

SANCTUARY MEDICINALS, INC.
MRN281650

BACKGROUND & APPLICATION OF INTENT REVIEW

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

Sanctuary Medicinals, Inc.

2. Address of the Marijuana Establishment:

16 Pearson Boulevard, Gardner, MA 01460

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

Retailer

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

Cultivation, Tier 5/Indoor (30,001-40,000 sq. ft) (Provisionally licensed)
Product Manufacturer (Provisionally licensed)
Retailer (New application for establishment in Brookline)

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

Michael Wilmoth—Director
David Syrek—Director
Jason Sidman—Executive
Michael Allen—Close Associate
Nicholas Satmary—Close Associate
Joshua Weaver—Close Associate
James Alex—Close Associate
David Shibley—Close Associate

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

Premier Healthcare Group, LLC is the applicant's investment entity. PHG, LLC is the applicant's managing entity.

7. Priority status of applicant:

RMD Priority (RP201958)

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 Gardner.
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 August 7, 2018; certification provided.

10. Information regarding community outreach meeting:

The community outreach meeting was held on July 25, 2018.
Notice was published at least seven days prior in The Gardner 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 September 6, 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:

- a. Conduct industry-specific educational seminars in one or more of the following: marijuana cultivation, product manufacturing, retailing, or business training;
- b. Donate to the Social Equity Training and Technical Assistance Fund;
- c. Provide financial mentoring services or host organizations that provide these services;
- d. Hold monthly informational sessions regarding the process for sealing and expunging criminal records;
- e. Partner with and support organizations that provide jail diversion and restorative justice programs;
- f. Institute hiring practices that prioritize the hiring of individuals from disproportionately impacted areas; and
- g. Have in-store donation drives, including direct giving and ongoing food and clothing drives.

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:

Jason Sidman and Joshua Weaver disclosed that they both have an interest in a marijuana business in New Hampshire (Sanctuary ATC).

None of the disclosures presented suitability issues.

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

July 5, 2018 | Certificate of Good Standing, Secretary of the Commonwealth
(Certification Number: 18070076120)

April 7, 2018 | Certificate of Good Standing, Department of Revenue
(Letter ID: L0302370944)

MANAGEMENT AND OPERATIONS REVIEW

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

The applicant states that architectural changes need to be made to the facility prior to commencing operations. The applicant states that it can begin operations approximately six months after being issued a provisional license.

20. Applicant's proposed hours of operation:

Monday-Saturday: 8:00 a.m. to 12:00 a.m.

Sunday: 10:00 a.m. to 10:00 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:

- a. Host career fairs in underrepresented and minority communities;
- b. Specifically use suppliers who are committed to diversity and inclusion;
- c. Provide training on recognizing conscious and unconscious bias;
- d. Develop relationships with organizations serving minorities, women, people of all gender identities and sexual orientations, veterans, and persons with disabilities for employment referrals; and
- e. Establish recruitment efforts at higher learning institutions, and institutions with programs that reach diverse people.

The applicant plans to produce quarterly internal reports on its diversity initiatives.

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):

The applicant is a vertically integrated RMD that has been granted adult-use provisional licenses for cultivation and product manufacturing operations. The applicant plans to obtain marijuana from its affiliated licenses. If the need arises, it will contract with other licensed establishments for additional product.

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

Not applicable.

RECOMMENDATION

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

- (1) Final license is subject to certification that the 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 the 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;
- (5) Provisional license is subject to the payment of the appropriate license fee pursuant to 935 CMR 500.005; and
- (6) Final license is subject to the applicant providing documentation to the Commission indicating that it will be compliant with the Commission's regulations on advertising, marketing, and sponsorship when partnering with third parties for the purpose of accomplishing its goals to positively impact areas of disproportionate impact.

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.