

**ALTERNATIVE THERAPIES GROUP, INC.  
CURALEAF MASSACHUSETTS, INC. /  
CHANGE OF OWNERSHIP, LOCATION, NAME, & TIER RELEGATION**

**INTRODUCTION**

Commission staff received requests from Alternative Therapies Group, Inc. (“ATG”) and Curaleaf Massachusetts, Inc. (“Curaleaf”) regarding change of ownership, location, name, and tier relegation associated with a proposed partial acquisition. Commission staff, including Investigators, reviewed all materials and conducted a financial audit in consultation with the Commission’s third-party vendor, Citrin Cooperman.

As this matter involves many different license changes that will occur simultaneously if approved, Commission staff will state all proposed licenses changes within this recommendation for Commission consideration and decision.

**CURRENT LICENSES**

The current licenses held by ATG is as follows:

| <b>Licensee</b> | <b>License #</b> | <b>License Type</b>   | <b>Location (MTC Cultivation Location)</b> | <b>Location #2 (MTC Dispensary Location)</b> |
|-----------------|------------------|-----------------------|--|--|
| ATG             | MC281255         | Cultivation/Tier 5    | Amesbury                                   | N/A  |
| ATG             | MP281300         | Product Manufacturing | Amesbury                                   | N/A  |
| ATG             | MR281346         | Retail                | Amesbury                                   | N/A  |
| ATG             | MR281344         | Retail                | Salisbury                                  | N/A  |
| ATG             | MR281255         | Retail                | Salem                                      | N/A  |
| ATG             | MTC065           | MTC                   | Amesbury                                   | Salem  |
| ATG             | MTC1528          | MTC                   | Amesbury                                   | Salisbury                                    |
| ATG             | MTC1530          | MTC                   | Amesbury                                   | Amesbury                                     |



The current licenses held by Curaleaf is as follows:

| Licensee | License # | License Type          | Location (MTC Cultivation Location) | Location #2 (MTC Dispensary Location) |
|----------|-----------|-----------------------|-------------------------------------|---------------------------------------|
| Curaleaf | MC281309  | Cultivation/Tier 11   | Webster                             | N/A                                   |
| Curaleaf | MP281318  | Product Manufacturing | Webster                             | N/A                                   |
| Curaleaf | MR281263  | Retail                | Oxford                              | N/A                                   |
| Curaleaf | MR282052  | Retail                | Provincetown                        | N/A                                   |
| Curaleaf | MR282183  | Retail                | Ware                                | N/A                                   |
| Curaleaf | MTC385    | MTC                   | Webster                             | Hanover                               |
| Curaleaf | MTC765    | MTC                   | Webster                             | Oxford                                |

### **CHANGE OF NAME OVERVIEW**

1. Change of Name for ATG to ATG2:

ATG has requested that it be able to change its business name to Alternative Therapies Group II, Inc. (“ATG2”). ATG submitted all the required information for this change. This change will impact all licenses held following the approval of all requests.

### **CHANGE OF LOCATION OVERVIEW**

1. Change of Location for ATG:

The change of location for ATG involves their cultivation and product manufacturing operations associated with its MTC licenses. As MTC licenses are vertically integrated, ATG must maintain a cultivation and product manufacturing operation associated all three (3) MTC licenses stated above.

For all three (3) MTC licenses, ATG requests to change location for its cultivation and manufacturing operations from 10 Industrial Way, Amesbury, MA, 01913 to 107 Elm Street, Salisbury, MA, 01952 (current dispensary location associated with MTC1528). The licensee submitted certification that they executed a Host Community Agreement with the new municipality. The Commission received a municipal response from the municipality on July 21, 2020 stating the licensee was in compliance with all local ordinances or bylaws.

2. Change of Location for Curaleaf:



The change of location for Curaleaf involves their cultivation and product manufacturing operations associated with one of its two MTC licenses (MTC385). Curaleaf requests to change location for these operations from 30 Worcester Road, Webster, MA, 01570 to 10 Industrial Way, Amesbury, MA, 01913. The licensee submitted certification that they executed a Host Community Agreement with the new municipality. The Commission received a municipal response from the municipality on July 29, 2020 stating the licensee was in compliance with all local ordinances or bylaws.

**TIER RELEGATION OVERVIEW**

1. Tier Reduction for Curaleaf License (MC281309)

Curaleaf’s adult-use license (MC281309) located in Webster is currently a Tier 11/Indoor (90,001-100,000 sq. ft.). In order to remain compliant with 935 CMR 500.050(1)(b)(5), namely that no licensee shall exceed 100,000 sq. ft. of canopy, Curaleaf submitted a voluntary tier relegation request to lower the tier for this license to a Tier 7/Indoor (50,001-60,000 sq. ft.). Following the approval of all associated changes, including this tier reduction and acquisition of ATG’s current cultivation license (MC281255) (see next section), Curaleaf will hold two (2) cultivation licenses totaling 100,000 sq. ft. of canopy.

**CHANGE OF OWNERSHIP OVERVIEW**

1. Change of Ownership of ATG Licenses (MC281255/MP281300) to Curaleaf:

Curaleaf’s current Persons and Entities with Direct or Indirect Control will assume ownership and control over ATG’s adult-use cultivation license (Tier 5) (MC281255) and product manufacturing license (MP281300) located in Amesbury. ATG and individuals/entities associated with ATG will have no ownership or control over this license if these changes are approved. Background checks were conducted on all individuals and entities disclosed within the application, as applicable. No suitability issues were discovered.

2. Change of Ownership for Remaining ATG Licenses:

The following individual and entity will gain 100% ownership over the remaining ATG licenses:

| Individual/Entity                   | Role   |
|-------------------------------------|--|
| Dan Talbot                          | Current President/Proposed Owner                         |
| Alternative Therapies Group II, Inc | License Holder for ATG licenses                          |
| ATG2 Holdings, LLC                  | Sole shareholder of Alternative Therapies Group II, Inc. |



Christopher Edwards (50% ownership) and Julio Fuentes (50% ownership) will no longer have any ownership or control. Background checks were conducted on all individuals and entities disclosed within the application, as applicable. No suitability issues were discovered.

**SUMMARY**

Following the approval of these changes, the individuals and entities that are requesting ownership and control over the licenses do not appear to have exceeded any ownership and control limits over any particular license type or cultivation canopy.

Commission staff conducted an organizational and financial inspection into the individuals and entities associated with these license changes. The Commission’s third-party vendor, Citrin Cooperman, reviewed materials and provided analysis as well. Commission staff found no inconsistencies with the information provided to the Commission in the application that raised suitability or compliance issues.

Following the approval of all license changes stated above, ATG will possess the following licenses:

| <b>Licensee</b> | <b>License #</b> | <b>License Type</b> | <b>Location (MTC Cultivation Location)</b> | <b>Location #2 (MTC Dispensary Location)</b> |
|-----------------|------------------|---------------------|--|--|
| ATG2            | MR281346         | Retail              | Amesbury                                   | N/A  |
| ATG2            | MR281344         | Retail              | Salisbury                                  | N/A  |
| ATG2            | MR281255         | Retail              | Salem                                      | N/A  |
| ATG2            | MTC065           | MTC                 | Salisbury                                  | Salem  |
| ATG2            | MTC1528          | MTC                 | Salisbury                                  | Salisbury                                    |
| ATG2            | MTC1530          | MTC                 | Salisbury                                  | Amesbury                                     |

Following the approval of all license changes stated above, Curaleaf will possess the following licenses:

| <b>Licensee</b> | <b>License #</b> | <b>License Type</b>   | <b>Location (MTC Cultivation Location)</b> | <b>Location #2 (MTC Dispensary Location)</b> |
|-----------------|------------------|-----------------------|--|--|
| Curaleaf        | MC281309         | Cultivation/Tier 7    | Webster                                    | N/A  |
| Curaleaf        | MP281318         | Product Manufacturing | Webster                                    | N/A  |
| Curaleaf        | MC281255         | Cultivation/Tier 5    | Amesbury                                   | N/A  |
|                 | MP281300         | Product Manufacturing | Amesbury                                   | N/A  |



|          |          |        |              |         |
|----------|----------|--------|--------------|---------|
| Curaleaf | MR281263 | Retail | Oxford       | N/A     |
| Curaleaf | MR282052 | Retail | Provincetown | N/A     |
| Curaleaf | MR282183 | Retail | Ware         | N/A     |
| Curaleaf | MTC385   | MTC    | Amesbury     | Hanover |
| Curaleaf | MTC765   | MTC    | Webster      | Oxford  |

## **RECOMMENDATION**

Commission staff recommend review and decision on the license change requests above, and if approved, request that the approval be subject to the following conditions:

1. The licensee and the individuals/entities associated with the change in ownership and control may now effectuate any outstanding business agreements related to the change. The licensees will notify the Commission when the changes in ownership and control has occurred;
2. The licensees may now effectuate the change in locations but shall not perform operations associated with its licenses at the new location, until upon inspection and approval, demonstrating full compliance with the Commission’s regulations, if appropriate;
3. The licensees shall submit an Architectural Plan Review request to the Commission for the building or remodeling of any new facility, if applicable;
4. The licensee, ATG, may now change its business name with the Massachusetts Secretary of the Commonwealth and shall, within 30 days, submit to the Commission a certificate of good standing from the Massachusetts Secretary of the Commonwealth, Articles of Organization, and Bylaws reflecting the new name of the licensee;
5. The licensee is subject to inspection to ascertain compliance with Commission regulations;
6. The licensee remains suitable for licensure;
7. The licensee shall cooperate with and provide information to Commission staff;
8. The licensure is subject to notification to the Commission of any update to written operations plans required by 935 CMR 500.105(1) and/or 935 CMR 501.105(1) after effectuating the change in ownership and control, change of location, and change of name, where applicable, and shall give Commission staff adequate opportunity to review said plans at the business location or the location where any such plans are maintained in the normal course of business;
9. Following Commission approval of this change of ownership, name, location, and tier relegation, the parties shall execute all necessary business contracts to ensure full compliance with 935 CMR 500.050, et seq, and 935 CMR 501.050, et seq. Failure to execute all necessary contracts to comply with the preceding sections, within a reasonable time period as determined by the Executive Director, shall make these Commission approvals null and void and subject to further Commission review and action; and
10. At eight (8) months after the change in ownership, the licensees shall begin a comprehensive audit of Curaleaf Massachusetts, Inc. and Alternative Therapies Group II, Inc., by a certified independent auditor to investigate the relationship and transactions between the two companies, verify whether the two companies are financially independent, and identify any



potential areas of control, including indirect control. The licensees shall submit the audit report to the Commission within 12 months from the approval of the change of ownership.

