

MCR LABS, LLC
(ILN281278)

BACKGROUND & APPLICATION OF INTENT REVIEW

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

MCR Labs, LLC (ILN281278)

2. Address of the Marijuana Establishment:

85 Speen Street, Framingham, MA 01701

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

Independent Testing Laboratory

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

The applicant is not a licensee or applicant for any other Marijuana Establishment license.

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

Michael Kahn—Owner/Partner
Scott Churchill—Director
Rostislav Gutman—Director

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

Cardboard Box Holdings—Holding company that is wholly-owned and controlled by Michael Kahn.

7. Priority status of applicant:

Pursuant to the Commission vote on June 26, 2018, the applicant was prioritized because it submitted a full Independent Testing Laboratory application prior to the Commission deadline of August 1, 2018.

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

The applicant is registered as an Independent Testing Laboratory with Department of Public Health.

The applicant will conduct laboratory testing of medical and adult-use operations at its Framingham location.

9. Information regarding host community agreement certification:

The Host Community Agreement was executed on July 31, 2018; certification provided.

10. Information regarding community outreach meeting:

The community outreach meeting was held on July 10, 2018.

Notice was published at least seven days prior in the Daily News.

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 August 13, 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:

The applicant plans to do the following:

- i. Provide financial support to areas of disproportionate impact through enhanced and targeted donations and sponsorships to advocacy groups, economic empowerment non-profits, and local charities;
- ii. Provide discounted testing structures for economic empowerment applicants and other entrepreneurs from areas of disproportionate impact; and
- iii. Participate or host educational seminars and technical trainings with such groups as Mass Equitable Opportunities Now.

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:

Michael Kahn has an interest in PCR Labs, LLC, which is a cannabis testing laboratory in Pennsylvania. No issues arose from this disclosure.

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

April 13, 2018 | Certificate of Good Standing, Secretary of the Commonwealth
May 10, 2018 | Certificate of Good Standing, Department of Revenue
(Letter ID: L0999501312)

MANAGEMENT AND OPERATIONS REVIEW

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

The applicant currently tests marijuana and marijuana products for RMDs in accordance with DPH protocols. The applicant states it is ready to start testing for the adult-use market once it receives a final license.

20. Applicant's proposed hours of operation:

Monday-Friday: 10:30 a.m. to 5:00 p.m.

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 plans to do the following:

- i. Create and sustain a robust policy of inclusivity and diversity by recruiting individuals from underrepresented and minority communities;
- ii. Purchase goods and services from vendors, contractors, and professional service providers that are owned and operated by individuals that derive from culturally and ethnically diverse backgrounds; and
- iii. Measure progress of its diversity goals by establishing a Diversity Committee and requiring periodic management reviews to be conducted by its Director of Business Operations.

23. Summary of cultivation plan (if applicable):

Not applicable.

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

Not applicable.

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

Not applicable.

26. ISO 17025 Certifying Body and Certificate Number (if applicable):

ANSI-ASQ National Accreditation Board (ANAB)
(ISO/IEC 17025:2017 Certificate No. AT-1853)

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.