addressing this issue, the applicant was awarded only one for this category. In regards to noise, the applicant provided a full set of architectural plans with city building permit approvals for all required categories and compliance with the applicable building codes and SOP’s which state how noise is reduced. Applicant also proposed a sound barrier wall on the property to further reduce any noise. Please add one additional point in this category (See application SOP’s and site plan).

J. Plan to minimize odor

Applicant provide a complete odor reduction plan (See Exhibit E) which provides in part: Odor Mitigation Devices LPC will install a Photohydroionization (PHI) Unit (see specifications below) as the primary odor mitigation device, designed to eliminate 99.99% of all odors safely and efficiently. In rooms where the odor is more intense, LPC has elected to use activated carbon filters as a secondary odor reduction method.

Commercial PHI Unit by RGF
This device is designed to reduce air pollutants such as odors, VOCs (chemical odors such as paint fumes, hydrocarbons, etc.), or smoke, and also kills mold, bacteria, and viruses. The unit is easily mounted into air conditioning and heating system air ducts, which are the primary cause of odors being released outside the facility. When the HVAC system is in operation the Commercial PHI Unit creates an advanced oxidation process consisting of hydro-peroxides, ozonide ions, super oxide ions and hydroxide ions. All are considered low-r oxidizers that revert back to oxygen and hydrogen after the oxidation of the pollutant. The system is available fully assembled for easy installation.

Germicidal UV light rays have been used for decades by the medical industry as a method for destroying micro-organisms (germs, viruses, bacteria). UV light is dependable and can be easily installed in HVAC ducts or a plenum. Germicidal UV light is effective in reducing only the airborne micro-organisms that pass directly through the light rays. However, germicidal UV light has little to no effect on gases, vapors or odors. Photohydroionization Advanced Oxidation, on the other hand, is very effective on gases, vapors, VOCs and odors.

The combination of safe low-level ozone (O₃) and UV light enhanced by a hydrated quad-metallic compound target develops an advanced oxidation reaction that creates as well as reduces ozone to safe low levels. This process also produces hydro-peroxides, super oxide ions, ozonide ions and hydroxides. By engineering the proper UV light wave len LPC, in combination with a triple function, no maintenance unit. The PHI Cell provides safe hydro-peroxides, super oxide ions, ozonide ions and hydroxides to purify the air.

With the RGF HVAC PHI Cell*Advanced Oxidation System, micro-organisms can be reduced up to 99.99%. Gases, VOCs and odors can also be reduced significantly, and the room will have ozonide ions, hydro-peroxides, super oxide ion and hydroxides which will help give the room fresh, clean and odor free air.

Activated Carbon Filters
The secondary odor mitigation system will include the placement of high-quality, 2.5" activated carbon filter for recirculated air in the HVAC systems. These filters will be affixed to the HVAC intake vents in all rooms where marijuana is packaged, stored, displayed for sale, or otherwise handled.

The carbon filters are designed to reduce and control the airborne pollutants such as VOCs, odors, and other gaseous contaminants. The filters act by "scrubbing" the air, absorbing contaminants into the activated carbon material as it passes through to be recirculated throughout the HVAC system. LPC has selected Can Filter for the provider of these filters. The products are made in North America, and the company has had a reputation for high-quality filters for over 30 years. The brand was selected for multiple reasons, chief among these being that the units have the thickest filter material, and longest shelf life of the various filters LPC compared.

How are these measures not enough to warrant full points? Not only has a plan been provided but the specific equipment was presented. Please add 2 points to this score for a full 3 out of 3 points.

K. LPD Complaints

The complaint listed in the reviewers comments deals with the prior tenant.

How can the applicant be held responsible for incidents that have occurred under completely different ownership and long before applicant even signed a lease agreement? Individuals/entities are not and have never been held accountable or punished for the acts of other people outside of their control. This aforementioned principle is the bedrock of the legal system. To deduct points for a phone call completely unlinked to the applicant is astonishing
and the most egregious abuse of discretion imaginable. Applicant demands an additional point be added as no history of LPD complaints against it or its owners exists or has been cited.

L. Demonstration of Regulatory Compliance

Applicants own and operate several businesses generating sales and revenue over $50,000,000.00. No issues are cited by the reviewer accept for what is termed a “major tax issue” which was cured. The stakeholders demonstrate not one single issue with its business operation yet the reviewer deems it necessary to deduct two points for a tax issue that was cured that was not even associated with the applicant but rather the owner of the property. The applicants run very successful businesses with thousands of transactions a year without any issues. This is yet another blatant attempt to deduct points for no apparent reason and represents a gross abuse of discretion. There is no reason a full score should not be given to applicant for its stellar record of regulatory compliance across North America. Please add 2 point in this category.

M. Litigation History

0 out of 2 points in this category is absurd. First, the litigation disclosure form was provided and showed no history of litigation. For a multi-million dollar company to have no litigation history is an anomaly and should be rewarded not punished erroneously. Furthermore, as part of its “experience” section, applicants attest to the fact they have no litigation history. The applicant & stakeholder’s significant business history and lack of litigation history demand 2 out of 2 points in this category.

V. CONCLUSION
On behalf of the applicant, we request an immediate review of this appeal as we have raised serious concerns about the competency of this review and scoring that has missed many items that were actually supplied.

VI. RELIEF REQUESTED

It is clear in this case that LPC’s application was wrongfully denied and that it has now been unfairly stripped of its ability to receive a license. The City’s denial is clearly inappropriate and inaccurate.

WHEREFORE, Appellant respectfully requests the City Clerk order the City of Lansing to reverse its decision, award 35 additional points and give applicant approval for its Lansing Medical Marijuana Provisioning Center.

Respectfully submitted,

Michael D. Stein, Esq
FW: Provisioning Center Application Update

6 messages

Joe Badra <jbadra@lccsusa.com>  Tue, Jul 31, 2018 at 3:41 PM
To: Michael stein <steinlawpllc@gmail.com>, "mark sadek (mark.sadek@hotmail.com)"
<mark.sadek@hotmail.com>, Chris Soliropoulos <csol317@gmail.com>, "drbadra@aol.com"
<drbadra@aol.com>

To All,

I just received this disappointing email from the City of Lansing. Scanning quickly over the itemized scoring, I am totally surprised to see our score is 6 of 15 in the tangible capital item! Where the heck did they get this 5-year lease? .........

Let’s brainstorm this over a short meeting and see where we go from here. Let me hear from you!

With best regards,

Joe

Joseph Badra
C: +1 517 488 6996

From: Biehler, Deb [mailto:Deb.Biehler@lansingmi.gov]
Sent: Tuesday, July 31, 2018 3:17 PM
To: Joe Badra
Subject: Provisioning Center Application Update

Dear Provisioning Center Applicant,

https://mail.google.com/mail/u/0/?ui=2&ik=5e3d22-22-l&jsver=8Vp8E0NUfDM.en.&cbl...  8/14/2018
The Lansing City Ordinance section 1300.6 discusses Provisioning Center license application evaluation. Your score of 66 out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.

Attached are your sub-scores based on the criteria posted on https://lansingmi.gov/1637/Medical-Marijuana and a brief summary of determining factors for each sub-score.

You will not be selected to receive a Provisioning Center license in the City of Lansing for the proposed business at 6510 South Cedar Street.

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk’s Office a written statement setting forth fully the grounds for the appeal pursuant to Chapter 1300.15(c). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review the appeal and information submitted by the City Clerk. The hearing officer will consider the information and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you would like the hearing officer to consider. Appeals are limited to materials provided during the application process. No new application material will be considered on appeal.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope, Master Municipal Clerk
Lansing City Clerk

CC: City of Lansing Law Department
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<td>6510 S. CEDAR ST.</td>
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<td>3</td>
<td>Applicant indicates they have decades of experience of applicable business experience (e.g., engineering, healthcare, business management, telecommunications) but does not indicate any medical marijuana industry experience.</td>
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<td>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</td>
<td>5</td>
<td>2</td>
<td>Multiple books submitted &amp; spicial bond. Mult requests for add. Docs including letters from Building Safety and Treasury for Major compliance issues</td>
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<tr>
<td>Buffering between residential zoned areas and establishment</td>
<td>5</td>
<td>5</td>
<td>Far from residences</td>
</tr>
<tr>
<td>Increased traffic on side streets will be scored lower</td>
<td>5</td>
<td>3</td>
<td>Amwood driveway is close to church</td>
</tr>
<tr>
<td>Entrance and exit on main streets, adequate parking, not on residential streets, Quality of Security Plan</td>
<td>10</td>
<td>8</td>
<td>Tier 1 A+Sec Plan. Issues with parking plan. 3 pts traffic. Strong parking, inadequate driveways.</td>
</tr>
<tr>
<td>Plan to meet with neighborhood organizations</td>
<td>1</td>
<td>1</td>
<td>Tab 12 found</td>
</tr>
<tr>
<td>Improvements made or proposed to building</td>
<td>3</td>
<td>3</td>
<td>Plan to begin after receiving license</td>
</tr>
<tr>
<td>Plan to minimize/eliminate traffic</td>
<td>1</td>
<td>1</td>
<td>Traffic plan included</td>
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<td>2</td>
<td>1</td>
<td>Low traffic volume</td>
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<td>Plan to minimize/eliminate odor</td>
<td>3</td>
<td>1</td>
<td>Carbon filters/airpurification units</td>
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<td>LPD Complaints</td>
<td>4</td>
<td>3</td>
<td>1 B&amp;E alarm call, 1 call</td>
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<td>Demo of Regulatory Compliance</td>
<td>4</td>
<td>2</td>
<td>Major tax history compliance issue</td>
</tr>
<tr>
<td>Litigation History</td>
<td>2</td>
<td>2</td>
<td>Clear history, check tab 25</td>
</tr>
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<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>66</strong></td>
<td></td>
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Lansing Provisioning Center will be leasing the property under a five year lease from the stakeholder’s LLC whom owns it. As a result of the use of the building for a medical marijuana provisioning center the stakeholders of LPC are going to build a brand new building on the existing property to relocate the current business. Not only will we be spending a considerable amount of money on the buildout of the existing building but LPC has committed to constructing the additional new 4,000 sq ft. building on the property. In addition to all the employees we hire directly, we will create indirect, temporary employment through the buildout and outfitting of our provision provisioning center and new building which will require construction workers, architects, engineers, and tradespeople. Below is chart of the plan Tangible Capital Investment:

<table>
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<th>Provisioning Center</th>
<th>Cost</th>
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<td>5 year Lease of Property/6510 S. Cedar St.</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Buildout (See attached quote)</td>
<td>$80,000.00</td>
</tr>
<tr>
<td><strong>4,000 Sq. ft. New Construction (See Construction Plans)</strong></td>
<td></td>
</tr>
<tr>
<td>New Construction Buildout/ 6510 S. Cedar St. (See attached quote)</td>
<td>$980,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,360,000.00</strong></td>
</tr>
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As discussed in the job creation section below, at least provisioning center jobs with salaries ranging from $31,000-$65,000 will be created along with the need for professional services. We plan to use as many resources from Lansing as possible.
EXHIBIT D
Charitable Contribution & City Improvement

1300.5(12)(Xi)

We endeavor to give charitable contributions that will benefit the City of Lansing and "re-invest" in the City of Lansing. We've made the following commitments and contributions:

Trinity Church:
- Made a $800 donation and commitment to help fund their "Love Lansing" local outreach program
- Commitment to volunteer and help fund their "Celebrate" Recovery program

Foster Community Center
- Made a $500 donation and commitment to fund their community center events
- Volunteering to cleanup local parks when our business opens

South Side Community Coalition
- Made charitable donation and commitment to funding efforts to get kids exposure beyond local community
- Create a marketing program to get the community more involved in South Side Community Coalition
- Volunteer for their food distribution they have on Mondays and their hoop program

Chabad Student Center at MSU
Made $800 donation and commitment to fund their Shabbat dinners and events

*See letters supporting commitments
Security
Product storage safe
Dedicated computer and screens for security system
Dedicated server for facility
Storage room shelving
Keys/access keys
Alarm system

Display
Shelves
Jars
Containers
Hooks
Back board/wall board
Electronic display/TV

Other
Scanner/Printer/Copier
Office supplies
Cleaning Supplies
Money counter
Smaller safe for storing cash
Odor control devices and systems

Odor Management Plan
As part of LPC’s commitment to positive community impact, LPC has developed odor mitigation strategies to minimize any marijuana smell being emitted by the dispensary. Potential impact to neighbors has been considered during LPC facility site selection, facility design, and developing company standard operating procedures (SOPs). Both primary and secondary systems will be installed within the dispensary to reduce detectable odors outside the facility.
Potential Odor Sources

Packaging - The majority of medical marijuana items will arrive at the dispensary pre-packaged for individual sale, which will drastically reduce the potential for odors. Bulk flower shipments requiring repackaging for dispensing directly to patients will be separated according to bud size and placed into child-resistant packaging (CRP) in the packaging room. Mild odor is emitted during the packaging process, as the cured medical marijuana is agitated during packaging. This also results in a small amount of particulate matter being released, which can contribute to the odors emitted. The packaging room will be equipped with an activated carbon filter which will absorb a large portion of the odors emitted during packaging, and features a pre-filter designed to collect particulate matter.

Storage Area - Odors should be at a minimum in the storage and designated quarantine areas. All packages will remain sealed and enclosed in a box or safe in the product storage area. Any product being stored for disposal will remain sealed until it is destroyed. Employees will be trained to make sure that all containers are closed and sealed, and to immediately close all containers in the storage area. The storage room will have an activated carbon filter, similar to the packaging room.

Dispensing - Opening display or sample jars prior to patient purchase may generate odors. This exposure is brief, minimizing odors while preserving the integrity of the sample. Dispensing agents will immediately replace the lids of sample jars after allowing patients to smell the sample. The dispensing room will also have an activated carbon filter.

Odor Mitigation Devices
LPC will install a Photohydroionization (PHI) Unit (see specifications below) as the primary odor mitigation device, designed to eliminate 99.99% of all odors safely and efficiently. In rooms where the odor is more intense, LPC has elected to use activated carbon filters as a secondary odor reduction method.

Commercial PHI Unit by RGF
This device is designed to reduce air pollutants such as odors, VOCs (chemical odors such as paint fumes, hydrocarbons, etc.), or smoke, and also kills mold, bacteria, and viruses. The unit is easily mounted into air conditioning and heating system air ducts, which are the primary cause of odors being released outside the facility. When the HVAC system is in operation the Commercial PHI Unit creates an advanced oxidation process consisting of hydro-peroxides, ozonide ions, super oxide ions and hydroxide ions. All are considered low-r oxidizers that revert back to oxygen and hydrogen after the oxidation of the pollutant. The system is available fully assembled for easy installation.

Germicidal UV light rays have been used for decades by the medical industry as a method for destroying micro-organisms (germs, viruses, bacteria). UV light is dependable and can be easily installed in HVAC ducts or a plenum. Germicidal UV light is effective in reducing only the airborne micro-organisms that pass directly through the light rays. However, germicidal UV light has little to no effect on gases, vapors or odors. Photohydroionization Advanced Oxidation, on the other hand, is very effective on gases, vapors, VOCs and odors.

The combination of safe low-level ozone (O₃) and UV light enhanced by a hydrated quad-metallic compound target develops an advanced oxidation reaction that creates as well as reduces ozone to safe low levels. This process also produces hydro-peroxides, super oxide ions, ozonide ions and hydroxides. By engineering the proper UV light wave LenLPC, in combination with a triple function, no maintenance unit. The PHI Cell provides safe hydro-peroxides, super oxide ions, ozonide ions and hydroxides to purify the air.

With the RGF HVAC PHI Cell•Advanced Oxidation System, micro-organisms can be reduced up to 99.99%. Gases, VOCs and odors can also be reduced significantly, and the room will have ozonide ions, hydro-peroxides, super oxide ion and hydroxides which will help give the room fresh, clean and odor free air.

Activated Carbon Filters
The secondary odor mitigation system will include the placement of high-quality, 2.5" activated carbon filter for recirculated air in the HVAC systems. These filters will be affixed to the HVAC intake vents in all rooms where marijuana is packaged, stored, displayed for sale, or otherwise handled.

The carbon filters are designed to reduce and control the airborne pollutants such as VOCs, odors, and other gaseous contaminants. The filters act by “scrubbing” the air, absorbing contaminants into the activated carbon material as it passes through to be recirculated throughout the HVAC system. LPC has selected Can Filter for the provider of these filters. The products are made in North America, and the company has had a reputation for high-quality filters for over 30 years. The brand was selected for multiple reasons, chief among these being that the units have the thickest filter material, and longest shelf life of the various filters LPC compared.

**Service and Maintenance**

Employees will be trained on the routine maintenance of pre-filters and carbon filters during orientation and training. Employees will learn how to disassemble pre-filters and carbon filters for inspection and proper maintenance, along with proper removal and reinstallation.

*Pre-filter* - Employee will perform maintenance on pre-filters monthly by vacuuming the dust from the pre-filter. Pre-filters will be replaced every 6 months.

*Carbon filter* - Employee will perform maintenance on carbon filters each year by vacuuming the dust from the outside of the carbon filter. Carbon Filters will be completely replaced every four years.

*PHI unit* – Employees will routinely inspect the bulb through an inspection sight glass during monthly inspections to confirm the unit is operational. Per manufacturer instructions, the bulbs in this units will be replaced every 18,000 hours, or around every 4 years at an average of 12 hours per day of operation.

All filters and pre-filters will be tagged to identify the employee that installed the device, the date and time of the replacement, and the date that the device should be replaced by. Service and
maintenance records will be maintained for all serviceable items in the odor control system. At minimum, these records will contain the following information:
- Date and time of service
- Service performed
- Name of individual performing the service
- Unit number or device number serviced

Odor Complaints and Troubleshooting
The LPC has developed SOPs to manage complaints or system malfunctions should they arise. As part of routine facility inspections, LPC’s Compliance Coordinator will walk around the perimeter of the facility to confirm there is no detectable odor being emitted. Should any odor be detected, the Compliance Coordinator will record the issue in the related notes in the inspection, and will include the location the odor was detected.

In the event LPC receives a complaint of odors being emitted from the facility, the Dispensary General Manager will complete a complaint form to document the incident, and begin the investigation and resolution process. Once the form has been completed, it will be immediately provided to the manager on duty to take further action. The complaint form will include, at minimum, the following information:
- Date and Time of complaint
- Name of the individual making the complaint
- Description of the complaint
- Name and badge number of the employee recording the complaint

Once an odor mitigation concern has been identified, the management team will follow a diagnostic process to replicate the complaint, pinpoint the possible source, repair or replace items as needed, and confirm the repair has resolved the issue.

Inventory Control
LPC has created inventory control standard operating procedures (SOPs) including the management of the electronic tracking system, security policies and protocols for monitoring and tracking inventory, inventory maintenance, medical marijuana waste management, and reporting procedures in accordance with all applicable laws, rules, and regulations. LPC will utilize the electronic inventory tracking system, a point of sales system, and manual logs to establish and maintain robust inventory controls and procedures that ensure all medical marijuana products are accounted for at all times.

The primary method of inventory tracking will be the electronic tracking system, which will provide a complete tracking of all medical marijuana in the facility from the time inventory is purchased to final sale to the patient or disposed of. Once deployed, this system will be critical to ensuring complete transparency into the on-hand inventory at the dispensary. Every transaction at the dispensary, such as a sale, purchase order, movement of inventory, inventory adjustments, and inventory reconciliation will be serialized and recoverable on-demand and retrieved in short
Good morning.

Upon further review, the application for Lansing Provisioning Center to be located at 6510 S Cedar Street will be restored to pending status.

You will be contacted if additional documentation is required.

Thank you.

Deb Biehler
MedicalMarihuana Specialist
Lansing City Clerk's Office
124 W. Michigan Avenue | Lansing, MI 48933
O: 517-483-4132 Fax: 517-377-0068
Deb.Biehler@lansingmi.gov
Website | Facebook | Twitter
October 1, 2018

Lansing Provisioning Center LLC
Yousif Badra
111 Swallowtail Lane
Owosso, MI 48864

Dear Provisioning Center Applicant,

The Lansing City Ordinance section 1300.6 discusses Provisioning Center license application evaluation. Your score 74 of out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.

Attached are your sub-scores based on the criteria posted on https://lansingmi.gov/1637/Medical-Marijuana and a brief summary of determining factors for each sub-score.

You will not be selected to receive a Provisioning Center license in the City of Lansing for the proposed business at 6510 S Cedar St.

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk’s Office a written statement setting forth fully the grounds for the appeal pursuant to Chapter 1300.15(c). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review the appeal and information submitted by the City Clerk. The hearing officer will consider the information and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you would like the hearing officer to consider. Appeals are limited to materials provided during the application process. No new application material will be considered on appeal.

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<th>Applicant does not provide litigation compliance verification forms for all key team members. Applicant indicates their members will fund the initial provisioning center startup expenses ($300k) from their own personal funds. Provides proof of a bank account balance of $300k and a Bank Certificate For Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million. Additional point awarded for providing full stakeholder litigation history.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Experience</td>
<td>5</td>
<td>3</td>
<td>Applicant indicates they have decades of experience of applicable business experience (e.g., engineering, healthcare, business management, telecommunications) but does not indicate any medical marijuana industry experience. Lacks the optimal amount of applicable business experience.</td>
</tr>
<tr>
<td>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</td>
<td>5</td>
<td>2</td>
<td>Incomplete or missing information 1 point deducted. Miss requests for add Docs including letters from Building Safety 1 point deducted and Treasury Letter for Major compliance issues 1 point deducted.</td>
</tr>
<tr>
<td>Buffering between residential zoned areas and establishment</td>
<td>5</td>
<td>4</td>
<td>Far from residences. Updated score using a better measurement tool 9/20/18 1280 ft from residential zoning which falls short of the optimal distance of 1/4 mile (1320 feet) to receive full points but is over 1/8 mile (660 ft).</td>
</tr>
<tr>
<td>Increased traffic on side streets will be scored lower</td>
<td>5</td>
<td>3</td>
<td>Amwood driveway is close to church. Updated 9/25/18 inadequate driveways &amp; circulation.</td>
</tr>
<tr>
<td>Entrance and exit on main streets, adequate parking not on residential streets</td>
<td>10</td>
<td>8</td>
<td>Tier 1 5 pts. A+Sec. Plan. Issues with parking plan. 3 pts traffic. Strong parking. Inadequate driveways.</td>
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<tr>
<td>Plan to meet with neighborhood organizations</td>
<td>1</td>
<td>1</td>
<td>Tab 12 found</td>
</tr>
<tr>
<td>---------------------------------------------</td>
<td>---</td>
<td>---</td>
<td>--------------</td>
</tr>
<tr>
<td>Improvements made or proposed to building</td>
<td>3</td>
<td>3</td>
<td>Plan to begin after receiving license. Updated 9/24/18 using a more accurate measurement tool. $1,060,000 of improvements which is 303% of the SEV of $549,600</td>
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<td>Plan to minimize/eliminate traffic</td>
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<td>1</td>
<td>traffic plan included</td>
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<tr>
<td>Plan to minimize/eliminate noise</td>
<td>2</td>
<td>1</td>
<td>minimal plan low traffic volume 1 point deducted</td>
</tr>
<tr>
<td>Plan to minimize/eliminate odor</td>
<td>3</td>
<td>1</td>
<td>Minimal plan carbon filters/airpurification units</td>
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<tr>
<td>LPD Complaints</td>
<td>4</td>
<td>3</td>
<td>1 B&amp;E alarm call, 1 call (1-5 calls drops score to 3pts)</td>
</tr>
<tr>
<td>Demo of Regulatory Compliance</td>
<td>4</td>
<td>2</td>
<td>Updated 9/25/18 major tax history compliance issue 2 pts deducted, no code issues</td>
</tr>
<tr>
<td>Litigation History</td>
<td>2</td>
<td>2</td>
<td>All stakeholders have a complete litigation history with no or minimal issues.</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>74</td>
<td></td>
</tr>
</tbody>
</table>
LANSING PROVISIONING CENTER, LLC ("APPELLANT") APPEAL

Prepared by

Michael D. Stein, Esq.
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<td>12</td>
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</tbody>
</table>
STATEMENT OF ISSUES PRESENTED

1. WAS THE REVIEWER’S DECISION SUPPORTED BY COMPETENT MATERIAL, AND SUBSTANTIAL EVIDENCE?
   Appellant Answers: No

2. WERE THE APPLICANTS SCORES BASED ON CLEARLY ERRONEOUS FINDINGS
   Appellant Answers: Yes

3. WERE THE APPLICANTS SCORES BASED ON IMPROPER/INCONSISTENT SCORING
   Appellant Answers: Yes

4. DID THE SCORING METHOD COMPLY WITH LANSING’S ORDINANCE
   Appellant Answers: No

5. SHOULD THIS CITY CLERK REVERSE THE DECISION TO DENY APPELLANTS APPLICATION?
   Appellant Answers: Yes
I. INTRODUCTION

This appeal involves highly recognized and awarded local Michigan residents. As the owners of Lansing Provisioning Center, LLC, Yousif Badra, Dr. Angela Badra, Chris Sotiropoulos and Mark Saydek bring to the table the combined corporate operations experience necessary to run a safe, profitable, and compliant medical marijuana dispensary business. The applicant has applied for a Provisioning Center license in the City of Lansing under its ordinance and in accordance with the Michigan Medical Marihuana Facilities Licensing Act however, Appellant’s license was denied for purported insufficient material. Quite simply, the City of Lansing either did not fully review the entire application or ignored the sufficiency of the plans provided. Appellant has therefore filed the instant appeal as its only avenue to seek review of its score and status in the City of Lansing and asks this Clerk to reverse the City’s decision due to lack of material, competent, and substantial evidence, erroneous and improper scoring and failure to score the application in accordance with its own ordinance.

II. STATEMENT OF FACTS

A. APPELLANT’S MMPC APPLICATION

Appellant, LANSING PROVISION CENTER, LLC (“LPC”) is owned by highly recognized and awarded local Michigan residents, who timely filed an application for an MMPC license with the City of Lansing for the location of 6510 S. Cedar St., Lansing, MI.

B. PROCEDURAL HISTORY

On or about July 31, 2018, LPC received an email from your office advising that it would not be selected to receive a Provisioning Center license (Exhibit A). The correspondence from your office indicated that the basis for the denial was as follows: “Your score of 66 out of 100
eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.” In addition, the denial correspondence included the applicant’s sub-scores based on the ordinance criteria along with a brief summary of determining factors for each sub-score; this scoring sheet is also attached (Exhibit B).

After this denial, LPC was left with no further avenues for reconsideration of the City’s administrative decision. LPC filed the instant Appeal to seek review of its score. Thereafter, LPC was informed that its application was reinstated.

On or about October 1, 2018, LPC received an email from your office advising that it would not be selected to receive a Provisioning Center license (Exhibit A-2). The correspondence from your office indicated that the basis for the denial was as follows: “Your score of 74 out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.” In addition, the denial correspondence included the applicant’s sub-scores based on the ordinance criteria along with a brief summary of determining factors for each sub-score; this scoring sheet is also attached (Exhibit B-2).

After this denial, LPC is left with no further avenues for reconsideration of the City’s administrative decision. LPC filed the instant Appeal to seek review of its score.

III. STANDARD OF REVIEW

The basis for this appeal is (1) the scoring is not based on competent, material and substantial evidence; (2) Scoring Insights are based on clearly erroneous findings; (3) Applicants scoring was based on improper/inconsistent scoring; (2) Scoring methods do not comply with the ordinance; and (3) Scoring was an abuse of discretion.
Although Appellant recognizes the Clerk’s office is not a court of law, the applicable standard of review is whether the decision is supported by competent, material, and substantial evidence on the record, and represents the reasonable exercise of the board’s discretion. “Substantial evidence” is evidence that a reasonable person would accept as sufficient to support a conclusion.” Edw C Levy Co v Marine City Zoning Bd of Appeals, 293 Mich App 333, 341-42; 810 NW2d 621 (2011) (quoting Dowerk v Charter Tp of Oxford, 233 Mich App 62, 72; 592 NW2d 724 (1998)). Furthermore, scoring must be proper, consistent, comply with the applicable ordinance and not an abuse of discretion.

IV. ARGUMENT

A. Tangible Capital Investment in the City of Lansing (Investment in applicants other provisioning centers was not included in score).

The scoring insight for this category states, in part, as follows: “Applicant...lacks Any discussion about integrating with grow and/or processing facility.....and an optimal amount of tangible capital investment” This is erroneous as the applicant clearly states it will be building an additional brand new on the property with an investment over $1,000,000.00 (See Exhibit C). The scoring in this section also fails to recognize applicant has already made a commitment to improve the existing building. Applicant was punished significantly (12 out of 15 points) because of a misinterpretation of the plan by the reviewer. The reviewer acknowledged the lease cost but disregarded or misinterpreted that another $80,000 in improvements will be made and a significant tangible capital investment of $1,000,000.00 will be invested in the new construction. Furthermore, construction quotes were provided. A plain reading of this section of the application demonstrates a full committal to the new construction. This scoring category simply
asks what the tangible capital investment will be; the new construction is a tangible capital investment and the score needs to reflect this tremendous additional investment in Lansing.

This type of scoring is improper and inconsistent and must be adjusted upward by 3 points.

B. Job Creation (Integrated System) Overall number of jobs created

In the category entitled “Job Creation”, the reviewers determined that “15 new Lansing jobs will be created.....lacks optimal number of jobs.” The applicant was only awarded 2 out of 5 points due to this alleged deficiency. Again, the reviewers fail to cite that the plan says “initial” jobs. Applicant also gives detail as to other Lansing based employment it will seek in the form of tradesmen. 15 initial jobs plus the addition of further employees and tradesmen is more than worthy of an additional 2 points in this category.

C. Charitable Plans and Strategies.

Applicant provides specific companies for whom they will partner with (e.g., Trinity Church, Foster Community Center) and discuss their long term financial contributions based on meetings with each specified company (See Exhibit D). Obviously, charitable contributions don’t decrease, they increase, and that is the applicants plan moving forward. In addition to financial contributions, the principles also encourage its employees and owners to volunteer their time.

Specific references to charitable organizations represent more than mere conjecture and demonstrate proof of a well thought out plan. Apparently this section was not reviewed at all. The plan along with the appropriate figure of in charitable contribution commitments per year and volunteering time demand an additional 4 points for full points in this category.

D. Sufficient Financial Resources
The scoring insight for this category states that “Applicant does not provide a complete litigation compliance verification form for the key team members. This is incorrect. The checklist prepared by the Clerk’s office upon receipt of the application on December 15, 2017 did not indicate this was missing. In fact, the applicant and stakeholder stated they have no litigation history. This disclosure is in full compliance with Ordinance No. 1217 § 1300.6(4). Again, this is very perplexing that this item was supplied and referenced in the Table of Contents but scored as if nothing was supplied. The reviewer also notes that applicant provides proof it has $300,000 in the bank and access to a $5,000,000.00 line of credit which is 50 times more than the required capital to operate a PC in Lansing.

Applicant has provided evidence of its financial ability and this score should be adjusted upward to match the 5 out of 5 so rightfully deserved.

E. Business Experience

The reviewer notes that applicant does not have any medical marijuana experience. This is not accurate. As part of his resume, Mark Saydek clearly states he has several years of experience as a medical marijuana caregiver. Pursuant to Michigan law, “dispensaries” were illegal in Michigan prior to December 15th, 2017 so why would applicants be awarded points for illegal operation? Mr. Saydek has a significant amount of experience as a caregiver but not as an illegal dispensary owner. Applicant should not be punished for following the law and deserves 2 more points because they have medical marijuana experience.

F. Content and Sufficiency of Information; Professionalism of submitted documentation

including clear labeling of required items.
The reviewer insight comments do not reference a single issue with "content and sufficiency of information" or "professionalism of submitted documentation including clear labeling of required items". Taking two points was another blatant attempt to erroneously steal points from an otherwise impeccably drafted application. Why would applicant be deducted two points for a minor issue that was cured? 1) no issue as to the application presentation was cited and 2) the "minor" issue was cured immediately. The applicants run very successful businesses with thousands of transactions a year without any issues.....why would a minor issue warrant a loss of over 40% of points in a category? This deduction is unwarranted, an abuse of discretion and excessive. 3 additional points should be awarded in the category.

G. Increased traffic on side streets

Applicant provided a robust "Land Use" plan to minimize traffic on the side streets. In fact, the site plan specifically address's "traffic control renovations". The site plan shows that applicant will cut off building access from the side street. What more can it do? Based on applicant's plan to further minimize side street traffic 2 more points must be awarded in this category.

H. Entrance and exit on main streets, adequate parking not on residential streets, and quality of security plan.

The applicant only received 8 out of 10 points in this category. Why was applicant docked 2 points? The reviewer only notes "inadequate driveways". What does that mean? This appears to be another blatant attempt to deduct points. There is no specific issue cited with the driveways and no reason to take 2 points.

I. Plan to minimize noise,
In spite of the voluminous submissions by applicant addressing this issue, the applicant was awarded only one for this category. In regards to noise, the applicant provided a full set of architectural plans with city building permit approvals for all required categories and compliance with the applicable building codes and SOP’s which state how noise is reduced. Applicant also proposed a sound barrier wall on the property to further reduce any noise. Please add one additional point in this category (See application SOP’s and site plan).

J. Plan to minimize odor

Applicant provide a complete odor reduction plan (See Exhibit E) which provides in part:

**Odor Mitigation Devices** LPC will install a Photohydroionization (PHI) Unit (see specifications below) as the primary odor mitigation device, designed to eliminate 99.99% of all odors safely and efficiently. In rooms where the odor is more intense, LPC has elected to use activated carbon filters as a secondary odor reduction method.

*Commercial PHI Unit by RGF*

This device is designed to reduce air pollutants such as odors, VOCs (chemical odors such as paint fumes, hydrocarbons, etc.), or smoke, and also kills mold, bacteria, and viruses. The unit is easily mounted into air conditioning and heating system air ducts, which are the primary cause of odors being released outside the facility. When the HVAC system is in operation the
Commercial PHI Unit creates an advanced oxidation process consisting of hydro-peroxides, ozonide ions, super oxide ions and hydroxide ions. All are considered low-r oxidizers that revert back to oxygen and hydrogen after the oxidation of the pollutant. The system is available fully assembled for easy installation.

Germicidal UV light rays have been used for decades by the medical industry as a method for destroying micro-organisms (germs, viruses, bacteria). UV light is dependable and can be easily installed in HVAC ducts or a plenum. Germicidal UV light is effective in reducing only the airborne micro-organisms that pass directly through the light rays. However, germicidal UV light has little to no effect on gases, vapors or odors. Photohydroionization Advanced Oxidation, on the other hand, is very effective on gases, vapors, VOCs and odors.

The combination of safe low-level ozone ($O_3$) and UV light enhanced by a hydrated quad-metallic compound target develops an advanced oxidation reaction that creates as well as reduces ozone to safe low levels. This process also produces hydro-peroxides, super oxide ions, ozonide ions and hydroxides. By engineering the proper UV light wavelength, in combination with a triple function, no maintenance unit. The PHI Cell provides safe hydro-peroxides, super oxide ions, ozonide ions and hydroxides to purify the air.

With the RGF HVAC PHI Cell® Advanced Oxidation System, micro-organisms can be reduced up to 99.99%. Gases, VOCs and odors can also be reduced significantly, and the room will have ozonide ions, hydro-peroxides, super oxide ion and hydroxides which will help give the room fresh, clean and odor free air.

**Activated Carbon Filters**

The secondary odor mitigation system will include the placement of high-quality, 2.5” activated carbon filter for recirculated air in the HVAC systems. These filters will be affixed to the HVAC intake vents in all rooms where marijuana is packaged, stored, displayed for sale, or otherwise handled.

The carbon filters are designed to reduce and control the airborne pollutants such as VOCs, odors, and other gaseous contaminants. The filters act by "scrubbing" the air, absorbing
contaminants into the activated carbon material as it passes through to be recirculated throughout the HVAC system. LPC has selected Can Filter for the provider of these filters. The products are made in North America, and the company has had a reputation for high-quality filters for over 30 years. The brand was selected for multiple reasons, chief among these being that the units have the thickest filter material, and longest shelf life of the various filters LPC compared.

How are these measures not enough to warrant full points? Not only has a plan been provided but the specific equipment was presented. Please add 2 points to this score for a full 3 out of 3 points.

K. LPD Complaints

The complaint listed in the reviewers comments deals with the prior tenant. How can the applicant be held responsible for incidents that have occurred under completely different ownership and long before applicant even signed a lease agreement? Individuals/entities are not and have never been held accountable or punished for the acts of other people outside of their control. This aforementioned principle is the bedrock of the legal system. To deduct points for a phone call completely unlinked to the applicant is astonishing and the most egregious abuse of discretion imaginable. Applicant demands an additional point be added as no history of LPD complaints against it or its owners exists or has been cited.

L. Demonstration of Regulatory Compliance

Applicants own and operate several businesses generating sales and revenue over $50,000,000.00. No issues are cited by the reviewer accept for what is termed a “major tax issue” which was cured. The stakeholders demonstrate not one single issue with its business operation yet the reviewer deems it necessary to deduct two points for a tax issue that was cured that was not even associated with the applicant but rather the owner of the property. The applicants run very successful businesses with thousands of transactions a year without any issues. This is yet another blatant attempt to deduct points for no apparent reason and represents a gross abuse
of discretion. There is no reason a full score should not be given to applicant for its stellar record of regulatory compliance across North America. Please add 2 point in this category.

**M. Litigation History**

0 out of 2 points in this category is absurd. First, the litigation disclosure form was provided and showed no history of litigation. For a multi-million dollar company to have no litigation history is an anomaly and should be rewarded not punished erroneously. Furthermore, as part of its “experience” section, applicants attest to the fact they have no litigation history. The applicant & stakeholder’s significant business history and lack of litigation history demand 2 out of 2 points in this category.

**V. CONCLUSION**

On behalf of the applicant, we request an immediate review of this appeal as we have raised serious concerns about the competency of this review and scoring that has missed many items that were actually supplied.

**VI. RELIEF REQUESTED**

It is clear in this case that LPC’s application was wrongfully denied and that it has now been unfairly stripped of its ability to receive a license. The City’s denial is clearly inappropriate and inaccurate.

WHEREFORE, Appellant respectfully requests the City Clerk order the City of Lansing to reverse its decision, award 35 additional points and give applicant approval for its Lansing Medical Marijuana Provisioning Center.
Respectfully submitted,

[Signature]

Michael D. Stein, Esq
To All,

I just received this disappointing email from the City of Lansing. Scanning quickly over the itemized scoring, I am totally surprised to see our score is 6 of 15 in the tangible capital item! Where the heck did they get this 5-year lease? ........

Let's brainstorm this over a short meeting and see where we go from here. Let me hear from you!

With best regards,

Joe

Joseph Badra
C. +1 517 488 6996

Dear Provisioning Center Applicant,

https://mail.google.com/mail/u/0/?ui=2&ik=5e3d22823d&jsver=8Vp8E0NUfDM.en.&cbl...

8/14/2018
The Lansing City Ordinance section 1300.6 discusses Provisioning Center license application evaluation. Your score of 66 out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.

Attached are your sub-scores based on the criteria posted on https://lansingmi.gov/1637/Medical-Marijuana and a brief summary of determining factors for each sub-score.

You will not be selected to receive a Provisioning Center license in the City of Lansing for the proposed business at 6510 South Cedar Street.

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk’s Office a written statement setting forth fully the grounds for the appeal pursuant to Chapter 1300.15(c). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review the appeal and information submitted by the City Clerk. The hearing officer will consider the information and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you would like the hearing officer to consider. Appeals are limited to materials provided during the application process. No new application material will be considered on appeal.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope, Master Municipal Clerk
Lansing City Clerk

CC: City of Lansing Law Department
Dear Provisioning Center Applicant,

The Lansing City Ordinance section 1300.6 discusses Provisioning Center license application evaluation. Your score 74 of out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.

Attached are your sub-scores based on the criteria posted on https://lansingmi.gov/1037/Medical-Marijuana and a brief summary of determining factors for each sub-score.

You will not be selected to receive a Provisioning Center license in the City of Lansing for the proposed business at 6510 S Cedar St.

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk's Office a written statement setting forth the grounds for the appeal pursuant to Chapter 1300.15(9). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review the appeal and information submitted by the City Clerk. The hearing officer will consider the information and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you would like the hearing officer to consider. Appeals are limited to materials provided during the application process. No new application material will be considered on appeal.

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If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope, Master Municipal Clerk
Lansing City Clerk

CC: City of Lansing Law Department

https://mail.google.com/mail/u/0?ik=5e3d22823d&pt=&search=all&permthid=threa... 10/15/2018
<table>
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<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>LANSING PROVISIONING CENTER INC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Address</td>
<td>6510 S. CEDAR ST.</td>
<td>Scoring Insights</td>
</tr>
<tr>
<td>Marketing, Advertising and Promotion</td>
<td>4</td>
<td>Applicant provides many marketing, advertising, promotion, and minor minimization examples (e.g., marketing plan is tailored to advertise &amp; promote effectively and reduce advertising exposure to youth; discreet signage in order to prevent exposure to minors; will not advertise in newspapers, no flyer distribution in the community, no marijuana symbols on logos; website; social media; will target licensed adult patients and constantly work to minimize exposure of ads and marketing to minors).</td>
</tr>
<tr>
<td>Tangible Capital Investment in the City of Lansing (Investment in applicants other provisioning centers was not included in score)</td>
<td>15</td>
<td>Applicant indicates they have a 5-year lease for the provisioning center at 6510 S. Cedar St, with startup costs of $300,000. Lacks any discussion about integrating with grow and/or processing facilities, ownership of the provisioning center, and an optimal amount of tangible capital investment.</td>
</tr>
<tr>
<td>Job Creation (Integrated System) Overall number of jobs created</td>
<td>5</td>
<td>Applicant only indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc. Lacks an optimal number of jobs.</td>
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<td>Financial Structure and Financing</td>
<td>3</td>
<td>Applicant indicates their members will fund the initial provisioning center startup expenses ($300K) from their own personal funds. Provides proof of a bank account balance of $300K and a Bank Certificate of Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million.</td>
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<td>Plans to Integrate Facility with Other Establishments</td>
<td>2</td>
<td>Applicant does not discuss any plans to integrate the provisioning center with a grow/cultivation facility.</td>
</tr>
<tr>
<td>Charitable Plans and Strategies</td>
<td>4</td>
<td>0</td>
</tr>
<tr>
<td>Number of Jobs at the Provisioning Center Category Thresholds: 1 = &lt; 6 jobs, insufficient details; 2 = &lt; 6 jobs, sufficient details; 3 = 6 jobs, sufficient details; 4 = &gt; 6 jobs insufficient details; 5 = &gt; 6 jobs, sufficient/good details.</td>
<td>5</td>
<td>5</td>
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<tr>
<td>Amount and Type of Compensation (PC)</td>
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<tr>
<td>Percent of Employees Earning At Least $15/Hour (PC)</td>
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<td>Projected Annual Budget and Revenue (PC)</td>
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<td>Sufficient Financial Resources</td>
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</tr>
<tr>
<td>--------------------------------</td>
<td>-----------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Applicant Address</td>
<td>--</td>
<td>5150 S. Cedar St.</td>
</tr>
<tr>
<td>Marketing, Advertising and Promotion</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Applicant provides marketing, advertising, promotions and other information; examples (e.g., marketing plans tailored to advertise and promote, effectively and in a way that does not lead to excessive exposure to youth; discretion in order to prevent exposure to minors; will not advertise on websites, billboards, or in other places where children may be present; social media will target senior adult patients and continue to minimize exposure of ads and marketing to minors).</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible Capital Investment in the City of Lansing</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td>Applicant indicates they have a site lease for the provisioning center at 6510 S. Cedar St., with an option to purchase at $300,000. Additional discussion about integrating with grow and/or processing facilities, ownership of the provisioning center, and an optimal amount of tangible capital investment.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Creation (Integrated System) Overall number of jobs created</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Applicant indicates they will be located at this provisioning center and details local NCG. Workforce planning; a job description in the application, payroll impacted; salaries, benefits; etc. Includes an optimal number of jobs.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Structure and Financing</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Applicant indicates that their members will fund the initial provisioning center startup expenses (13000) from their own personal funds; provides proof of a bank account balance of $50k, due a tax certificate for financial capabilities statement indicating a limit of access to available funds ($50k), etc., valued at $5 million.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plans to Integrate Facility with Other Establishments</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Applicant does not discuss any plans to integrate the provisioning center with a grow/cultivation facility.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable Plans and Strategies</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>--------------------------------</td>
<td>---</td>
<td></td>
</tr>
<tr>
<td>Number of Jobs at the Provisioning Center Category Thresholds: 1 = &lt; 6 jobs, insufficient details; 2 = 6 jobs, sufficient details; 3 = &gt; 6 jobs, sufficient details; 4 = &gt; 6 jobs insufficient details; 5 = &gt; 6 jobs, sufficient/good details.</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Amount and Type of Compensation (PC)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Percent of Employees Earning At Least $15/Hour (PC)</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Projected Annual Budget and Revenue (PC)</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Criteria</td>
<td>Score</td>
<td></td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-------</td>
<td></td>
</tr>
<tr>
<td>Sufficient Financial Resources</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Business Experience</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Buffering between residential zoned areas and establishment</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Increased traffic on side streets will be scored lower</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Entrance and exit on main streets, adequate parking not on residential streets</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Plan to meet with neighborhood organizations</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Improvements made or proposed to building</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Plan to minimize/eliminate traffic</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Plan to minimize/eliminate noise</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Plan to minimize/eliminate odor</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>LPD Complaints</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Demo of Regulatory Compliance</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Litigation History</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>

- Plan to begin after receiving license. Updated 5/4/11 using a more accurate measurement tool. $1,000,000 of improvements which is 10% of the SYV of $5,900,000.
- Plan has been modified.
- Mitigation plan included.
- Minimal plan for traffic reduction, point deducted.
- Minimize plan for traffic reduction, point deducted.
- Ears eye call, 1 ear (1-ear drops score to 3pts).
- Updated 9/25/18, major fire hazard compliance issue 2 pts deducted, no code issues.
- All stakeholders have a complete litigation history with no or minimal issues.
Lansing Provisioning Center will be leasing the property under a five year lease from the stakeholder’s LLC whom owns it. As a result of the use of the building for a medical marijuana provisioning center the stakeholders of LPC are going to build a brand new building on the existing property to relocate the current business. Not only will we be spending a considerable amount of money on the buildout of the existing building but LPC has committed to constructing the additional new 4,000 sq ft. building on the property. In addition to all the employees we hire directly, we will create indirect, temporary employment through the buildout and outfitting of our provision provisioning center and new building which will require construction workers, architects, engineers, and tradespeople. Below is chart of the plan Tangible Capital Investment:

<table>
<thead>
<tr>
<th>Provisioning Center</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 year Lease of Property/6510 S. Cedar St.</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Buildout (See attached quote)</td>
<td>$80,000.00</td>
</tr>
</tbody>
</table>

**4,000 Sq. ft. New Construction (See Construction Plans)**

<table>
<thead>
<tr>
<th>New Construction Buildout/ 6510 S. Cedar St. (See attached quote)</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>$980,000.00</td>
</tr>
</tbody>
</table>

As discussed in the job creation section below, at least provisioning center jobs with salaries ranging from $31,000-$65,000 will be created along with the need for professional services. We plan to use as many resources from Lansing as possible.
EXHIBIT D
Charitable Contribution & City Improvement

1300.5(12)(XI)

We endeavor to give charitable contributions that will benefit the City of Lansing and "re-invest" in the City of Lansing. We’ve made the following commitments and contributions:

Trinity Church-
- Made a $800 donation and commitment to help fund their "Love Lansing" local outreach program
- Commitment to volunteer and help fund their "Celebrate" Recovery program

Foster Community Center
- Made a $500 donation and commitment to fund their community center events
- Volunteering to cleanup local parks when our business opens

South Side Community Coalition
- Made charitable donation and commitment to funding efforts to get kids exposure beyond local community
- Create a marketing program to get the community more involved in South Side Community Coalition
- Volunteer for their food distribution they have on Mondays and their hoop program

Chabad Student Center at MSU

Made $800 donation and commitment to fund their Shabbat dinners and events

*See letters supporting commitments
Security
Product storage safe
Dedicated computer and screens for security system
Dedicated server for facility
Storage room shelving
Keys/access keys
Alarm system

Display
Shelves
Jars
Containers
Hooks
Back board/wall board
Electronic display/TV

Other
Scanner/Printer/Copier
Office supplies
Cleaning Supplies
Money counter
Smaller safe for storing cash
Odor control devices and systems

**Odor Management Plan**

As part of LPC's commitment to positive community impact, LPC has developed odor mitigation strategies to minimize any marijuana smell being emitted by the dispensary. Potential impact to neighbors has been considered during LPC facility site selection, facility design, and developing company standard operating procedures (SOPs). Both primary and secondary systems will be installed within the dispensary to reduce detectable odors outside the facility.
Potential Odor Sources

Packaging - The majority of medical marijuana items will arrive at the dispensary pre-packaged for individual sale, which will drastically reduce the potential for odors. Bulk flower shipments requiring repackaging for dispensing directly to patients will be separated according to bud size and placed into child-resistant packaging (CRP) in the packaging room. Mild odor is emitted during the packaging process, as the cured medical marijuana is agitated during packaging. This also results in a small amount of particulate matter being released, which can contribute to the odors emitted. The packaging room will be equipped with an activated carbon filter which will absorb a large portion of the odors emitted during packaging, and features a pre-filter designed to collect particulate matter.

Storage Area – Odors should be at a minimum in the storage and designated quarantine areas. All packages will remain sealed and enclosed in a box or safe in the product storage area. Any product being stored for disposal will remain sealed until it is destroyed. Employees will be trained to make sure that all containers are closed and sealed, and to immediately close all containers in the storage area. The storage room will have an activated carbon filter, similar to the packaging room.

Dispensing – Opening display or sample jars prior to patient purchase may generate odors. This exposure is brief, minimizing odors while preserving the integrity of the sample. Dispensing agents will immediately replace the lids of sample jars after allowing patients to smell the sample. The dispensing room will also have an activated carbon filter.

Odor Mitigation Devices
LPC will install a Photohydroionization (PHI) Unit (see specifications below) as the primary odor mitigation device, designed to eliminate 99.99% of all odors safely and efficiently. In rooms where the odor is more intense, LPC has elected to use activated carbon filters as a secondary odor reduction method.

Commercial PHI Unit by RGF®
This device is designed to reduce air pollutants such as odors, VOCs (chemical odors such as paint fumes, hydrocarbons, etc.), or smoke, and also kills mold, bacteria, and viruses. The unit is easily mounted into air conditioning and heating system air ducts, which are the primary cause of odors being released outside the facility. When the HVAC system is in operation the Commercial PHI Unit creates an advanced oxidation process consisting of hydro-peroxides, ozonide ions, super oxide ions and hydroxide ions. All are considered low-r oxidizers that revert back to oxygen and hydrogen after the oxidation of the pollutant. The system is available fully assembled for easy installation.

Germicidal UV light rays have been used for decades by the medical industry as a method for destroying micro-organisms (germs, viruses, bacteria). UV light is dependable and can be easily installed in HVAC ducts or a plenum. Germicidal UV light is effective in reducing only the airborne micro-organisms that pass directly through the light rays. However, germicidal UV light has little to no effect on gases, vapors or odors. Photohydroionization Advanced Oxidation, on the other hand, is very effective on gases, vapors, VOCs and odors.

The combination of safe low-level ozone (O₃) and UV light enhanced by a hydrated quad-metallic compound target develops an advanced oxidation reaction that creates as well as reduces ozone to safe low levels. This process also produces hydro-peroxides, super oxide ions, ozonide ions and hydroxides. By engineering the proper UV light wavelemPC, in combination with a triple function, no maintenance unit. The PHI Cell provides safe hydro-peroxides, super oxide ions, ozonide ions and hydroxides to purify the air.

With the RGF HVAC PHI Cell Advanced Oxidation System, micro-organisms can be reduced up to 99.99%. Gases, VOCs and odors can also be reduced significantly, and the room will have ozonide ions, hydro-peroxides, super oxide ion and hydroxides which will help give the room fresh, clean and odor free air.

Activated Carbon Filters
The secondary odor mitigation system will include the placement of high-quality, 2.5" activated carbon filter for recirculated air in the HVAC systems. These filters will be affixed to the HVAC intake vents in all rooms where marijuana is packaged, stored, displayed for sale, or otherwise handled.

The carbon filters are designed to reduce and control the airborne pollutants such as VOCs, odors, and other gaseous contaminants. The filters act by "scrubbing" the air, absorbing contaminants into the activated carbon material as it passes through to be recirculated throughout the HVAC system. LPC has selected Can Filter for the provider of these filters. The products are made in North America, and the company has had a reputation for high-quality filters for over 30 years. The brand was selected for multiple reasons, chief among these being that the units have the thickest filter material, and longest shelf life of the various filters LPC compared.

Service and Maintenance

Employees will be trained on the routine maintenance of pre-filters and carbon filters during orientation and training. Employees will learn how to disassemble pre-filters and carbon filters for inspection and proper maintenance, along with proper removal and reinstallation.

Pre-filter - Employee will perform maintenance on pre-filters monthly by vacuuming the dust from the pre-filter. Pre-filters will be replaced every 6 months.

Carbon filter - Employee will perform maintenance on carbon filters each year by vacuuming the dust from the outside of the carbon filter. Carbon Filters will be completely replaced every four years.

PHI unit – Employees will routinely inspect the bulb through an inspection sight glass during monthly inspections to confirm the unit is operational. Per manufacturer instructions, the bulbs in this units will be replaced every 18,000 hours, or around every 4 years at an average of 12 hours per day of operation.

All filters and pre-filters will be tagged to identify the employee that installed the device, the date and time of the replacement, and the date that the device should be replaced by. Service and
maintenance records will be maintained for all serviceable items in the odor control system. At minimum, these records will contain the following information:

- Date and time of service
- Service performed
- Name of individual performing the service
- Unit number or device number serviced

**Odor Complaints and Troubleshooting**

The LPC has developed SOPs to manage complaints or system malfunctions should they arise. As part of routine facility inspections, LPC’s Compliance Coordinator will walk around the perimeter of the facility to confirm there is no detectable odor being emitted. Should any odor be detected, the Compliance Coordinator will record the issue in the related notes in the inspection, and will include the location the odor was detected.

In the event LPC receives a complaint of odors being emitted from the facility, the Dispensary General Manager will complete a complaint form to document the incident, and begin the investigation and resolution process. Once the form has been completed, it will be immediately provided to the manager on duty to take further action. The complaint form will include, at minimum, the following information:

- Date and Time of complaint
- Name of the individual making the complaint
- Description of the complaint
- Name and badge number of the employee recording the complaint

Once an odor mitigation concern has been identified, the management team will follow a diagnostic process to replicate the complaint, pinpoint the possible source, repair or replace items as needed, and confirm the repair has resolved the issue.

**Inventory Control**

LPC has created inventory control standard operating procedures (SOPs) including the management of the electronic tracking system, security policies and protocols for monitoring and tracking inventory, inventory maintenance, medical marijuana waste management, and reporting procedures in accordance with all applicable laws, rules, and regulations. LPC will utilize the electronic inventory tracking system, a point of sale system, and manual logs to establish and maintain robust inventory controls and procedures that ensure all medical marijuana products are accounted for at all times.

The primary method of inventory tracking will be the electronic tracking system, which will provide a complete tracking of all medical marijuana in the facility from the time inventory is purchased to final sale to the patient or disposed of. Once deployed, this system will be critical to ensuring complete transparency into the on-hand inventory at the dispensary. Every transaction at the dispensary, such as a sale, purchase order, movement of inventory, inventory adjustments, and inventory reconciliation will be serialized and recoverable on-demand and retrieved in short
Shipping Label Receipt

Delivery Confirmation™ Service Number:
9405 5116 9900 0797 5886 30

Priority Mail 2-DAY with USPS TRACKING®
Electronic Service Fee: $0.00
Total Postage and Fees: $6.35
Weight: 1 lbs.
Print Date: 11/27/2018

From: Chris Swope
Lansing City Clerk’s Office
124 W Michigan Ave Floor 9
Lansing MI 48933

To: Lansing Provisioning Center LLC
c/o Yousif Badra
111 Swallowtail Lane
Okemos MI 48864-3186

Postmark Here

*Regular Priority Mail 2-DAY Service postage rates apply. There is no fee for Delivery Confirmation™ service on Priority Mail services with use of this electronic shipping label. Postmark is required if fee refund is requested. Delivery information is not available by phone for the electronic option.

Instructions:

1. Adhere shipping label to package with tape or glue - DO NOT TAPE OVER BARCODE. Be sure all edges are secured. Self-adhesive label is recommended.
2. Place the label so it does not wrap around the edge of the package.
3. This package may be deposited in any collection box, handed to your mail carrier, or presented to a clerk at your local Post Office.
4. Each confirmation number is unique and can be used only once - DO NOT PHOTOCOPY.
5. You must mail this package on the “mail date” that is specified on this label.

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November 27, 2018

Lansing Provisioning Center LLC
c/o Yousif Badra
111 Swallowtail Lane
Owosso, MI 48867

Dear Provisioning Center Applicant,

I have reviewed the report and recommendation of the hearing officer on your appeal of the Scoring and Ranking denial of your application to operate a Medical Marihuana Provisioning Center in the City of Lansing at 6510 S Cedar St. I have determined your appeal is denied.

You have the right to appeal this denial of licensure to the Medical Marihuana Commission within thirty (30) days of the date of this letter by filing a written statement to the Commission with the City Clerk’s Office. The Medical Marihuana Commission Appeal will become a matter of public record. The Commission’s review of an appeal shall not be de novo. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

[Signature]

Chris Swope, CMMC
City Clerk

cc: M. Yankowski, Lansing Police Chief
    J. Smiertka, Lansing City Attorney

Lansing City Clerk’s Office
Ninth Floor, City Hall, 124 W. Michigan Ave., Lansing, MI 48933-1695
517-483-4131 85-977-0068 FAX
www.lansingmi.gov/clerk city.clerk@lansingmi.gov
CITY OF LANSING
HEARING OFFICER
DECISION RECOMMENDATION

In Re:

Lansing Provisioning Center, Inc.
Proposed Location: 6510 S. Cedar St.
Provisioning Center License Denial

This decision is remitted to the Clerk of the City of Lansing by Hearing Officer, Hilary M. Barnard, Esq., having been read and informed on the issues recommends that in regard to LANSING PROVISIONING CENTER, INC. and its license application for a Medical Marihuana Provisioning Center that the license application remain denied.

FACTS

LANSING PROVISIONING CENTER, INC. ("Appellant") applied to the City of Lansing to operate a Medical Marihuana Provisioning Center within the city limits. This recommendation follows a timely appeal from Appellant.

By letter dated October 1, 2018, Appellant was informed that its license application was denied because of its score and rank, having received a score of 74 out of 100. Appellant was informed that this score eliminated the possibility of scoring in the top twenty applicants and that it would not be receiving a provisioning center license. Appellant was also informed that it had the right to appeal the denial within 14 (fourteen) days of the letter’s date by written statement with grounds for appeal. With the October 1 letter, Appellant was provided a copy of the City of Lansing Provisioning Center Ranking sheet for its business. On the document, Appellant is able to view the total possible points, its attained points, and short insight statements.

Appellant has point deficiencies in several categories.

Appellant’s Position

Appellant disputes the denial. With its appeal letter it provided a brief. It argues that (1) the reviewer’s decision was not supported by competent material and substantial evidence; (2) the scores were clearly erroneous; (3) the scoring was improper and inconsistent; (4) the scoring method did not comply with the ordinance; and (5) the Clerk’s office should reverse its decision.¹

City Clerk Position

The City Clerk affirms its position on the denial. After further review Clerk’s office made modifications to Appellant’s score, in addition to clarifying point decisions.

¹ It should be noted that with few differences Appellant’s appeal briefs are similar. This recommendation considered arguments provided in both appeal briefs in the file.
On a ranking sheet dated 10/1/2018 under Tangible Capital, Appellant’s score was increased to 12 out of 15 points, indicating Appellant did not provide information about integrating with another licensed facility. Under Job Creation, the review states that Appellant failed to list whether jobs were full or part time, and that construction jobs are not counted. Further explanation under Charitable Plans, states that Appellant’s list of donations was not sufficient for full points, further that in 2 years of tax returns only one specified $101.00 donation was found. Additional material not in the original application was submitted and was not considered.

Under Business Experience, caregiver experience was not given full measure because it does not equate to the retail model needed for a provisioning center. The clerk’s office notes under Content & Sufficiency that 3 cure letters were sent including an overdue tax issue, and that the materials included a narrative with the wrong state referenced. Under Increased Traffic, the clerk’s office iterated that the 6 sentences Appellant provided was not robust. Under LPD Complaints and Regulatory Compliance, the clerk’s office further iterates that review of the location was for the time period owned by the Appellant, and that any incidents are thus attributable to the Appellant.

**APPLICABLE LAW & REASONING**

The issue is whether Appellant’s Provisioning Center License Application for the City of Lansing was erroneously denied.

In regard to the issuance of licenses and the appellate process for a license:

“The City Council shall provide, by ordinance, a procedure for the issuance of licenses and permits. The ordinance shall, to the greatest extent possible, place the responsibility for the issuance of licenses and permits under one official in order that persons requesting specific licenses and permits will not have to contact more than one City office.”\(^2\)

At the denial of a license under City of Lansing Ordinance No. 1217, an applicant:

May appeal to the city clerk, who shall appoint a hearing officer to hear and evaluate the appeal and make a recommendation to the clerk. Such appeal shall be taken by filing with the city clerk, within 14 days after notice of the action complained of has been mailed to the applicant’s last known address on the records of the city clerk, a written statement setting forth fully the grounds for the appeal. The clerk shall review the report and recommendation of the hearing officer and make a decision on the matter. The clerk’s decision may be further appealed to the commission if applied for in writing to the commission no later than thirty (30) days from the clerk’s decision.\(^3\)

* * *

[The] [r]eview of an appeal shall not be de novo. The commission shall only overturn, or modify, a decision or finding of the clerk if it finds such decision or

---

\(^2\) See LANSING CITY CLERK’S OFFICE, City of Lansing City Charter (as amended) at 24 (2015) available at: https://www.lansingmi.gov/DocumentCenter/View/2126/City-Charter?bidId=. In this instance, the license issuance is handled with the City Clerk’s office.

\(^3\) City of Lansing Ordinance No. 1217 Sec. 1300.15(C).
finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the clerk in arriving at such decision or finding.\textsuperscript{3}

The arbitrary or capricious standard of review is the commission’s review and is adopted by this Hearing Officer.\textsuperscript{5} Arbitrary and capricious have generally accepted meanings.\textsuperscript{6} Arbitrary is "without adequate determining principle . . . [f]ixed or arrived at through an exercise of will or by caprice, without consideration or adjustment with reference to principles, circumstances, or significance, . . . decisive but unreasoned."\textsuperscript{7} Capricious is "apt to change suddenly; freakish; whimsical; humorous."

The burden is on the party attacking to affirmatively prove the arbitrary and unreasonable decision.\textsuperscript{9} This is not to say that a local body may "abrogate constitutional restraints."\textsuperscript{10}

Whether an applicant can submit supplemental materials on appeal, the Lansing Ordinance in Section 1300.5(B) states that “[a] complete application for a license or licenses required by this chapter shall be made under oath on forms provided by the city clerk and shall contain all of the following[.]” The ordinance then enumerates all the documents and information required for application submission. Per Michigan Court rule, appeals are based on the record already in place.\textsuperscript{11} Further, an appellate body will generally not consider issues not raised in or ruled on by a lower review.\textsuperscript{12} The appellate review is limited to the record before the lower court at the time of the relevant decision.

Under the City of Lansing Ordinance No. 1217 Section 1300.5:

(B)(12)(IV) Planned tangible capital investment in the city, including detail related to the number and nature of applicant’s proposed medical marihuana establishments in the city and whether the locations of such establishments will be owned or leased; further, if multiple licenses are proposed, an explanation of the economic benefits to the city and job creation, if any, to be achieved through the award of such multiple licenses. Supporting factual data shall be included with the response to this subsection[.] (emphasis added)

Under the City of Lansing Ordinance No. 1217 Section 1300.6, review of an application will consider:

\textsuperscript{3} Id. at 1300.3(E).
\textsuperscript{5} There is an inherent binary in license issuance: issued or denied, not a spectrum of decisions. Given that this is a licensing situation, and that the only prescribed review under Ordinance No. 1217 is arbitrary and capricious, that is the standard that will be observed here.
\textsuperscript{7} Id.
\textsuperscript{8} Id.
\textsuperscript{10} Id. at 162.
\textsuperscript{11} See e.g., MCR 7.105(B)(4); (5)(d) (requiring that the appellate court receive a certified copy of a case’s record and stating review of a trial court’s decision was for legitimate reason based on “arguable support in the record[.]”)
In the event that there are more applicants for provisioning center licenses who meet the minimum requirements set forth in 1300.6(B) than there are licenses available in either phase one or two, the top scoring twenty (20) applicants in phase one and top scoring five (5) applicants in phase two, shall be eligible to receive provisioning center licenses in accordance with the assessment, evaluation, scoring, and ranking procedures established in this chapter.

The Lansing Ordinance incorporates provisions and definitions of the Medical Marihuana Facilities Licensing Act, 2016 PA 281 (as amended) (“MMFLA”) so as to:

“not limit an individual’s or entity’s rights under the [Michigan Medical Marihuana Act (MMMA)], MMA or the [Michigan Tracking Act (MTA)]” and drafters intended that “these acts supersede [the] ordinance where there is a conflict.”

A Lansing applicant must then comply with the MMFLA. Pursuant to Sec. 402 of the MMFLA, in evaluating an applicant for licensure, an applicant’s history of “noncompliance with any regulatory requirements in this state or any other jurisdiction” will be considered.

Here, this Hearing Officer will decline to review any supplemental materials provided by Appellant in effort to cure application deficiencies. Per requirements in the Lansing Ordinance in Section 1300.5(B) and general state appellate practice, review on appeal is to the record originally provided and reviewed. See e.g., Napier v. Jacobs, 429 Mich. 222, 232-35 (1987). Thus, this review will address the appeal on Appellant’s first basis and the application as originally provided.

Appellant raises a Tangible Capital argument. Capital is understood to be “[m]oney or assets invested, or available for investment, in a business.” Further, the City Clerk has articulated that Tangible Capital is rooted in a physical object. As stated above, Appellant was awarded additional points making the score in this category 12 out of 15. Appellant argues that in its initial review information related to improvements and constructions was inaccurately considered, which is harmonized with an increase in score from Appellant’s original score of 6. There is no further basis to award additional points beyond the 6 given. Appellant’s score should remain at 12.

Appellant cites Edw. C. Levy Co. v. Marine City Zoning Bd., 293 Mich. App. 333 (2011), which is a case pertinent to zoning and municipal planning. The merits of this case’s citation are to the standards of review and defining a substantial evidence test. Even if there were basis to use this test, Appellant’s argument is flawed because as stated in this case the factfinder is “not permitted to draw its own conclusions from the evidence presented to the administrative body . . . [and] must

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13 City of Lansing, Michigan Ordinance No. 1217 Sec. 1300.2(C).
14 Id. at Sec. 1300.2(D).
15 MMFLA, MCL § 333.27402/3(g).
16 In this case it discusses that an “exception that review is permissible ‘to prevent a miscarriage of justice.’” “Most jurisdictions recognize the authority of an appellate court to review an issue, even where the issue was not preserved, when some fundamental error would otherwise result in some egregious result.” However, that “such power of review is to be exercised quite sparingly. Napier, 429 Mich. at 233. Under the facts presented, there is not a fundamental error so as to trigger exercising supplementing on appeal.
17 Capital, Black’s Law Dictionary (7th ed.).
give deference to an agency's findings of fact.\textsuperscript{18} The factfinder may not set aside findings just because other facts in the record could have come to a different conclusion.\textsuperscript{19}

The bulk of Appellant’s arguments are rooted in a standard of review with no statutory or procedural reference. The only referenced standard of review in regard to the application process is arbitrary and capricious. Appellant has not raised this argument and as such has not met its burden. It is not enough for an appellant to “simply announce a position or assert an error[].”\textsuperscript{20} Thus leaving the overseer of appeal to “discover and rationalize the basis for his claims, or unravel and elaborate for him his arguments, and then search for authority to either sustain or reject his position.”\textsuperscript{21} This Hearing Officer will not address further the merits of substantial evidence argument nor the arguments of abuse of discretion.

This Hearing Officer does not understand why Appellant still argues for point deficiencies that no longer exist on its application. Likely this is because the first and second appeal briefs are near cut and paste of each other. As to LPD and Regulatory Compliance, since Appellant is the owner of the building, and the significant amount of tax deficiency the scores in these categories are appropriate as scored.

Further, Appellant’s arguments as to the scoring complaining with the ordinance are directed at the wrong forum. The scope of this appeal is not to address deficiencies of an ordinance. Any deficiencies or issues with the ordinance itself are not within the purview of the City Clerk’s office to correct. The scoring criteria themselves have been available to the public since prior to the application deadline. Also, this appeal is the incorrect forum to address issues or concerns. Instead of pointing to section of Appellant’s application, Appellant has tried to build its appeal by attacking the system. This Hearing Officer sees no value in an ad hominem attack in this appeal,\textsuperscript{22} further lacks the authority to address it.

\textbf{CONCLUSION}

For the foregoing reasons, it is recommended that Appellant’s application for a provisioning center license remain denied.

Respectfully Submitted,

\[Signature\]

Hilary M. Barnard, Hearing Officer

\textsuperscript{18} 

\textsuperscript{19} \textit{Id.}


\textsuperscript{21} \textit{Id.}

\textsuperscript{22} See e.g., People v. Coones, 216 Mich. App. 721, 734 (1996) (O’Connell, J., concurring) (noting that a contemptuous \textit{ad hominem} attack is not a proper part of vigorous advocacy).
<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>LANSING PROVISIONING CENTER INC.</th>
<th>LANSING PROVISIONING CENTER INC.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Address</td>
<td>---</td>
<td>6510 S. CEDAR ST.</td>
<td>6510 S. CEDAR ST.</td>
</tr>
<tr>
<td>Marketing, Advertising and Promotion</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Applicant provides many marketing, advertising, promotion, and minor minimization examples (e.g., marketing plan is tailored to advertise &amp; promote effectively and reduce advertising exposure to youth; discreet signage in order to prevent exposure to minors; will not advertise in newspapers, no flyer distribution in the community, no marijuana symbols on logos; website; social media; will target licensed adult patients and constantly work to minimize exposure of ads and marketing to minors).</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible Capital Investment in the City of Lansing</td>
<td>15</td>
<td>12</td>
<td>12</td>
</tr>
<tr>
<td>Applicant indicates they have a 5-year lease for the provisioning center at 6510 S. Cedar St, with startup costs of $300,000. Lacks any discussion about integrating with grow and/or processing facilities, ownership of the provisioning center, and an optimal amount of tangible capital investment.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9/4 UPDATE For TCI, applicant provides additional PC information indicating a 5-year lease from the stakeholder's LLC whom owns it (i.e., take this to mean the applicant owns the property), and that they will invest $580K in PC buildout and $980K ($1.06 million total) for a new 4K sq. ft. PC (i.e., exceeding the $1 million threshold for sufficient TCI). However, application still lacking a discussion about integrating with another grow and/or processing facility. Suggestion: Change the original score from 9 to 12.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Job Creation (Integrated System)</td>
<td>5</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Overall number of jobs created</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applicant only indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc. Lacks an optimal number of jobs.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Structure and Financing</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Applicant indicates their members will fund the initial provisioning center startup expenses ($980K) from their own personal funds. Provides proof of a bank account balance of $300K and a Bank Certificate For Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Plans to Integrate Facility with Other Establishments</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>Applicant does not discuss any plans to integrate the provisioning center with a grow/cultivation facility.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charitable Plans and Strategies</td>
<td>4</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>---</td>
<td>---</td>
<td></td>
</tr>
</tbody>
</table>

**9/4 UPDATE** For Charitable Plans, applicant provided a summary of their commitments and contributions to organizations like PAL, New World Flood, Trinity Church, and others, stating they have paid those organizations > $2,100 and will have also provided volunteer time. Suggestion: Change score from 0 to 2 given the comparatively low dollar amount and lack of actual proof of payment.

<table>
<thead>
<tr>
<th>Number of Jobs at the Provisioning Center Category Thresholds: 1 = &lt; 6 jobs, insufficient details; 2 = &lt; 6 jobs, sufficient details; 3 = 6 jobs, sufficient details; 4 = &gt; 6 jobs insufficient details; 5 = &gt; 6 jobs, sufficient/good details.</th>
<th>5</th>
<th>5</th>
</tr>
</thead>
</table>

Applicant indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc.

<table>
<thead>
<tr>
<th>Amount and Type of Compensation (PC)</th>
<th>2</th>
<th>2</th>
</tr>
</thead>
</table>

Applicant indicates all provisioning center positions (100%) will pay > $15/hour and provides strong support details.

<table>
<thead>
<tr>
<th>Percent of Employees Earning At Least $15/Hour (PC)</th>
<th>3</th>
<th>3</th>
</tr>
</thead>
</table>

Applicant indicates all provisioning center employees will earn > $15/hour.

<table>
<thead>
<tr>
<th>Projected Annual Budget and Revenue (PC)</th>
<th>2</th>
<th>2</th>
</tr>
</thead>
</table>

Applicant provides detailed projected annual budget and revenue data (e.g., $3.57 million in total expenses and $4.3 million in sales during year 1) that are understandable.
<table>
<thead>
<tr>
<th>Category</th>
<th>Score</th>
<th>Max</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sufficient Financial Resources</td>
<td>5</td>
<td>5</td>
<td>Applicant does not provide litigation compliance verification forms for all key team members. Applicant indicates their members will fund the initial provisioning center startup expenses ($300K) from their own personal funds. Provides proof of a bank account balance of $300K and a Bank Certificate For Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million. Additional points awarded for providing full stakeholder litigation history.</td>
</tr>
<tr>
<td>Business Experience</td>
<td>5</td>
<td>3</td>
<td>Applicant indicates they have decades of experience of applicable business experience (e.g., engineering, healthcare, business management, telecommunications) but does not indicate any medical marijuana industry experience. Lacks the optimal amount of applicable business experience.</td>
</tr>
<tr>
<td>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</td>
<td>5</td>
<td>2</td>
<td>Incomplete or missing information: 1 point deducted. Multi requests for add Docs including letters from Building Safety: 1 point deducted and Treasury Letter for Major compliance issues: 1 point deducted.</td>
</tr>
<tr>
<td>Buffering between residential zoned areas and establishment</td>
<td>5</td>
<td>4</td>
<td>Far from residences: Updated score using a better measurement tool: 9/26/18 1280 ft from residential zoning which falls short of the optimal distance of 1/4 mile (1320 feet) to receive full points but is over 1/8 mile (660 ft).</td>
</tr>
<tr>
<td>Increased traffic on side streets will be scored lower</td>
<td>5</td>
<td>3</td>
<td>Amwood driveway is close to church: Updated 9/25/18 inadequate driveways &amp; circulation</td>
</tr>
<tr>
<td>Entrance and exit on main streets, adequate parking not on residential streets</td>
<td>10</td>
<td>8</td>
<td>Tier 1: 5 pts A+Sec Plan, Issues with parking plan: 3 pts traffic, Strong parking: Inadequate driveways.</td>
</tr>
<tr>
<td>Plan to meet with neighborhood organizations</td>
<td>1</td>
<td>1</td>
<td>Tab 12 found</td>
</tr>
<tr>
<td>Improvements made or proposed to building</td>
<td>3</td>
<td>3</td>
<td>Plan to begin after receiving license. Updated 9/24/18 using a more accurate measurement tool. $1,060,000 of improvements which is 30.3% of the SEV of $349,600</td>
</tr>
<tr>
<td>Plan to minimize/eliminate traffic</td>
<td>1</td>
<td>1</td>
<td>Traffic plan included</td>
</tr>
<tr>
<td>Plan to minimize/eliminate noise</td>
<td>2</td>
<td>1</td>
<td>Minimal plan low traffic volume. 1 point deducted</td>
</tr>
<tr>
<td>Plan to minimize/eliminate odor</td>
<td>3</td>
<td>1</td>
<td>Minimal plan carbon filters/airpurification units</td>
</tr>
<tr>
<td>LPD Complaints</td>
<td>4</td>
<td>3</td>
<td>1 B&amp;E alarm call, 1 call (1-5 calls drops score to 3pts)</td>
</tr>
<tr>
<td>Demo of Regulatory Compliance</td>
<td>4</td>
<td>2</td>
<td>Updated 9/25/18 major tax history compliance issue. 2 pts deducted, no code issues</td>
</tr>
<tr>
<td>Litigation History</td>
<td>2</td>
<td>2</td>
<td>All stakeholders have a complete litigation history with no or minimal issue.</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>74</td>
<td></td>
</tr>
</tbody>
</table>
Thanks Jennifer. January 18th is confirmed. I’ll have my appeal filed timely next week.

Michael Stein

Sent from my iPhone

On Dec 17, 2018, at 2:16 PM, Smith-Zande, Jennifer <Jennifer.Smith-Zande@lansingmi.gov> wrote:

My apologies, I put the wrong date on the first email!

December 17, 2018

Lansing Provisioning Center
c/o Yousif Badra
111 Swallowtail Ln
Owosso, MI 48864

Dear Provisioning Center Applicant:

If you wish to appeal the City Clerk’s November 27th report and recommendation of the hearing officer before the City of Lansing Medical Marihuana Commission, your appeal will be held during the scheduled meeting of the Commission on Friday, January 18, 2019 at 2:00 PM in the City Clerk’s Training Room in the Election Unit of the South Washington Office Complex, 2500 S Washington Avenue in Lansing.

Per Lansing City Ordinance 1300.3(e), the Commission’s review of the appeal shall not be de novo. The Medical Marihuana Commission Appeal will become a matter of public record. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding. No additional materials may be submitted for review.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations.

Sincerely,

Chris Swope, Master Municipal Clerk
LANSONG PROVISIONING CENTER, LLC ("APPELLANT") APPEAL

Prepared by

Michael D. Stein, Esq.
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<td>VI. RELIEF REQUESTED</td>
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</tr>
</tbody>
</table>
STATEMENT OF ISSUES PRESENTED

1. WAS THE REVIEWER'S DECISION SUPPORTED BY COMPETENT MATERIAL, AND SUBSTANTIAL EVIDENCE?
   Appellant Answers: No

2. WERE THE APPLICANTS SCORES BASED ON CLEARLY ERRONEOUS FINDINGS
   Appellant Answers: Yes

3. WERE THE APPLICANTS SCORES BASED ON IMPROPER/INCONSISTENT SCORING
   Appellant Answers: Yes

4. DID THE SCORING METHOD COMPLY WITH LANSING'S ORDINANCE
   Appellant Answers: No

5. SHOULD THIS CITY CLERK REVERSE THE DECISION TO DENY APPELLANTS APPLICATION?
   Appellant Answers: Yes
I. INTRODUCTION

This appeal involves highly recognized and awarded local Michigan residents. As the owners of Lansing Provisioning Center, LLC, Yousif Badra, Dr. Angela Badra, Chris Sotiropoulos and Mark Saydek bring to the table the combined corporate operations experience necessary to run a safe, profitable, and compliant medical marijuana dispensary business. The applicant has applied for a Provisioning Center license in the City of Lansing under its ordinance and in accordance with the Michigan Medical Marihuana Facilities Licensing Act however, Appellant’s license was denied for purported insufficient material. Quite simply, the City of Lansing either did not fully review the entire application or ignored the sufficiency of the plans provided. Appellant has therefore filed the instant appeal as its only avenue to seek review of its score and status in the City of Lansing and asks this Clerk to reverse the City’s decision due to lack of material, competent, and substantial evidence, erroneous and improper scoring and failure to score the application in accordance with its own ordinance.

II. STATEMENT OF FACTS

A. APPELLANT’S MMPC APPLICATION

Appellant, LANSING PROVISION CENTER, LLC (“LPC”) is owned by highly recognized and awarded local Michigan residents, who timely filed an application for an MMPC license with the City of Lansing for the location of 6510 S. Cedar St., Lansing, MI.

B. PROCEDURAL HISTORY

On or about July 31, 2018, LPC received an email from your office advising that it would not be selected to receive a Provisioning Center license (Exhibit A). The correspondence from your office indicated that the basis for the denial was as follows: “Your score of 66 out of 100
eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.” In addition, the denial correspondence included the applicant’s sub-scores based on the ordinance criteria along with a brief summary of determining factors for each sub-score; this scoring sheet is also attached (Exhibit B).

After this denial, LPC was left with no further avenues for reconsideration of the City’s administrative decision. LPC filed the instant Appeal to seek review of its score. Thereafter, LPC was informed that its application was reinstated.

On or about October 1, 2018, LPC received an email from your office advising that it would not be selected to receive a Provisioning Center license (Exhibit A-2). The correspondence from your office indicated that the basis for the denial was as follows: “Your score of 74 out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.” In addition, the denial correspondence included the applicant’s sub-scores based on the ordinance criteria along with a brief summary of determining factors for each sub-score; this scoring sheet is also attached (Exhibit B-2).

On or about November 27th, 2018, LPC received an email from your office advising that it would not be selected to receive a Provisioning Center license (Exhibit A-3). The correspondence from your office indicated that the basis for the denial was as follows: “Your score of 74 out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.” In addition, the denial correspondence included the applicant’s sub-scores based on the ordinance criteria along with a brief summary of determining factors for each sub-score; this scoring sheet is also attached (Exhibit B-3).
After this denial, LPC is left with no further avenues for reconsideration of the City’s administrative decision. LPC filed the instant Appeal to seek review of its score.

III. STANDARD OF REVIEW

The basis for this appeal is (1) the scoring is not based on competent, material and substantial evidence; (2) Scoring Insights are based on clearly erroneous findings; (3) Applicants scoring was based on improper/inconsistent scoring; (2) Scoring methods do not comply with the ordinance; and (3) Scoring was an abuse of discretion.

Although Appellant recognizes the Clerk’s office is not a court of law, the applicable standard of review is whether the decision is supported by competent, material, and substantial evidence on the record, and represents the reasonable exercise of the board’s discretion. “Substantial evidence’ is evidence that a reasonable person would accept as sufficient to support a conclusion.” Edw C Levy Co v Marine City Zoning Bd of Appeals, 293 Mich App 333, 341-42; 810 NW2d 621 (2011) (quoting Dowerk v Charter Tp of Oxford, 233 Mich App 62, 72; 592 NW2d 724 (1998)). Furthermore, scoring must be proper, consistent, comply with the applicable ordinance and not an abuse of discretion.

IV. ARGUMENT

A. Tangible Capital Investment in the City of Lansing (Investment in applicants other provisioning centers was not Included in score).

The scoring insight for this category states, in part, as follows: “Applicant...lacks Any discussion about integrating with grow and/or processing facility.....and an optimal amount of tangible capital investment” This is erroneous as the applicant clearly states it will be building an
additional brand new on the property with an investment over $1,000,000.00 (See Exhibit C). The scoring in this section also fails to recognize applicant has already made a commitment to improve the existing building. Applicant was punished significantly (12 out of 15 points) because of a misinterpretation of the plan by the reviewer. The reviewer acknowledged the lease cost but disregarded or misinterpreted that another $80,000 in improvements will be made and a significant tangible capital investment of $1,000,000.00 will be invested in the new construction. Furthermore, construction quotes were provided. A plain reading of this section of the application demonstrates a full committal to the new construction. This scoring category simply asks what the tangible capital investment will be; the new construction is a tangible capital investment and the score needs to reflect this tremendous additional investment in Lansing.

This type of scoring is improper and inconsistent and must be adjusted upward by 3 points.

B. Job Creation (Integrated System) Overall number of jobs created

In the category entitled “Job Creation”, the reviewers determined that “15 new Lansing jobs will be created……lacks optimal number of jobs.” The applicant was only awarded 2 out of 5 points due to this alleged deficiency. Again, the reviewers fail to cite that the plan says “initial” jobs. Applicant also gives detail as to other Lansing based employment it will seek in the form of tradesmen. 15 initial jobs plus the addition of further employees and tradesmen is more than worthy of an additional 2 points in this category.

C. Charitable Plans and Strategies.

Applicant provides specific companies for whom they will partner with (e.g., Trinity Church, Foster Community Center) and discuss their long term financial contributions based on meetings
with each specified company (See Exhibit D). Obviously, charitable contributions don’t
decrease, they increase, and that is the applicants plan moving forward. In addition to financial
contributions, the principles also encourage its employees and owners to volunteer their time.

Specific references to charitable organizations represent more than mere conjecture and
demonstrate proof of a well thought out plan. Apparently this section was not reviewed at all.
The plan along with the appropriate figure of in charitable contribution commitments per year
and volunteering time demand an additional 4 points for full points in this category.

D. Business Experience

The reviewer notes that applicant does not have any medical marijuana experience. This is
not accurate. As part of his resume, Mark Saydek clearly states he has several years of
experience as a medical marijuana caregiver. Pursuant to Michigan law, “dispensaries” were
illegal in Michigan prior to December 15th, 2017 so why would applicants be awarded points for
illegal operation? Mr. Saydek has a significant amount of experience as a caregiver but not as an
illegal dispensary owner. Applicant should not be punished for following the law and deserves 2
more points because they have medical marijuana experience.

F. Content and Sufficiency of Information; Professionalism of submitted documentation
including clear labeling of required items.

The reviewer insight comments do not reference a single issue with “content and
sufficiency of information” or “professionalism of submitted documentation including clear
labeling of required items”. Taking two points was another blatant attempt to erroneously steal
points from an otherwise impeccably drafted application. Why would applicant be deducted two
points for a minor issue that was cured? 1) no issue as to the application presentation was cited
and 2) the “minor” issue was cured immediately. The applicants run very successful businesses
with thousands of transactions a year without any issues.....why would a minor issue warrant a loss of over 40% of points in a category? This deduction is unwarranted, an abuse of discretion and excessive. 3 additional points should be awarded in the category.

G. Increased traffic on side streets

Applicant provided a robust “Land Use” plan to minimize traffic on the side streets. In fact, the site plan specifically address’s “traffic control renovations”. The site plan shows that applicant will cut off building access from the side street. What more can it do? Based on applicant’s plan to further minimize side street traffic 2 more points must be awarded in this category.

H. Entrance and exit on main streets, adequate parking not on residential streets, and quality of security plan.

The applicant only received 8 out of 10 points in this category. Why was applicant docked 2 points? The reviewer only notes “inadequate driveways”. What does that mean? This appears to be another blatant attempt to deduct points. There is no specific issue cited with the driveways and no reason to take 2 points.

I. Plan to minimize noise,

In spite of the voluminous submissions by applicant addressing this issue, the applicant was awarded only one for this category. In regards to noise, the applicant provided a full set of architectural plans with city building permit approvals for all required categories and compliance with the applicable building codes and SOP’s which state how noise is reduced. Applicant also proposed a sound barrier wall on the property to further reduce any noise. Please add one additional point in this category (See application SOP’s and site plan).

J. Plan to minimize odor

Applicant provide a complete odor reduction plan (See Exhibit E) which provides in part:
Odor Mitigation Devices LPC will install a Photohydroionization (PHI) Unit (see specifications below) as the primary odor mitigation device, designed to eliminate 99.99% of all odors safely and efficiently. In rooms where the odor is more intense, LPC has elected to use activated carbon filters as a secondary odor reduction method.

Commercial PHI Unit by RGF

This device is designed to reduce air pollutants such as odors, VOCs (chemical odors such as paint fumes, hydrocarbons, etc.), or smoke, and also kills mold, bacteria, and viruses. The unit is easily mounted into air conditioning and heating system air ducts, which are the primary cause of odors being released outside the facility. When the HVAC system is in operation the Commercial PHI Unit creates an advanced oxidation process consisting of hydro-peroxides, ozonide ions, super oxide ions and hydroxide ions. All are considered low-r oxidizers that revert back to oxygen and hydrogen after the oxidation of the pollutant. The system is available fully assembled for easy installation.

Germicidal UV light rays have been used for decades by the medical industry as a method for destroying micro-organisms (germs, viruses, bacteria). UV light is dependable and can be easily installed in HVAC ducts or a plenum. Germicidal UV light is effective in reducing only the airborne micro-organisms that pass directly through the light rays. However, germicidal UV light has little to no effect on gases, vapors or odors. Photohydroionization Advanced Oxidation, on the other hand, is very effective on gases, vapors, VOCs and odors.

The combination of safe low-level ozone (O₃) and UV light enhanced by a hydrated quad-metallic compound target develops an advanced oxidation reaction that creates as well as reduces ozone to safe low levels. This process also produces hydro-peroxides, super oxide ions, ozonide ions and hydroxides. By engineering the proper UV light wavelength LPC, in combination with a
triple function, no maintenance unit. The PHI Cell provides safe hydro-peroxides, super oxide ions, ozonide ions and hydroxides to purify the air.

With the RGF HVAC PHI Cell® Advanced Oxidation System, micro-organisms can be reduced up to 99.99%. Gases, VOCs and odors can also be reduced significantly, and the room will have ozonide ions, hydro-peroxides, super oxide ion and hydroxides which will help give the room fresh, clean and odor free air.

**Activated Carbon Filters**

The secondary odor mitigation system will include the placement of high-quality, 2.5” activated carbon filter for recirculated air in the HVAC systems. These filters will be affixed to the HVAC intake vents in all rooms where marijuana is packaged, stored, displayed for sale, or otherwise handled.

The carbon filters are designed to reduce and control the airborne pollutants such as VOCs, odors, and other gaseous contaminants. The filters act by “scrubbing” the air, absorbing contaminants into the activated carbon material as it passes through to be recirculated throughout the HVAC system. LPC has selected Can Filter for the provider of these filters. The products are made in North America, and the company has had a reputation for high-quality filters for over 30 years. The brand was selected for multiple reasons, chief among these being that the units have the thickest filter material, and longest shelf life of the various filters LPC compared.

How are these measures not enough to warrant full points? Not only has a plan been provided but the specific equipment was presented. Please add 2 points to this score for a full 3 out of 3 points.

**K. LPD Complaints**

The complaint listed in the reviewers comments deals with the prior tenant.
How can the applicant be held responsible for incidents that have occurred under completely different ownership and long before applicant even signed a lease agreement? Individuals/entities are not and have never been held accountable or punished for the acts of other people outside of their control. This aforementioned principle is the bedrock of the legal system. To deduct points for a phone call completely unlinked to the applicant is astonishing and the most egregious abuse of discretion imaginable. Applicant demands an additional point be added as no history of LPD complaints against it or its owners exists or has been cited.

_I. Demonstration of Regulatory Compliance_

Applicants own and operate several businesses generating sales and revenue over $50,000,000.00. No issues are cited by the reviewer accept for what is termed a “major tax issue” which was cured. The stakeholders demonstrate not one single issue with its business operation yet the reviewer deems it necessary to deduct two points for a tax issue that was cured that was not even associated with the applicant but rather the owner of the property. The applicants run very successful businesses with thousands of transactions a year without any issues. This is yet another blatant attempt to deduct points for no apparent reason and represents a gross abuse of discretion. There is no reason a full score should not be given to applicant for its stellar record of regulatory compliance across North America. Please add 2 point in this category.

_M. Litigation History_

0 out of 2 points in this category is absurd. First, the litigation disclosure form was provided and showed no history of litigation. For a multi-million dollar company to have no litigation history is an anomaly and should be rewarded not punished erroneously. Furthermore, as part of its “experience” section, applicants attest to the fact they have no litigation history. The applicant &
stakeholder’s significant business history and lack of litigation history demand 2 out of 2 points in this category.

V. CONCLUSION

On behalf of the applicant, we request an immediate review of this appeal as we have raised serious concerns about the competency of this review and scoring that has missed many items that were actually supplied.

VI. RELIEF REQUESTED

It is clear in this case that LPC’s application was wrongfully denied and that it has now been unfairly stripped of its ability to receive a license. The City’s denial is clearly inappropriate and inaccurate.

WHEREFORE, Appellant respectfully requests the City Clerk order the City of Lansing to reverse its decision, award 24 additional points and give applicant approval for its Lansing Medical Marijuana Provisioning Center.

Respectfully submitted,

Michael D. Stein, Esq
To All,

I just received this disappointing email from the City of Lansing. Scanning quickly over the itemized scoring, I am totally surprised to see our score is 6 of 15 in the tangible capital item! Where the heck did they get this 5-year lease? ........

Let's brainstorm this over a short meeting and see where we go from here. Let me hear from you!

With best regards,

Joe

Joseph Badra
C. +1 517 488 6996

---

From: Biehler, Deb [mailto:Deb.Biehler@lansingmi.gov]
Sent: Tuesday, July 31, 2018 3:17 PM
To: Joe Badra
Subject: Provisioning Center Application Update

Dear Provisioning Center Applicant,

https://mail.google.com/mail/u/0/?ui=2&ik=5e3d22823d&jsver=8Vp8E0NUfDM.en.&cbl... 8/14/2018
The Lansing City Ordinance section 1300.6 discusses Provisioning Center license application evaluation. Your score of 66 out of 100 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.

Attached are your sub-scores based on the criteria posted on https://lansingmi.gov/1637/Medical-Marijuana and a brief summary of determining factors for each sub-score.

You will not be selected to receive a Provisioning Center license in the City of Lansing for the proposed business at 6510 South Cedar Street.

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk’s Office a written statement setting forth fully the grounds for the appeal pursuant to Chapter 1300,15(c). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review the appeal and information submitted by the City Clerk. The hearing officer will consider the information and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you would like the hearing officer to consider. Appeals are limited to materials provided during the application process. No new application material will be considered on appeal.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope, Master Municipal Clerk

Lansing City Clerk

CC: City of Lansing Law Department

https://mail.google.com/mail/u/0/?ui=2&ik=5c3d22823d&jsvcr=8Vp8E0NUfDM.cn.&cbl...

8/14/2018
EXHIBIT A-2
From: Biesler, Deb  
Sent: Monday, October 01, 2018 4:38 PM  
To: Ipadra@lccusa.com; Jpadra@lccusa.com  
Subject: Medical Marihuana Provisioning Center Application Update

Lansing Provisioning Center LLC  
Yousif Badra  
111 Swallowtail Lane  
Owosso, MI 48864

Dear Provisioning Center Applicant,

The Lansing City Ordinance section 1300.6 discusses Provisioning Center license application evaluation. Your score 74 out of 185 eliminates the possibility of scoring in the top twenty. Therefore, your application for licensure is denied.

Attached are your sub-scores based on the criteria posted on https://www.lansing.gov/1637/Medical-Marijuana and a brief summary of determining factors for each sub-score.

You will not be selected to receive a Provisioning Center license in the City of Lansing for the proposed business at 6510 S Cedar St.

You have the right to appeal this denial of licensure within 14 days of the date of this letter by filing with the City Clerk’s Office a written statement setting forth fully the grounds for the appeal pursuant to Chapter 1300.15(3). Please note that initial appeals are referred to a hearing officer appointed by the City Clerk who will review the appeal and information submitted by the City Clerk. The hearing officer will consider the information and make a recommendation to the City Clerk, who will make a decision on the appeal. To encourage efficiency, appeals will be conducted as a paper hearing without oral presentation. Please ensure that you include all information in your written appeal that you wish the hearing officer to consider. Appeals are limited to materials provided during the application process. No new application materials will be considered on appeal.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-8, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,

Chris Swope, Master Municipal Clerk  
Lansing City Clerk

CC: City of Lansing Law Department

https://mail.google.com/mail/u/0?ik=5e3d22823d&view=pt&search=all&permthid=threa... 10/15/2018
Provisioning Center Application Update

Biehler, Deb <Deb.Biehler@lansingmi.gov>  
To: "jbadra@iccsusa.com" <jbadra@iccsusa.com>, Michael stein <steinlawpllc@gmail.com>

Tue, Nov 27, 2018 at 3:07 PM

November 27, 2018

Lansing Provisioning Center LLC

c/o Yousif Badra

111 Swallowtail Lane

Owosso, MI 48867

Dear Provisioning Center Applicant,

I have reviewed the report and recommendation of the hearing officer on your appeal of the Scoring and Ranking denial of your application to operate a Medical Marihuana Provisioning Center in the City of Lansing at 8510 S Cedar St. I have determined your appeal is denied.

You have the right to appeal this denial of licensure to the Medical Marihuana Commission within thirty (30) days of the date of this letter by filing a written statement to the Commission with the City Clerk’s Office. The Medical Marihuana Commission Appeal will become a matter of public record. The Commission’s review of an appeal shall not be de novo. The Commission shall only overturn, or modify, a decision or finding of the Clerk if it finds such decision or finding to be arbitrary or capricious and not supported by material, substantial, and competent facts on the whole record considered by the Clerk in arriving at such decision or finding.

Chapter 1300 provides that should the applicant not receive a license, one-half the application fee shall be returned. This refund will be processed after all appeals are exhausted.

If you have begun business operations pursuant to State Emergency Rule 19 and Executive Order 2017-02, you must cease operations. Operations may resume only if your appeal is granted and the requirements of the temporary operation are satisfied.

Sincerely,
Chris Swope

Chris Swope, CMMC
City Clerk

cc: M. Yankowski, Lansing Police Chief
    J. Smiertka, Lansing City Attorney

Deb Biehler

Medical Marihuana Specialist
Lansing City Clerk's Office
124 W. Michigan Avenue | Lansing, MI 48933
O: 517-483-4132 Fax: 517-377-0068
Deb.Biehler@lansingmi.gov
Website | Facebook | Twitter

Chris Swope, CMMC/CMC
Lansing City Clerk

2 attachments

- Lansing Provisioning Center Inc.2 - Recommendation.pdf
  148K
### Applicant Name

<table>
<thead>
<tr>
<th>Total Possible Points</th>
<th>Applicant Address</th>
<th>LANSING PROVISIONING CENTER INC.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6510 S. CEDAR ST.</td>
<td>6510 S. CEDAR ST.</td>
</tr>
</tbody>
</table>

### Scoring Insights

**Marketing, Advertising and Promotion**

4 4

Applicant provides many marketing, advertising, promotion, and minor minimization examples (e.g., marketing plan is tailored to advertise & promote effectively and reduce advertising exposure to youth; discreet signage in order to prevent exposure to minors; will not advertise in newspapers, no flyer distribution in the community; no marijuana symbols on logos; website; social media; will target licensed adult patients and constantly work to minimize exposure of ads and marketing to minors).

**Tangible Capital Investment in the City of Lansing**

15 6

Investment in applicants other provisioning centers was not included in score

Applicant indicates they have a 5-year lease for the provisioning center at 6510 S. Cedar St, with startup costs of $300,000. Lacks any discussion about integrating with grow and/or processing facilities, ownership of the provisioning center, and an optimal amount of tangible capital investment.

**Job Creation (Integrated System)**

5 2

Overall number of jobs created

Applicant only indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc. Lacks an optimal number of jobs.

**Financial Structure and Financing**

3 3

Applicant indicates their members will fund the initial provisioning center startup expenses ($300K) from their own personal funds. Provides proof of a bank account balance of $300K and a Bank Certificate For Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million.

**Plans to Integrate Facility with Other Establishments**

2 0

Applicant does not discuss any plans to integrate the provisioning center with a grow/cultivation facility.
<table>
<thead>
<tr>
<th>Charitable Plans and Strategies</th>
<th>4</th>
<th>0</th>
<th>Applicant does not discuss any charitable plans and strategies.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Jobs at the Provisioning Center Category Thresholds: 1 = &lt; 6 jobs, insufficient details; 2 = &lt; 6 jobs, sufficient details; 3 = 6 jobs, sufficient details; 4 = &gt; 6 jobs, insufficient details; 5 = &gt; 6 jobs, sufficient/good details.</td>
<td>5</td>
<td>5</td>
<td>Applicant indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc.</td>
</tr>
<tr>
<td>Amount and Type of Compensation (PC)</td>
<td>2</td>
<td>2</td>
<td>Applicant indicates all provisioning center positions [100K] will pay &gt; $15/hour and provides strong support details.</td>
</tr>
<tr>
<td>Percent of Employees Earning At Least $15/Hour (PC)</td>
<td>3</td>
<td>3</td>
<td>Applicant indicates all provisioning center employees will earn &gt; $15/hour.</td>
</tr>
<tr>
<td>Projected Annual Budget and Revenue (PC)</td>
<td>2</td>
<td>2</td>
<td>Applicant provides detailed projected annual budget and revenue data (e.g., $3.57 million in total expenses and $4.3 million in sales during year 1) that are understandable.</td>
</tr>
<tr>
<td>Sufficient Financial Resources</td>
<td>5</td>
<td>4</td>
<td>Applicant does not provide litigation compliance verification forms for all key team members. Applicant indicates their members will fund the initial provisioning center startup expenses ($100K) from their own personal funds. Provides proof of a bank account balance of $300K and a Bank Certificate for Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million.</td>
</tr>
<tr>
<td>Business Experience</td>
<td>5</td>
<td>3</td>
<td>Applicant indicates they have decades of experience of applicable business experience (e.g., engineering, healthcare, business management, telecommunications) but does not indicate any medical marijuana industry experience.</td>
</tr>
<tr>
<td><strong>City of Lansing Provisioning Center Rating</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</strong></td>
<td>5</td>
<td>2</td>
<td>Multiple books submitted &amp; spiral bound. Multi requests for add. Docs including letters from Building Safety and Treasury for Major compliance issues</td>
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<tr>
<td><strong>Buffering between residential zoned areas and establishment</strong></td>
<td>5</td>
<td>5</td>
<td>Far from residences</td>
</tr>
<tr>
<td><strong>Increased traffic on side streets will be scored lower</strong></td>
<td>5</td>
<td>3</td>
<td>Amwood driveway is close to church</td>
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<tr>
<td><strong>Entrance and exit on main streets, adequate parking not on residential streets, Quality of Security Plan</strong></td>
<td>10</td>
<td>8</td>
<td>Tier 1 A+Sec Plan. Issues with parking plan. 3 pts traffic, Strong parking, inadequate driveways.</td>
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<td><strong>Plan to meet with neighborhood organizations</strong></td>
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<td>1</td>
<td>Tab 12 found</td>
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<tr>
<td><strong>Improvements made or proposed to building</strong></td>
<td>3</td>
<td>3</td>
<td>Plan to begin after receiving license</td>
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<td><strong>Plan to minimize/eliminate traffic</strong></td>
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<td>1</td>
<td>traffic plan included</td>
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<tr>
<td><strong>Plan to minimize/eliminate noise</strong></td>
<td>2</td>
<td>1</td>
<td>low traffic volume</td>
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<tr>
<td><strong>Plan to minimize/eliminate odor</strong></td>
<td>3</td>
<td>1</td>
<td>carbon filters/airpurification units</td>
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<tr>
<td><strong>LPO Complaints</strong></td>
<td>4</td>
<td>3</td>
<td>1 B&amp;E alarm call, 1 call</td>
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<td><strong>Dama of Regulatory Compliance</strong></td>
<td>4</td>
<td>2</td>
<td>major tax history compliance issue</td>
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<tr>
<td><strong>Litigation History</strong></td>
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<td>clear history, check tab 25</td>
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<td><strong>Total</strong></td>
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<td>Applicant Name</td>
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<tr>
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<td>Marketing, Advertising and Promotion</td>
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<tr>
<td>Tangible Capital Investment in the City of Lansing</td>
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<td></td>
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<tr>
<td>Job Creation (Integrated System) Overall number of jobs created</td>
<td>5</td>
<td></td>
<td></td>
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<td>Financial Structure and Financing</td>
<td>3</td>
<td></td>
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<tr>
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<td></td>
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<td>2</td>
<td></td>
<td></td>
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<tr>
<td>Sufficient Financial Resources</td>
<td>5</td>
<td></td>
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<tr>
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<tr>
<td></td>
<td>Rank</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Plan to meet with neighborhood organizations</td>
<td>1</td>
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<td>LPD Complaints</td>
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<td>Demo of Regulatory Compliance</td>
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<tr>
<td>Litigation History</td>
<td>2</td>
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<tr>
<td><strong>Total</strong></td>
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EXHIBIT B-3
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<thead>
<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>LANSING PROVISIONING CENTER INC.</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Applicant Address</td>
<td>---</td>
<td>6510 S. CEDAR ST.</td>
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</tr>
<tr>
<td>Marketing, Advertising and Promotion</td>
<td>4</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Tangible Capital Investment in the City of Lansing</td>
<td>15</td>
<td>12</td>
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<tr>
<td>Job Creation (Integrated System) Overall number of jobs created</td>
<td>5</td>
<td>2</td>
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<tr>
<td>Financial Structure and Financing</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Plans to Integrate Facility with Other Establishments</td>
<td>2</td>
<td>0</td>
<td></td>
</tr>
</tbody>
</table>

- Applicant provides many marketing, advertising, promotion, and minor minimization examples (e.g., marketing plan is tailored to advertise & promote effectively and reduce advertising exposure to youth; discrete signage in order to prevent exposure to minors; will not advertise in newspapers, no flyer distribution in the community, no marijuana symbols on logos; website, social media; will target licensed adult patients and constantly work to minimize exposure of ads and marketing to minors).

- Applicant indicates they have a 5-year lease for the provisioning center at 6510 S. Cedar St. with startup costs of $300,000. Discussed any discussion about integrating with grow and/or processing facilities, ownership of the provisioning center, and an optimal amount of tangible capital investment.

- 9/4 UPDATE: TCI applicant provides additional PIC information indicating a 5-year lease from the stakeholder’s LLC who owns the property, that they will invest $100,000 in PIC buildout and $368,000 ($1.36 million total) for a new 4K sq. ft. PIC, exceeding the $1 million threshold for sufficient TCI. However, applicant still lacking a discussion about integrating with another grow and/or processing facility. Suggestion: Change the original score from 6 to 12.

- Applicant only indicates 11 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc. lacks an optimal number of jobs.

- Applicant indicates their members will fund the initial provisioning center startup expenses ($300K) from their own personal funds. Provides proof of a bank account balance of $300K and a bank certificate. Financial Capabilities Statement indicating a team member has access to available liquid assets, etc., valued at $5 million.
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<thead>
<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>9/4 UPDATE: For Charitable plans, applicant provided a summary of their commitments and contributions to organizations like PAL, New World Food, Trinity Church, and others, stating they have paid these organizations &gt; $7,100 and will have also provided volunteer time. Suggestion: Change scale from 0 to 2 given the comparatively low dollar amount and lack of actual proof of payment.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
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<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Amount and Type of Compensation (PC)</th>
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<th>2</th>
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</thead>
<tbody>
<tr>
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<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Percent of Employees Earning At Least $15/Hour (PC)</th>
<th>3</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant indicates all provisioning center employees will earn &gt; $15/hour.</td>
<td></td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th>Projected Annual Budget and Revenue (PC)</th>
<th>2</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Applicant provided detailed projected annual budget and revenue data (e.g., $3.6 million in total expenses and $4.1 million in sales during year 1) that are understandable.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Criteria</td>
<td>Score</td>
<td>Notes</td>
</tr>
<tr>
<td>----------------------------------------------</td>
<td>-------</td>
<td>----------------------------------------------------------------------</td>
</tr>
<tr>
<td>Sufficient Financial Resources</td>
<td>5</td>
<td>Applicant does not provide litigation compliance verification forms for all key team members. Applicant indicates their members will fund the initial provisioning center startup expenses ($260K) from their own personal funds. Provides proof of a bank account balance of $300K and a Bank Certificate for Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at 55 million. Additional points awarded for providing full stakeholder litigation history.</td>
</tr>
<tr>
<td>Business Experience</td>
<td>5</td>
<td>Applicant indicates they have decades of experience of applicable business experience (e.g., engineering, healthcare, business management, telecommunications) but does not indicate any medical marijuana industry experience. Lacks the optimal amount of applicable business experience.</td>
</tr>
<tr>
<td>Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</td>
<td>5</td>
<td>Incomplete or missing information: 1 point deducted. Mail requests for add. info including letters from Building Safety 1 point deducted and Treasury Letter for Major compliance issues 1 point deducted.</td>
</tr>
<tr>
<td>Buffering between residential zoned areas and establishment</td>
<td>5</td>
<td>Far from residences. Updated score using a better measurement tool. 9/18/18 1,230 ft from residential zoning which falls short of the optimal distance of 1/4 mile (1,320 feet) to receive full points but is over 1/8 mile (660 ft).</td>
</tr>
<tr>
<td>Increased traffic on side streets will be scored lower</td>
<td>5</td>
<td>Amwood Driveway is close to church. Updated 9/25/18. Inadequate driveways &amp; circulation.</td>
</tr>
<tr>
<td>Entrance and exit on main streets, adequate parking not on residential streets,</td>
<td>10</td>
<td>Tier 1 5 pts. A/Sec Plan issues with parking plan. 3 pts traffic, Strong parking. Inadequate driveways.</td>
</tr>
<tr>
<td>Plan to meet with neighborhood organizations</td>
<td>1</td>
<td>1</td>
</tr>
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<td>3</td>
</tr>
<tr>
<td>Plan to minimize/eliminate traffic</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Plan to minimize/eliminate noise</td>
<td>2</td>
<td>1</td>
</tr>
<tr>
<td>Plan to minimize/eliminate odor</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>LPD Complaints</td>
<td>4</td>
<td>3</td>
</tr>
<tr>
<td>Demo of Regulatory Compliance</td>
<td>4</td>
<td>2</td>
</tr>
<tr>
<td>Litigation History</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
<td><strong>24</strong></td>
</tr>
</tbody>
</table>
TANGIBLE CAPITAL INVESTMENT IN THE CITY OF LANSING

1300.5(12)(IV)

Lansing Provisioning Center will be leasing the property under a five year lease from the stakeholder’s LLC whom owns it. As a result of the use of the building for a medical marijuana provisioning center the stakeholders of LPC are going to build a brand new building on the existing property to relocate the current business. Not only will we be spending a considerable amount of money on the buildout of the existing building but LPC has committed to constructing the additional new 4,000 sq ft. building on the property. In addition to all the employees we hire directly, we will create indirect, temporary employment through the buildout and outfitting of our provision provisioning center and new building which will require construction workers, architects, engineers, and tradespeople. Below is chart of the plan Tangible Capital Investment:

<table>
<thead>
<tr>
<th>Provisioning Center</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 year Lease of Property/6510 S. Cedar St.</td>
<td>$300,000.00</td>
</tr>
<tr>
<td>Buildout (See attached quote)</td>
<td>$80,000.00</td>
</tr>
<tr>
<td><strong>4,000 Sq. ft. New Construction (See Construction Plans)</strong></td>
<td></td>
</tr>
<tr>
<td>New Construction Buildout/6510 S. Cedar St. (See attached quote)</td>
<td>$980,000.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$1,360,000.00</strong></td>
</tr>
</tbody>
</table>

As discussed in the job creation section below, at least provisioning center jobs with salaries ranging from $31,000-$65,000 will be created along with the need for professional services. We plan to use as many resources from Lansing as possible.
EXHIBIT D
Charitable Contribution & City Improvement

1300.5(12)(X)

We endeavor to give charitable contributions that will benefit the City of Lansing and "re-invest" in the City of Lansing. We've made the following commitments and contributions:

Trinity Church-
- Made a $800 donation and commitment to help fund their "Love Lansing" local outreach program
- Commitment to volunteer and help fund their "Celebrate" Recovery program

Foster Community Center
- Made a $500 donation and commitment to fund their community center events
- Volunteering to clean up local parks when our business opens

South Side Community Coalition
- Made charitable donation and commitment to funding efforts to get kids exposure beyond local community
- Create a marketing program to get the community more involved in South Side Community Coalition
- Volunteer for their food distribution they have on Mondays and their hoop program

Chabad Student Center at MSU
Made $800 donation and commitment to fund their Shabbat dinners and events

*See letters supporting commitments
Security
Product storage safe
Dedicated computer and screens for security system
Dedicated server for facility
Storage room shelving
Keys/access keys
Alarm system

Display
Shelves
Jars
Containers
Hooks
Back board/wall board
Electronic display/TV

Other
Scanner/Printer/Copier
Office supplies
Cleaning Supplies
Money counter
Smaller safe for storing cash
Odor control devices and systems

Odor Management Plan
As part of LPC's commitment to positive community impact, LPC has developed odor mitigation strategies to minimize any marijuana smell being emitted by the dispensary. Potential impact to neighbors has been considered during LPC facility site selection, facility design, and developing company standard operating procedures (SOPs). Both primary and secondary systems will be installed within the dispensary to reduce detectable odors outside the facility.
Potential Odor Sources

Packaging - The majority of medical marijuana items will arrive at the dispensary pre-packaged for individual sale, which will drastically reduce the potential for odors. Bulk flower shipments requiring repackaging for dispensing directly to patients will be separated according to bud size and placed into child-resistant packaging (CRP) in the packaging room. Mild odor is emitted during the packaging process, as the cured medical marijuana is agitated during packaging. This also results in a small amount of particulate matter being released, which can contribute to the odors emitted. The packaging room will be equipped with an activated carbon filter which will absorb a large portion of the odors emitted during packaging, and features a pre-filter designed to collect particulate matter.

Storage Area – Odors should be at a minimum in the storage and designated quarantine areas. All packages will remain sealed and enclosed in a box or safe in the product storage area. Any product being stored for disposal will remain sealed until it is destroyed. Employees will be trained to make sure that all containers are closed and sealed, and to immediately close all containers in the storage area. The storage room will have an activated carbon filter, similar to the packaging room.

Dispensing – Opening display or sample jars prior to patient purchase may generate odors. This exposure is brief, minimizing odors while preserving the integrity of the sample. Dispensing agents will immediately replace the lids of sample jars after allowing patients to smell the sample. The dispensing room will also have an activated carbon filter.

Odor Mitigation Devices
LPC will install a Photohydroionization (PHI) Unit (see specifications below) as the primary odor mitigation device, designed to eliminate 99.99% of all odors safely and efficiently. In rooms where the odor is more intense, LPC has elected to use activated carbon filters as a secondary odor reduction method.

Commercial PHI Unit by RGF®
This device is designed to reduce air pollutants such as odors, VOCs (chemical odors such as paint fumes, hydrocarbons, etc.), or smoke, and also kills mold, bacteria, and viruses. The unit is easily mounted into air conditioning and heating system air ducts, which are the primary cause of odors being released outside the facility. When the HVAC system is in operation the Commercial PHI Unit creates an advanced oxidation process consisting of hydro-peroxides, ozonide ions, super oxide ions and hydroxide ions. All are considered low-r oxidizers that revert back to oxygen and hydrogen after the oxidation of the pollutant. The system is available fully assembled for easy installation.

Germicidal UV light rays have been used for decades by the medical industry as a method for destroying micro-organisms (germs, viruses, bacteria). UV light is dependable and can be easily installed in HVAC ducts or a plenum. Germicidal UV light is effective in reducing only the airborne micro-organisms that pass directly through the light rays. However, germicidal UV light has little to no effect on gases, vapors or odors. **Photocatalyst** Advanced Oxidation, on the other hand, is very effective on gases, vapors, VOCs and odors.

The combination of safe low-level ozone (O₃) and UV light enhanced by a hydrated metallic compound target develops an advanced oxidation reaction that creates as well as reduces ozone to safe low levels. This process also produces hydro-peroxides, super oxide ions, ozonide ions and hydroxides. By engineering the proper UV light wavelength, in combination with a triple function, no maintenance unit. The PHI Cell provides safe hydro-peroxides, super oxide ions, ozonide ions and hydroxides to purify the air.

With the RGF HVAC PHI Cell Advanced Oxidation System, micro-organisms can be reduced up to 99.999%. Gases, VOCs and odors can also be reduced significantly, and the room will have ozonide ions, hydro-peroxides, super oxide ion and hydroxides which will help give the room fresh, clean and odor free air.

**Activated Carbon Filters**
The secondary odor mitigation system will include the placement of high-quality, 2.5" activated carbon filter for recirculated air in the HVAC systems. These filters will be affixed to the HVAC intake vents in all rooms where marijuana is packaged, stored, displayed for sale, or otherwise handled.

The carbon filters are designed to reduce and control the airborne pollutants such as VOCs, odors, and other gaseous contaminants. The filters act by "scrubbing" the air, absorbing contaminants into the activated carbon material as it passes through to be recirculated throughout the HVAC system. LPC has selected Can Filter for the provider of these filters. The products are made in North America, and the company has had a reputation for high-quality filters for over 30 years. The brand was selected for multiple reasons, chief among these being that the units have the thickest filter material, and longest shelf life of the various filters LPC compared.

**Service and Maintenance**

Employees will be trained on the routine maintenance of pre-filters and carbon filters during orientation and training. Employees will learn how to disassemble pre-filters and carbon filters for inspection and proper maintenance, along with proper removal and reinstallation.

**Pre-filter** - Employee will perform maintenance on pre-filters monthly by vacuuming the dust from the pre-filter. Pre-filters will be replaced every 6 months.

**Carbon filter** - Employee will perform maintenance on carbon filters each year by vacuuming the dust from the outside of the carbon filter. Carbon Filters will be completely replaced every four years.

**PHI unit** – Employees will routinely inspect the bulb through an inspection sight glass during monthly inspections to confirm the unit is operational. Per manufacturer instructions, the bulbs in this units will be replaced every 18,000 hours, or around every 4 years at an average of 12 hours per day of operation.

All filters and pre-filters will be tagged to identify the employee that installed the device, the date and time of the replacement, and the date that the device should be replaced by. Service and
maintenance records will be maintained for all serviceable items in the odor control system. At minimum, these records will contain the following information:

- Date and time of service
- Service performed
- Name of individual performing the service
- Unit number or device number serviced

**Odor Complaints and Troubleshooting**

The LPC has developed SOPs to manage complaints or system malfunctions should they arise. As part of routine facility inspections, LPC's Compliance Coordinator will walk around the perimeter of the facility to confirm there is no detectable odor being emitted. Should any odor be detected, the Compliance Coordinator will record the issue in the related notes in the inspection, and will include the location the odor was detected.

In the event LPC receives a complaint of odors being emitted from the facility, the Dispensary General Manager will complete a complaint form to document the incident, and begin the investigation and resolution process. Once the form has been completed, it will be immediately provided to the manager on duty to take further action. The complaint form will include, at minimum, the following information:

- Date and Time of complaint
- Name of the individual making the complaint
- Description of the complaint
- Name and badge number of the employee recording the complaint

Once an odor mitigation concern has been identified, the management team will follow a diagnostic process to replicate the complaint, pinpoint the possible source, repair or replace items as needed, and confirm the repair has resolved the issue.

**Inventory Control**

LPC has created inventory control standard operating procedures (SOPs) including the management of the electronic tracking system, security policies and protocols for monitoring and tracking inventory, inventory maintenance, medical marijuana waste management, and reporting procedures in accordance with all applicable laws, rules, and regulations. LPC will utilize the electronic inventory tracking system, a point of sales system, and manual logs to establish and maintain robust inventory controls and procedures that ensure all medical marijuana products are accounted for at all times.

The primary method of inventory tracking will be the electronic tracking system, which will provide a complete tracking of all medical marijuana in the facility from the time inventory is purchased to final sale to the patient or disposed of. Once deployed, this system will be critical to ensuring complete transparency into the on-hand inventory at the dispensary. Every transaction at the dispensary, such as a sale, purchase order, movement of inventory, inventory adjustments, and inventory reconciliation will be serialized and recoverable on-demand and retrieved in short
<table>
<thead>
<tr>
<th>Applicant Name</th>
<th>Total Possible Points</th>
<th>LANSING PROVISIONING CENTER INC. Address</th>
<th>LANSING PROVISIONING CENTER INC. Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant Address</td>
<td>---</td>
<td>6510 S. CEDAR ST.</td>
<td>6510 S. CEDAR ST.</td>
</tr>
</tbody>
</table>

**Scoring Insights**

**1. Marketing, Advertising and Promotion**

| 4 | 4 | Applicant provides many marketing, advertising, promotion, and minor minimization examples (e.g., marketing plan is tailored to advertise & promote effectively and reduce advertising exposure to youth; discreet signage in order to prevent exposure to minors; will not advertise in newspapers, no flyer distribution in the community, no marihuana symbols on logos; website; social media; will target licensed adult patients and constantly work to minimize exposure of ads and marketing to minors). |

**2. Tangible Capital Investment in the City of Lansing**

| 15 | 12 | "Applicant indicates they have a 5-year lease for the provisioning center at 6510 S. Cedar St., with startup costs of $300,000. Lacks any discussion about integrating with grow and/or processing facilities, ownership of the provisioning center, and an optimal amount of tangible capital investment. 9/4 UPDATE For TCI, applicant provides additional PC information indicating a 5-year lease from the stakeholder’s LLC. Applicant owns the property and states they will invest $86K in PC buildout and $860K ($1.06 million total) for a new 4K sq. ft. PC, exceeding the $1 million threshold for sufficient TCI. 11/10 UPDATE: very brief discussion found for integrating with another grow and processor on 10/24 in Job Creation section. Since it was only one sentence without discussion in Overview or other relevant sections and no applications have been filed, it has been determine to be insufficient and no further points warranted." |

**3. Job Creation (Integrated System) Overall number of jobs created**

| 5 | 2 | "Applicant only indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc. Lacks an optimal number of jobs. 11/10/18 70 jobs from an integrated grow and processor are mentioned in the Job Creation section with no timeline for submission of applications and very little detail. One sentence. " |

**4. Financial Structure and Financing**

| 3 | 3 | Applicant indicates their members will fund the initial provisioning center startup expenses ($300K) from their own personal funds. Provides proof of a bank account balance of $300K and a Bank Certificate For Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million for ICOS which is own by one of stakeholders, per his resume. |

**5. Plans to Integrate Facility with Other Establishments**

| 2 | 0 | "Applicant does not discuss any plans to integrate the provisioning center with a grow/cultivation facility. 11/8 UPDATE: very brief discussion found for integrating with another grow and processor on 10/24 in Job Creation section. Since it was only one sentence without discussion in Overview or other relevant sections and no applications have been filed, it has been determine to be insufficient and no further points warranted." |

**6. Charitable Plans and Strategies**

<p>| 4 | 1 | &quot;Applicant does not discuss any charitable plans and strategies. Annual Commitments are $25,000 or more would warrant 3 points, and agreements or proof of donation would provide full points. 9/4 UPDATE For Charitable Plans, applicant provided a summary of their commitments and contributions to organizations like PAL, New World Flood, Trinity Church, and others, stating they have paid these organizations &gt; $2,100 and will/have also provided volunteer time. Suggestion: Change score from 0 to 1 given the comparatively low dollar amount and lack of actual proof of payment. Charitable commitments of $25,000 or more would warrant 3 points, and agreements or proof of donation would receive full points.&quot; |</p>
<table>
<thead>
<tr>
<th>7. Number of Jobs at the Provisioning Center Category Thresholds:</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant indicates 15 jobs will be created at the provisioning center and details local hiring, worker training programs, job descriptions and qualifications, payroll/expected salaries, benefits, etc. UPDATE: One point deducted from this category because jobs are not identified as full or part time and are not fully described. Titles are given without responsibilities delineated e.g. operations support.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>8. Amount and Type of Compensation (PC)</th>
<th>2</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Applicant indicates all provisioning center positions (100%) will pay &gt; $15/hour and provides strong support details. Update 11/8; Upon further review, details are missing which jobs are full-time or part-time, and hourly wage info that may warrant a reduced score in a future review&quot;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>9. Percent of Employees Earning At Least $15/Hour (PC)</th>
<th>3</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant indicates all provisioning center employees will earn &gt; $15/hour.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>10. Projected Annual Budget and Revenue (PC)</th>
<th>2</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant provides detailed projected annual budget and revenue data (e.g., $1.57 million in total expenses and $4.3 million in sales during year 1) that are understandable.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>11. Sufficient Financial Resources</th>
<th>5</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;Applicant does not provide litigation compliance verification forms for all stakeholders. Applicant indicates their members will fund the initial provisioning center startup expenses ($300K) from their own personal funds. Provides proof of a bank account balance of $300K and a bank Certificate For Financial Capabilities statement indicating a team member has access to, available liquid assets, etc., valued at $5 million by ICCS which is owned by one of the stakeholders, according to the stakeholder resume. Additional point awarded for providing full stakeholder history. BUSINESS Litigation history is COMPLETE. They provide a summary that each of stakeholder’s businesses have had no litigation history. 10/24/2018&quot;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>12. Business Experience</th>
<th>5</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant indicates they have decades of experience of applicable business experience (e.g., engineering, healthcare, business management, telecommunications) but does not indicate any medical marijuana industry experience. Lacks the optimal amount of applicable business experience.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>13. Content and Sufficiency of Information; Professionalism of submitted documentation including clear labeling of required items</th>
<th>5</th>
<th>2</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incomplete or missing information 1 point deducted, Mutil requests for additional material. Docs including letters from Building Safety 1 point deducted and Treasury Letter for Major compliance issues 1 point deducted. Ownership document had the wrong state and wrong last name for one of the stakeholders (Tab 6)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>14. Buffering between residential zoned areas and establishment</th>
<th>5</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Far from residences. Updated score using a better measurement tool 9/18/18 1280 ft from residential zoning which falls short of the optimal distance of 1/4 mile (1320 feet) to receive full points but is over 1/8 mile (660 ft).</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>15. Increased traffic on side streets will be scored lower</th>
<th>5</th>
<th>3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amwood driveway is close to church Updated 9/25/18 inadequate driveways &amp; circulation to achieve full points</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>16. Entrance and exit on main streets, adequate parking not on residential streets, Quality of Security Plan</th>
<th>10</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1 5 pts. A+Sec Plan. Issues with parking plan. 3 pts traffic, Strong parking, inadequate driveways. UPDATE 10/22 Traffic Expert states that the Driveways need to be redone to accommodate sidewalk, and has some concerns about traffic circulation safety.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>17. Plan to meet with neighborhood organizations,</th>
<th>1</th>
<th>1</th>
</tr>
</thead>
<tbody>
<tr>
<td>found in Tab 12</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>18. Improvements made or proposed to building</strong></td>
<td></td>
<td>Plan to begin after receiving license. Updated 9/24/18 using a more accurate measurement tool. $1,060,000 of improvements which is 393% of the SEV of $349,600.</td>
</tr>
<tr>
<td><strong>19. Plan to minimize/eliminate traffic</strong></td>
<td></td>
<td>traffic plan included</td>
</tr>
<tr>
<td><strong>20. Plan to minimize/eliminate noise</strong></td>
<td>2</td>
<td>&quot;minimal plan low traffic volume 1 point deducted. Updated 11/10. Tab 27 provides a one sentence that no noise will be coming from building and has a big parking lot.&quot;</td>
</tr>
<tr>
<td><strong>21. Plan to minimize/eliminate odor</strong></td>
<td>3</td>
<td>After further review, the 4 page odor plan is robust. It includes carbon filters, air purification and procedures. 10/22/18 bpj</td>
</tr>
<tr>
<td><strong>22. LPD Complaints</strong></td>
<td>4</td>
<td>1 B&amp;I alarm call, 1 call (1-5 calls drops score to 3pts) 12/26/2018 - No change to score - commission appeal pending.</td>
</tr>
<tr>
<td><strong>23. Demo of Regulatory Compliance</strong></td>
<td>4</td>
<td>Updated 9/25/18 major tax history compliance issue 2 pts deducted, no code issues</td>
</tr>
<tr>
<td><strong>24. Litigation History</strong></td>
<td>2</td>
<td>BUSINESS Litigation history is COMPLETE. They provide a summary that each of stakeholder's businesses have had no litigation. 10/24/2018 no personal history 11/26/18</td>
</tr>
<tr>
<td><strong>Total Score</strong></td>
<td>100</td>
<td>73</td>
</tr>
</tbody>
</table>