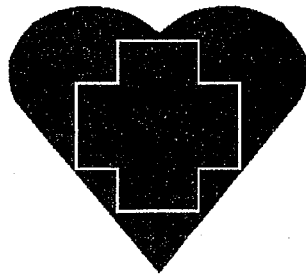


Purple Heart Patient Center



Business Plan For *Cannabis Dispensary and Patient Resource Center*

Oakland, CA.

This business plan has been submitted on a confidential basis and may not be stored, reproduced or copied in any form. By accepting delivery of this plan, the recipient agrees to return his/her copy to Keith D. Stephenson if no further business relationship should be established. Do not copy, fax, reproduce, distribute, or share the information contained within, without the express written consent of Keith D. Stephenson.

Introduction and Overview

This proposal is for the Purple Heart Patient Center -- a medical cannabis dispensary and resource center for patients. The goal of this business proposal is to create a top-quality resource center and dispensary, meeting the highest standards of ethical and responsible operations, to be run in a manner that the community can be proud of, and which will make a positive contribution to the surrounding commercial area and to city generally.

Top standards of cleanliness, respect for our neighbors, ethical treatment of workers and customers, and environmental sustainability will be adhered to. The atmosphere will be respectful and attractive, including displaying art by local artists, using recycled, organic, and sustainable products, hiring locally, patients with disabilities and paying workers a living wage. Purple Heart Patient Center will adhere to Green Business certification standards of environmental practices. (Information about Green Business certification can be found at: <http://www.greenbiz.abag.ca.gov/>)

The Purple Heart Patient Center will work actively to promote neighborhood safety and positive community relations, and to provide resources and supportive information for patients. Our goal is to make sure that people from all walks of life feel welcome, particularly including seniors, people of all sexual orientations, ethnicities, and genders, and persons with disabilities, and to ensuring a secure, non-discriminatory, and health-oriented environment.

The Purple Heart Patient Center will include, in addition to a medical cannabis dispensary, support and information services for patients. Such support services will include counseling and support groups, a lending library of books and other informational materials, acupuncture, therapeutic massage, and patient support luncheons, along with referral resources to help patients access other services that they may need. For example, the Center will compile information about regional services such as organizations for cancer patients, soup kitchens, job training programs, and other programs that our patients may need, and will provide referrals for patients.

The Purple Heart Patient Center is interested in having a collaborative process for choosing our location, to maximize effectiveness and minimize any community opposition. We are willing to work with the City of Oakland to select an appropriate location, and to work closely with neighboring businesses to promote harmonious relations with the surrounding area. We believe the ideal location would be one that is served by frequent public transit, that is part of a commercial strip with pharmacies, cafes, and other amenities, and one in which the surrounding community is supportive. In our plan below, we explore our suggested location based on these factors, and we are willing to consider other locations if appropriate.

Purple Heart Patient Center will operate with an awareness of and welcoming attitude toward the diverse communities that give Oakland its strength. The entire space will be wheelchair accessible, and will include sufficient bathroom facilities for customers that are also wheelchair accessible.

Purple Heart Patient's Center will be operated by Keith D. Stephenson, who lives locally in the city of Oakland. Mr. Stephenson is a homeowner in [REDACTED] and is

committed to the betterment of the community. Mr. Stephenson, as an African American man and a person with a disability, has a deep awareness of and commitment to accessible, non-discriminatory services and will provide a facility that promotes these values. Keith D. Stephenson has extensive experience in marketing, small business, and medicinal marijuana services.

Purple Heart Patient Center will be involved in, and contribute toward, the improvement of the community.

Mission Statement

The Purple Heart Patient Center is committed to promoting a healthy, responsible, community-minded environment to serve the needs of medical marijuana patients. We will provide a clean and comfortable atmosphere, with a focus on organic and environmentally-sound products, support services for patients, and responsible relationships with the wider community.

Keys To Success

Several factors will help Purple Heart Patient Center become successful. These include:

- Purple Heart Patient Center will be managed and operated by local people that know the medicinal marijuana market and has extensive in the community. Keith D. Stephenson, the operator, also has worked at the Oakland Cannabis Buyers Cooperative and at The Zoo dispensary in procurement and done extensive small business consulting for dispensaries, work that will be valuable experience to draw from. In addition, he has been prescribed cannabis for *ankylosing spondylitis*, a degenerative form of arthritis and is empathetic to the needs of the disabled. Keith D. Stephenson has also been appointed to the Citizen Review Panel for Measure Z.
- The location is accessible by public transit, (ideally, we would like to be near a BART station and on a corridor with frequent bus service). Purple Heart Patient Center will also encourage access by bicycle, and on foot or wheelchair. The Center will provide secure bicycle parking, and provide transit information, for staff and patients.
- Having experienced managers, promoting an ethic of responsible service, continual training for employees, and career growth opportunities for employees will lead to the best service.
- A clean, healthy, and wholesome atmosphere full of positive energy.
- Providing a comfortable atmosphere, and including support services for patients.

Location

Purple Heart Patient Center understands that location is very important to success and positive operations. Purple Heart Patient Center is proposing to lease a space at 578 West Grand Ave, previously used as a dispensary or 415 4th street.

Purple Heart Patient Center can help promote synergies to help neighboring businesses by attracting customers. Other food-related and health-related businesses are nearby, several quality restaurants, and bookstores which focus on self-help and spiritual growth topics.

In addition, a growing number of seniors are expressing interest in medicinal marijuana. Due to a combination of factors, including the rising costs and frequent side effects of pharmaceutical drugs, more and more seniors are interested in natural healing remedies, including medicinal marijuana. A 2004, survey conducted by the AARP found that 72% of seniors nation-wide believe that medicinal marijuana should be made available to those in need. In the geographic breakdown, an even higher 82% of seniors in Western states supported access to medicinal marijuana. By providing a comfortable atmosphere, and being located in an area where seniors can easily feel welcome, the Purple Heart Patient Center will help ensure access to these patients, who appear to be underserved currently.

Demographic Information

The Purple Heart Patient Center is aware that understanding and relating well, with the area surrounding the Center will be essential to our success and community harmony. As a result, we are willing to work collaboratively with the City of Oakland to select a location, and we will research any potential location, and do advance work with area residents and businesses to ensure positive community relations.

The proposed locations of the Purple Heart Patient Center are 578 W. Grand Ave and 415 4th street.

Size Of Space Needed:

Target size is 2,200 – 4,000 square feet.

Start up Capital:



Service Plan

The Purple Heart Patient Center will provide support services for patients, with the goal of promoting health and wellness, and ensuring that patients have access to informational materials.

The Purple Heart Patient Center will provide the services listed below, and will also continue to be in ongoing dialog with our patients to ensure that we are meeting their needs, and the needs of the community. Thus, if patients request a new service beyond our original list, we will strive to provide it, and to expand to meet the needs of our community as appropriate.

Services:

- Peer support groups for patients
- Counseling groups (with professional counselors) for patients
- Massage Therapy daily by students from National Holistic Institute
- Acupuncture daily by students from the Academy of Chinese Culture
- Reference Library (books and educational materials on medicinal marijuana, health, wellness, and natural healing, nutrition, and related topics)
- Monthly luncheon for patients
- Social program referral: Reference material (and available staff member who can assist with referrals), to provide information on job training programs, food banks, health clinics, and other support services patients may need.
- Hiring program for local residents, including hiring persons with disabilities
- Public transit maps and bicycle route maps made available
- Classes on cultivation for patients to produce their own medicine
- Monthly patient care packages and sliding scale for limited income earning patients
- Award points accrual for each purchase redeemable for future medicine

Ownership, Management, and Staffing:

The Purple Heart Patient Center will be set up as a 501(c)3 non-profit mutual benefit association to provide assistance to patients. It will be managed by *Keith D. Stephenson* who will be very hands on and heavily involved in day-to-day operations, while also hiring a team of talented, compassionate employees.

who?

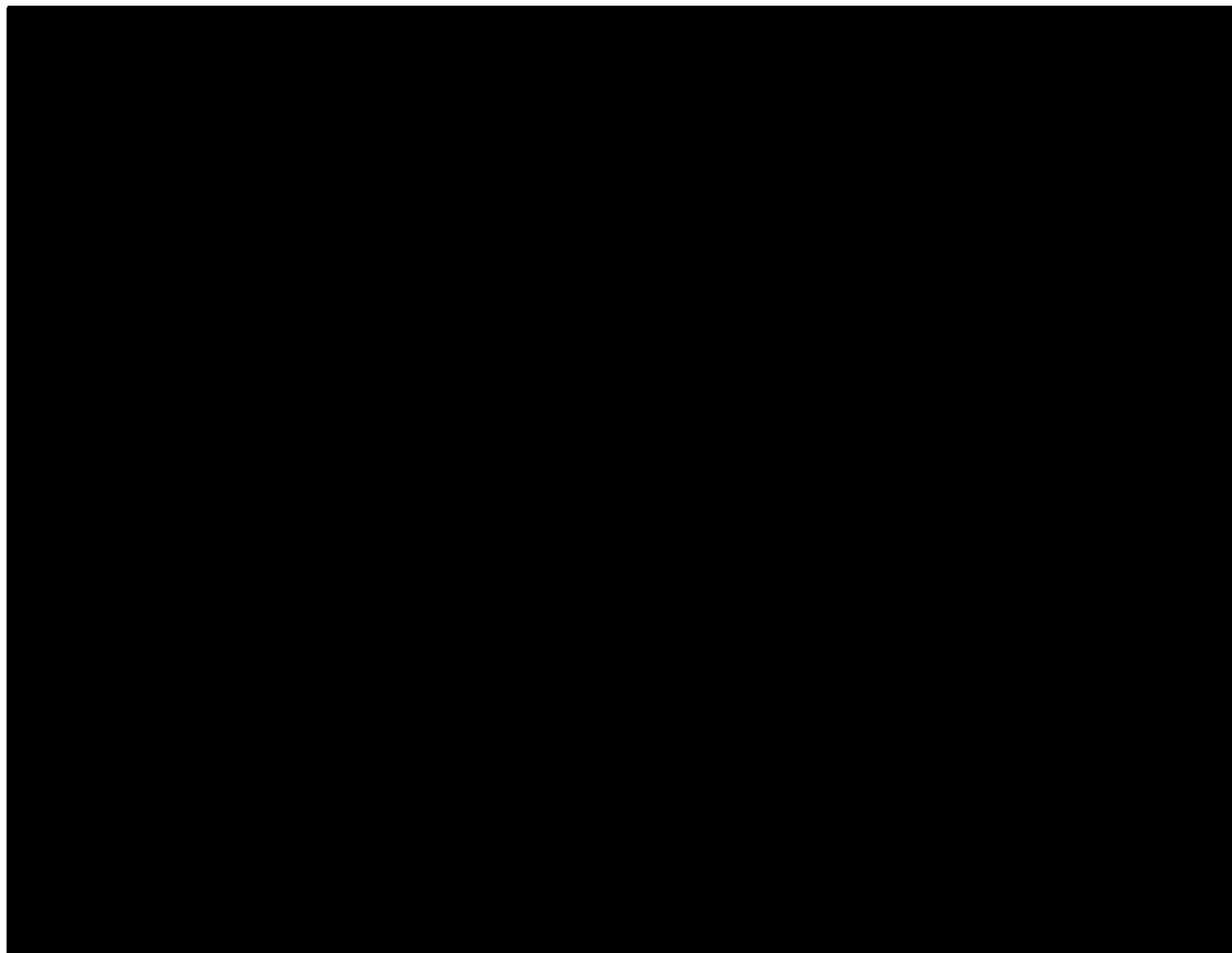
The manager has leadership and oversight experience, including having served as a lead aviation maintenance technician supervising over daily projects and coordinating the logistics of ordering aircraft parts, inspection and returning planes to service. The manager has extensive experience as a union shop steward and has developed effective conflict resolution skills. The manager also operates Dunn Deal Marketing Group, an urban and youth based consulting firm for Fortune 500 companies wishing to tap into the urban and Hip-Hop demographic.

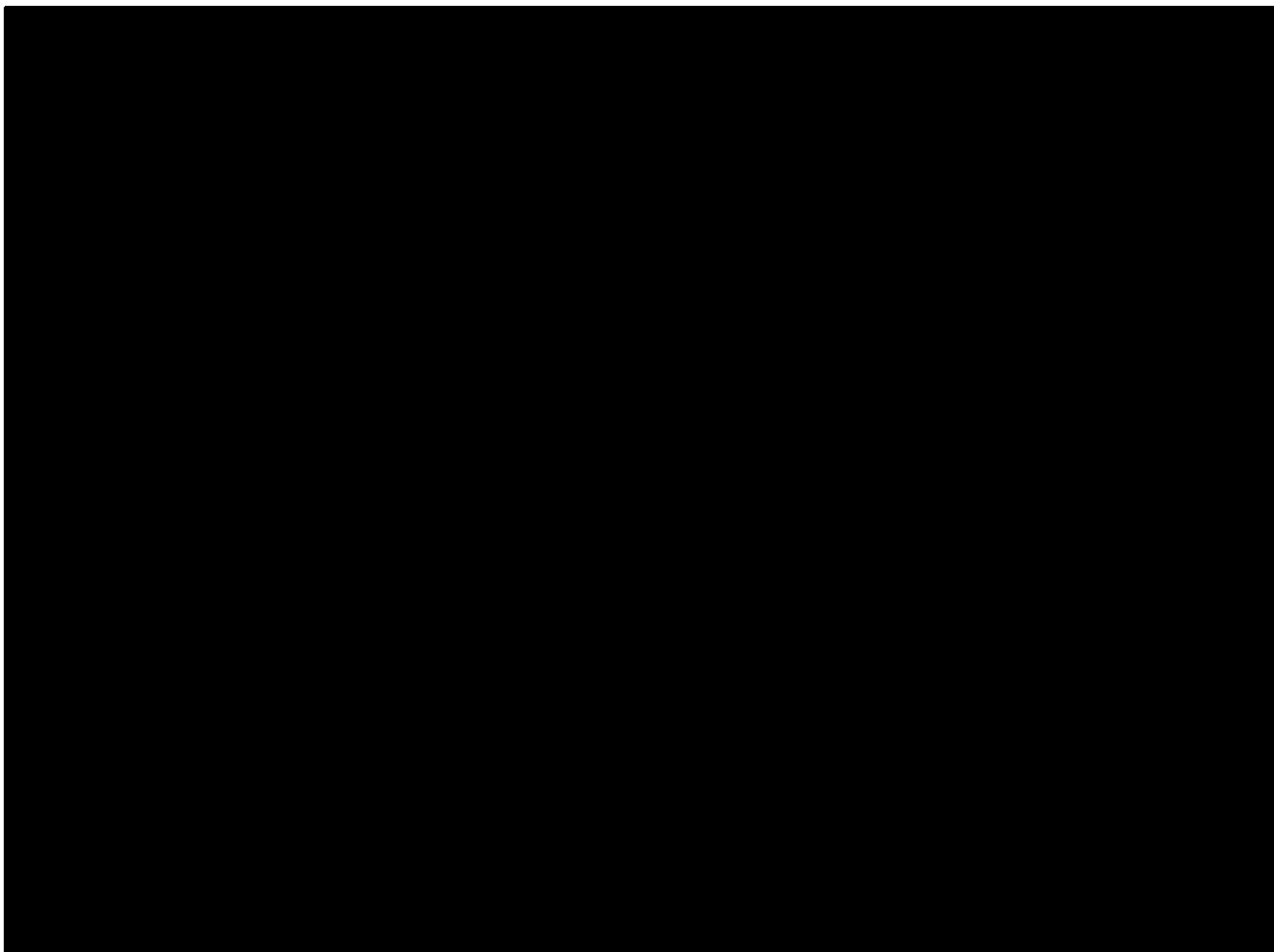
Security Plan

The Purple Heart Patient's Center is aware that providing effective security is essential to the success of our Center. To be effective, security must provide for the protection of the patients, the Center itself, and for the broader community surrounding the center. Thus, we believe our security is connected to our community relations – and that we must take action to ensure that neighboring businesses and the surrounding community experience the presence of the Center as one that improves, rather than degrades, the quality of life and safety of the community.

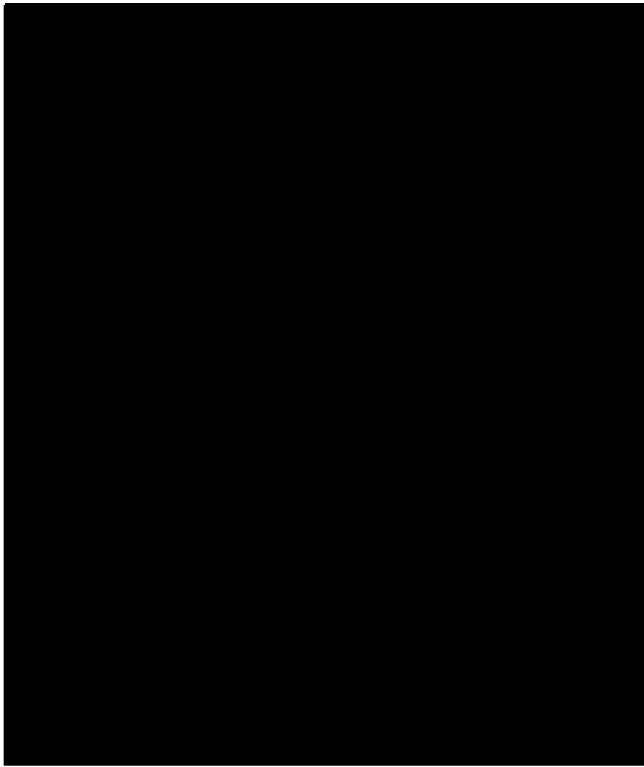
As a result, our Security Plan, in addition to including all of the required elements of the City of Oakland's cannabis dispensary policy, will include additional innovations to ensure public safety.

Our security plan includes the following elements:





Budget



THE SUTHERLAND CO.
Commercial & Industrial Real Estate
417 - 4th Street, Oakland, CA 94607, Tel: 510.893.0772 / Fax: 510.893.4063
Email:kensutherland@thesutherlandco.com

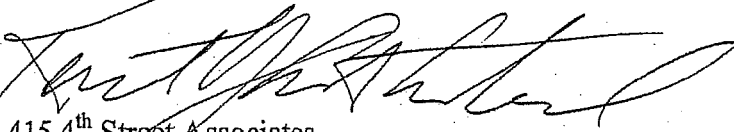
November 17, 2005

City of Oakland
1 Frank H. Ogawa Plaza
Oakland, CA 94612

To Whom It May Concern:

The 415 4th Street Associates as owner of the property located at 415 4th Street agrees to lease the building to Keith Stephenson for the lawful use and purpose of a city permitted Medical Cannabis Dispensary, subject to mutually finalization of the lease agreement by Lessee and Lessor and related Lessor approvals.

Sincerely,



415 4th Street Associates

KEITH D. STEPHENSON

PROFESSIONAL EXPERIENCE

Urban Marketing and Promotion Consultant

(1997 to Present)

Dunn Deal Marketing Group, Oakland, CA

- Serve as a liaison for various recording artists with production, collaboration and musical content for upcoming albums, album releases tours and create brand name recognition.
- Collaborate with Video and Documentary Directors on content and editing of film work and assisted with proper marketing packages to target audiences.
- Consult with Recording Artists and Artist Management on e-Commerce opportunities and product endorsement deals.
- Provide artists and management with advice regarding career objectives.
- Design and implement custom apparel and footwear.
- Create tour sponsorship opportunities, viable product placement and brand building agendas for various recording artists.

Quality Assurance, Screening, and Inventory Inspector.

(1997 to Present)

Oakland Cannabis Buyers Cooperative, The Zoo Dispensary

- Worked for medicinal cannabis dispensary to ensure safety of medicine for patients.
- Experience as medicine inspector to ensure purity and safety of products, and prevent exposure to mold or other contaminants.
- Assisted with security, and received training and experience in procedures for verification of patient identification.
- Personal knowledge, experience, and compassion from my own disability and patient status. (*ankylosing spondylitis*, a degenerative form of arthritis).
- Consultant for several clubs in areas concerning start up, procurement, quality assurance, security, patient services, and becoming ADA compliant.

Aviation Maintenance Technician

(1989 to Present)

United Airlines, San Francisco, CA

- Serve as Department Representative for company roundtable meetings.
- Supervise as lead mechanic over daily projects.
- Coordinate the logistics of ordering aircraft parts, inspection and installation.
- Troubleshoot and maintain aircraft engines, rigging, and flight control services.
- Maintain the airworthiness of aircraft structure by using various hand tools.
- Inspect, clean, overhaul, service and repair parts and components of the aircraft.
- Use scales, charts, and precision measuring instruments in conducting tests and operational checks.
- Operate computer terminals to access and manipulate maintenance information, order or maintain records.

EDUCATION

West Los Angeles College of Aviation, Los Angeles, CA

License in Aviation Maintenance 1988

Susan Miller Dorsey High School, Los Angeles, CA High School Diploma 1986

RENT DISPENSARY LOCATIONS WITH PROPOSED LOCATIONS (1000' BUFFERS INCLUDED)

- Offer Legend**
- Oakland Unified School District
 - OPR Facilities
 - Oakland Libraries
 - Active Dispensaries
 - Potential Dispensaries
 - 1000' Buffer
 - Parks/Open Space
 - Residential Zones



Map by: CEDA - Building Services - Zoning Inspections Unit
 Date: 10/04/2005



OFFICE OF THE CITY ADMINISTRATOR
DECLARATION REGARDING DISQUALIFYING CRIMINAL OFFENSES

I, Kiah Di Stephens, applicant for a Cannabis Dispensary Permit or holder of an ownership interest in the potential Cannabis Dispensary, declare that I have not been convicted of, pled nolo contendere, forfeited, or entered into a plea bargain relating to any of the criminal offenses listed below:

1. Health & Safety Code Chapter 6 (Sections 11350 – 11392) or Chapter 9.5 (Sections 11530 – 11538) pertaining to controlled substances
2. Penal Code Section 187 (Homicide)
3. Penal Code Section 207 (Kidnapping)
4. Penal Code Section 211 (Robbery)
5. Penal Code Sections 240-248 (Assault & Battery)
6. Penal Code Section 261 (Rape)
7. Penal Code Section 314 (Indecent Exposure)
8. Penal Code Section 450 (Arson)
9. Penal Code Sections 458-464 (Burglary)
10. Penal Code Sections 470-483.5 (Forgery)
11. Penal Code Sections 484-502.9 (Larceny)
12. Penal Code Sections 503-515 (Embezzlement)
13. Any violent crime or crime of dishonesty, fraud, or deceit with an intent to substantially injure another

Further I realize that any false statement pertaining to the above offenses may result in the denial of my application or the revocation of a Cannabis Dispensary Permit.

Kiah Di Stephens
APPLICANT/ FOR A CANNABIS DISPENSARY PERMIT/
HOLDER OF OWNERSHIP INTERESTE IN POTENTIAL CANNABIS
DISPENSARY

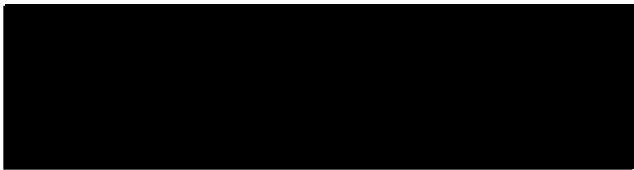
11.28.05
DATE

The Purple Heart Patient Center

1. Will you be growing marijuana? Yes, I would like to grow medicine for our patients. At the present time I do not believe that 415 4th street would be the best location for cultivation. In the short, I most likely would have to use space at my residence. I would like to be able to grow the maximum amount for a small dispensary of, six mature plants and twelve immature plants per patient.
2. Will you be drying marijuana? Yes, I will be drying marijuana. This could easily be accomplished at home. The entire harvest.
3. I will be storing dried marijuana and it's by product at the dispensary, up to the allowable limits if needed of eight ounces per patient we serve. The medicine will be secured in industrial cabinet lockers, secured by pad locks in a locked room accessible to the staff only.

4. Yes, I will be storing chemicals. These chemicals are used for cleaning and disinfecting, bleach, soap and wax.

Keith Stephenson
The Purple Heart Patient Center



**ARTICLES OF INCORPORATION OF
PURPLE HEART PATIENT CENTER, INC.
A California Nonprofit Mutual Benefit Corporation**

I.

The name of this corporation is Purple Heart Patient Center, Inc.

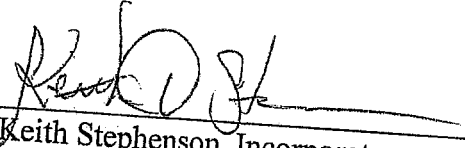
II.

This corporation is a nonprofit mutual benefit corporation organized under the Nonprofit Mutual Benefit Corporation Law. The purpose of this corporation is to engage in any lawful act or activity, other than credit union business, for which a corporation may be organized under such law.

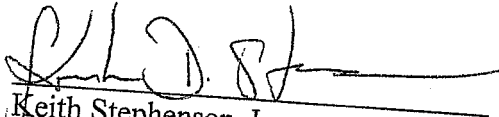
III.

The name of this corporation's initial agent for service of process is CT Corporation System.

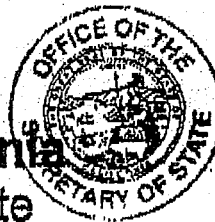
Date: 12-30-05


Keith Stephenson, Incorporator

I declare that I am the person who executed the above Articles of Incorporation, and that this instrument is my act and deed.


Keith Stephenson, Incorporator

State of California
Secretary of State



I, BRUCE McPHERSON, Secretary of State of the State of California, hereby certify:

That the attached transcript of 1 page(s) has been compared with the record on file in this office, of which it purports to be a copy, and that it is full, true and correct.



IN WITNESS WHEREOF, I execute this certificate and affix the Great Seal of the State of California this day of

JAN 06 2006

A handwritten signature in black ink, appearing to read "Bruce McPherson".

BRUCE McPHERSON
Secretary of State

2823595

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JAN 06 2006

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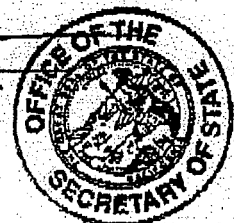
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Keith Stephenson, Incorporator



REQUEST FOR LIVE SCAN SERVICE

Applicant Submission

IRI: CA0010900
Code assigned by DOJ

Type of Application: License

Job Title or Type of License, Certification or Permit: Cannabis Dispensary Permit

Agency Address Set Contributing Agency:

Oakland, Police Dept.

04764

Agency authorized to receive criminal history information

Mail Code (five digit code assigned by DOJ)

455 - 7th Street Rm 313

Frank I Alliger

Street No. Street or P.O. Box

Contact Name (Mandatory for all school submissions)

Oakland, CA 94607

(510) 238-2189

City

State

Zip Code

Contact Telephone No.

Name of Applicant:
(please print)

Stephenson
Last

Keith
First

D
MI

Alias:

Last

First

Driver's License No. [REDACTED]

Date of Birth: [REDACTED]

Sex:

☒ Male

☐ Female

Misc. No. BIL - 120181

Agency Billing Number

Height: [REDACTED]

Weight: [REDACTED]

Misc. No. [REDACTED]

Eye Color: [REDACTED]

Hair Color: [REDACTED]

Home Address: [REDACTED]

Place of Birth: LOS ANGELES, CA

City, State and Zip Code

SOC: [REDACTED]

Your Number: [REDACTED]

OCA No. (Agency Identifying No.)

Level of Service

☒ DOJ

☐ FBI

If resubmission, list Original ATI No. [REDACTED]

Employer: (Additional response for agencies specified by statute)

Employer Name [REDACTED]

Street No.

Street or P.O. Box

Mail Code (five digit code assigned by DOJ)

City

State

Zip Code

Agency Telephone No. (optional)

Live Scan Transaction Completed By: [Signature]

Name of Operator

Date: AUG 31 2005

Transmitting Agency: Oakland Police ID Section

ATI No. 41557

Amount Collected/Billed

OFFICE OF THE CITY ADMINISTRATOR
DECLARATION REGARDING DISQUALIFYING CRIMINAL OFFENSES

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Further I realize that any false statement pertaining to the above offenses may result in the denial of my application or the revocation of a Cannabis Dispensary Permit.

Kiah D. Stephenson
APPLICANT/ FOR A CANNABIS DISPENSARY PERMIT/
HOLDER OF OWNERSHIP INTERESTE IN POTENTIAL CANNABIS
DISPENSARY

DATE 11.28.05

APPLICATION FOR SPECIAL ACTIVITY PERMIT

Application is hereby made by

Keith D. Stephenson

Individual (☒); Partnership (☐); Corporation (☐); Non-profit 501(c)3

for a Cannabis Dispensary Permit

under the name of:

Purple Heart Patients Center
(business name)

pending
(dates of operation, if applicable)

at the following location:

415 4th Street Oakland, Ca 94607
578-580 W. GRAND AVE. Oakland, Ca 94609

Application is for: New Business (☒); Change of Ownership (☐); Change of Location (☐);
Renewal (☐); Other (☐

Additional Information:

(address of Applicant)

(telephone No.)

The premises are owned by:

4th Street Associates and now used as Vacant

The person in charge of this operation is

Keith D. Stephenson

who resides at

, telephone No.

and with

several

years of experience in this kind of operation. A previous permit at this location

(please check all that apply):

☒ has never been revoked;

☐ has been revoked;

☐ is expiring.

For access to premises, call

Ken Sutherland

(name)

510-893-0772

(telephone no.)

The names, residence and business addresses of applicant(s) including all members of the firm or partnership and all officers and directors of the corporation and of all persons interested in the permit, if granted, are as follows: (Please continue on additional sheet, if needed)

NAME

BIRTH DATE

RESIDENCE

ADDRESS

BUSINESS

ADDRESS

Keith Stephenson

*** DO NOT MAKE HOME ADDRESS AVAILABLE TO PUBLIC ***

I declare under the penalty of perjury that the foregoing is true and correct.

Dated at

Oakland

California, this

26th

(day)

of

AUGUST

(month)

2005

(year)

Signed:

Ken Sutherland



Commercial & Industrial Real Estate

417 - 4th Street, Oakland, CA 94607, Tel: 510.893.0772 / Fax: 510.893.4063
Email:kensutherland@thesutherlandco.com

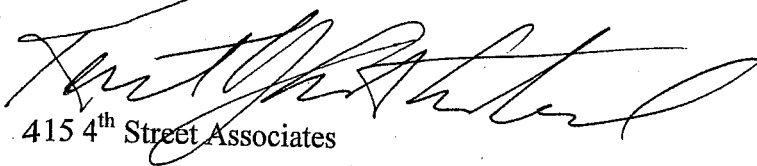
November 17, 2005

City of Oakland
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Sincerely,



415 4th Street Associates