

CULTIVATE HOLDINGS, LLC
(MPN281305)

BACKGROUND & APPLICATION OF INTENT REVIEW

1. Name of the Marijuana Establishment and its application number:

Cultivate Holdings, LLC (MPN281305)

2. Address of the Marijuana Establishment:

1764 Main Street, Leicester, MA 01524

3. Type of license sought (if cultivation, its tier level and outside/inside operation):

Product Manufacturer

4. Applicant is a licensee or applicant for other Marijuana Establishment license(s):

Retailer (Provisional License MR281268)
Cultivation (Provisional License MC281266)

5. List of all required individuals and their business roles in the Marijuana Establishment:

Stephen Barber—Owner/Partner
Robert Lally—Owner/Partner
Samuel Barber—Manager
Adam Sanders—Manager

6. List of all required entities and their roles in the Marijuana Establishment:

There are no entities, other than the applicant, that appear to have direct or indirect authority over the Marijuana Establishment.

7. Priority status of applicant:

RMD Priority (RP201845)

8. Location and status of business if it is an RMD:

The RMD is in compliance with the Department of Public Health (DPH).
The RMD business will be co-located with the adult-use business in Leicester.
The RMD has a Final Certificate of Registration for dispensing, cultivation and processing.

9. Information regarding host community agreement certification:

The Host Community Agreement was executed on April 30, 2018; certification provided.

10. Information regarding community outreach meeting:

The community outreach meeting was held on March 29, 2018.
Notice was published at least seven days prior in the Worcester Telegram and Gazette.
The applicant certified notice to the municipality and abutters.
The applicant certified compliance with the community outreach meeting requirements.

11. Any objections regarding compliance with local ordinances and bylaws presented by the municipality:

No objections were communicated to the Commission. The Commission received a response from the municipality on June 20, 2018, stating that the applicant was in compliance with all local ordinances and bylaws.

12. Summary of plan to positively impact areas of disproportionate impact:

Applicant plans to do the following:

- a. Direct Giving—the applicant is committed to donating a minimum of 10% of net profits to local charities once profitable;
- b. Local Sponsorship—the applicant will sponsor regular fundraising events for community organizations; and
- c. Hiring Strategy—the applicant is committed to hiring vulnerable and disadvantaged individuals.

SUITABILITY REVIEW

13. Concerns arising from background checks on individuals associated with the application:

No concerns.

14. Concerns arising from background checks on entities associated with the application:

No concerns.

15. Applicant's disclosure of any past civil or criminal actions:

No disclosures.

16. Applicant's disclosure of any occupational license issues:

No disclosures.

17. Applicant's disclosure of any business interests in other jurisdictions:

Robert Lally disclosed marijuana-related business interest in Hawaii and Nevada. No issues arose from these disclosures.

18. Status of applicant's compliance with the Department of Revenue and Secretary of the Commonwealth:

March 30, 2018 | Certificate of Good Standing, Secretary of the Commonwealth
April 3, 2018 | Certificate of Good Standing, Department of Revenue
(Letter ID: L1042083968)

MANAGEMENT AND OPERATIONS REVIEW

19. Applicant's proposed timeline to become operational in the adult-use market:

The applicant proposes to be operational immediately upon being granted a final license. The applicant is an existing RMD and states all needed human and capital expenditures to begin operations have already been made.

20. Applicant's proposed hours of operation:

Monday-Thursday: 10:00 am to 7:00 pm
Friday-Saturday: 10:00 am to 8:00 pm
Sunday: 10:00 am to 5:00 pm

21. Applicant's compliance with submitting summaries of the following plans, policies and procedures:

- a. Security Plan
- b. Prevention of Diversion Plan
- c. Storage of Marijuana Plan
- d. Transportation Plan
- e. Inventory Procedures
- f. Quality Control and Testing Procedures
- g. Personnel Procedures
- h. Dispensing Procedures
- i. Record-Keeping Procedures
- j. Maintenance of Financial Records Policy
- k. Diversity Plan

The applicant is fully compliant with submitting all summaries. All summaries were determined to be substantially compliant with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable. Full compliance will be reviewed during inspections and will be required before a final license is issued.

22. Summary of diversity plan:

The applicant's plan outlines its goals and includes the following:

- a. Diverse Employee Hiring Strategy—the applicant seeks to become a proactive leader in the Massachusetts business community by assembling a diverse team. They have designed a hiring process to mitigate staffing bias and judges the candidates solely on merit and potential. They will prioritize the hiring, training, and advancement of people from diverse socioeconomic backgrounds;
- b. Internal Diversity Goals—the applicant will offer service opportunities to diverse groups of vendors, suppliers, and contractors. The goal is to match or exceed the diversity of Leicester; and
- c. Sensitivity Training—the applicant will implement training programs as part of their onboarding process that will educate participants about cultural differences in the workplace.

23. Summary of cultivation plan (if applicable)

Not applicable.

24. Summary of products to be produced and/or sold (if applicable)

- a. Gel capsules;
- b. Sublingual tinctures;
- c. Balm;
- d. Edibles; and
- e. Pre-filled vaporizer cartridges.

25. Plan for obtaining marijuana or marijuana products (if applicable)

Not applicable.

RECOMMENDATION

Commission staff recommend issuing a provisional license with the following conditions:

- (1) Final license is subject to certification that applicant remains in compliance with DPH regulations, 105 CMR 725.000;
- (2) Final license is subject to inspection and audit to ascertain compliance with the requirements listed in 935 CMR 500.105 through 935 CMR 500.160 as applicable;
- (3) Final license is subject to inspection and audit to ascertain that its facilities are compliant with all applicable state and local codes, bylaws, ordinances, and regulations;
- (4) The applicant shall cooperate with and provide information to Commission investigators, agents, and employees upon request; and
- (5) Provisional license subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005.

This recommendation was based on the applicant's demonstrated compliance with the laws and regulations of the Commonwealth, suitability for licensure, and upon the evaluation of the thoroughness of the applicant's responses to the required criteria.

Commission staff certify that a due diligence review of the application was performed. As of this date, the applicant has demonstrated compliance with the laws and regulations of the Commonwealth and suitability for licensure. Accordingly, the applicant is recommended for provisional licensure with the previously mentioned conditions.