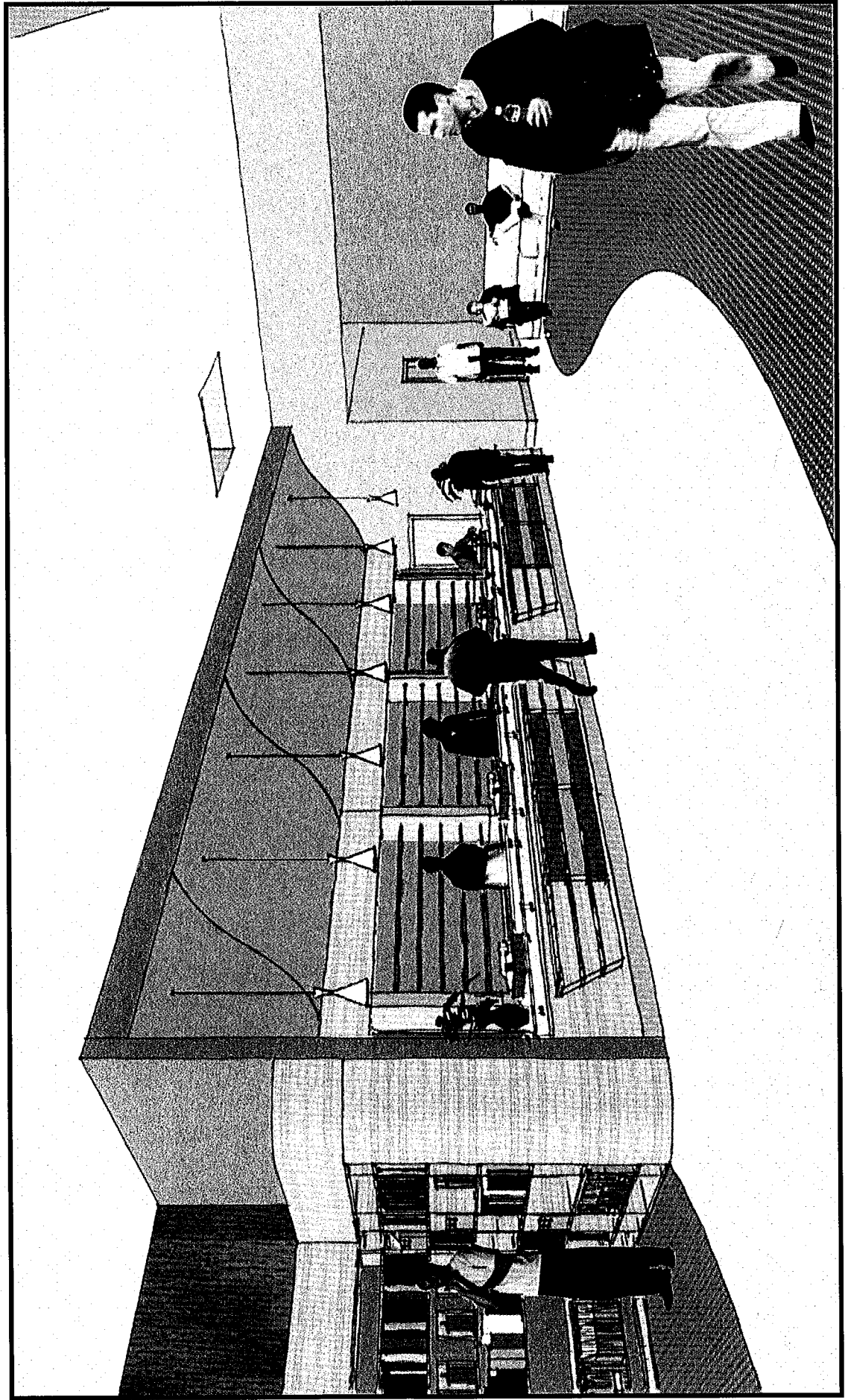
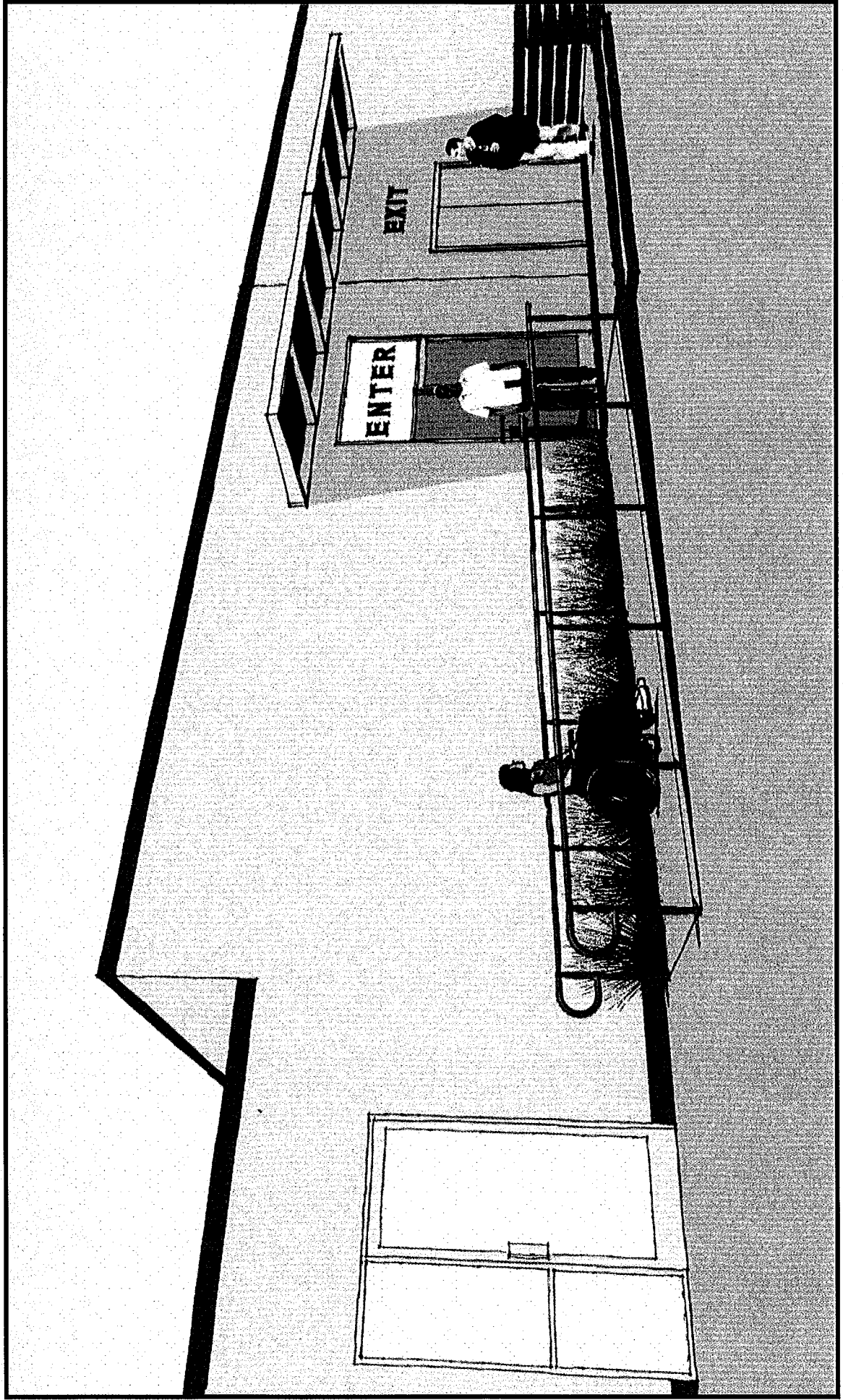


# RENDERING 2: PATIENT SERVICE COUNTER AREA



# RENDERING 3: COLLECTIVE ENTRANCE FROM PARKING



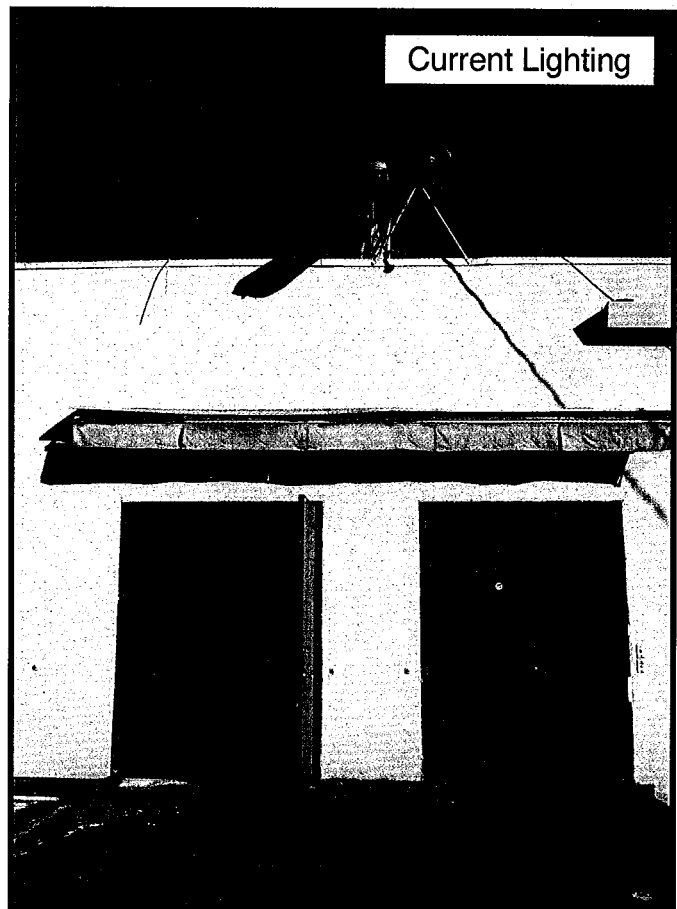
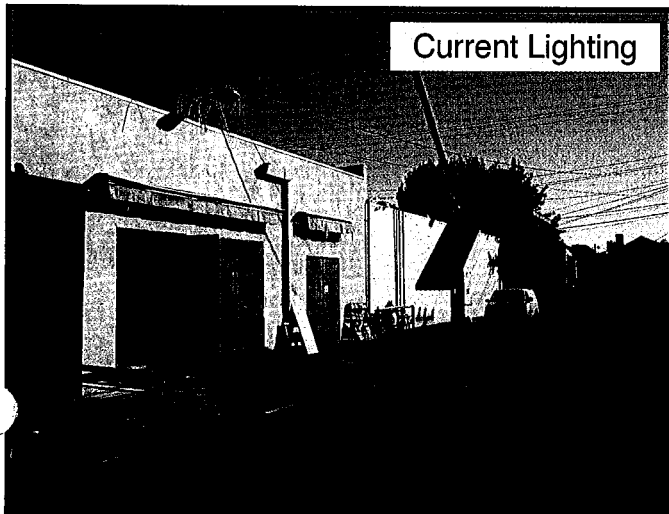
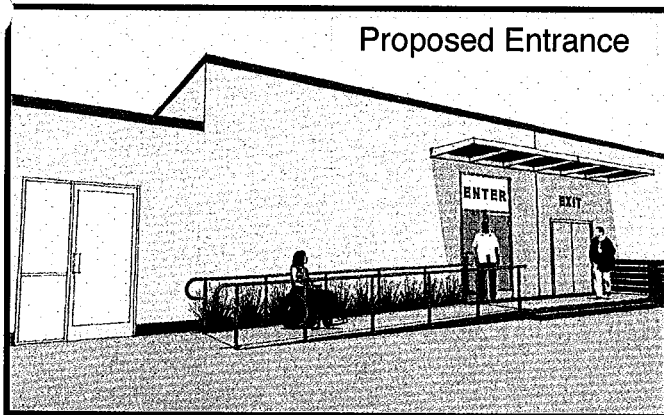
# PHOTOS: 3421 TELEGRAPH AVE.- INTERIOR AND EXTERIOR



Telegraph Avenue Street Frontage  
(entrance will not be used)

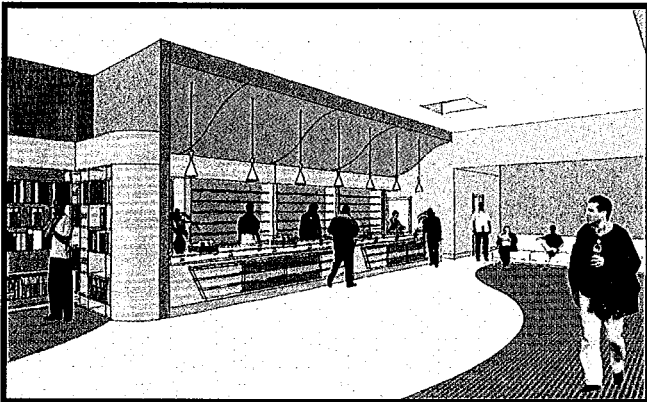


The building from 34th and Telegraph

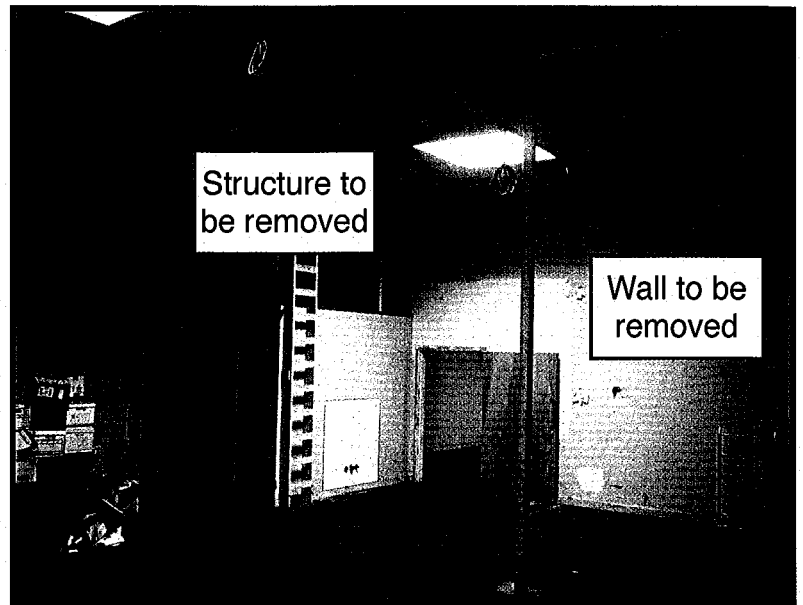


Main Entrance at Rear of Building  
off of Parking Lot

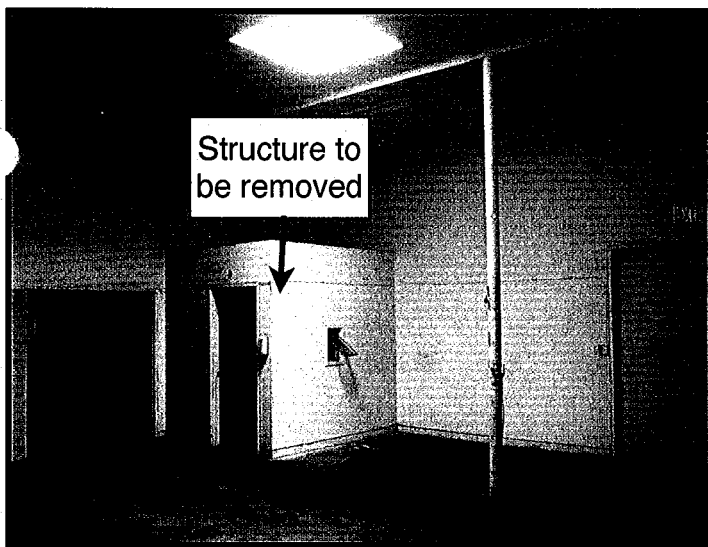
# PHOTOS: 3421 TELEGRAPH AVE.- INTERIOR AND EXTERIOR



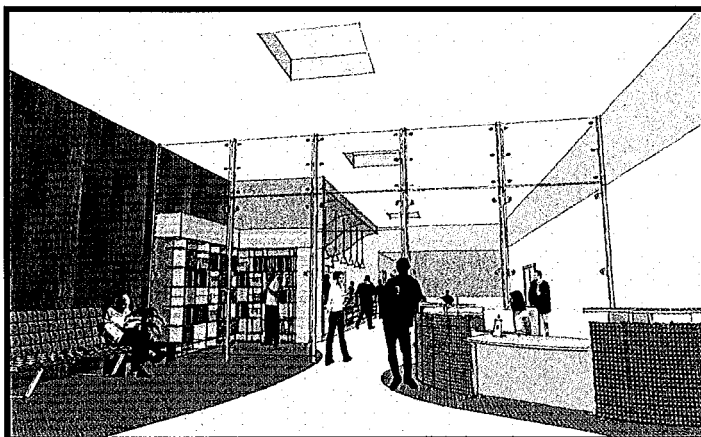
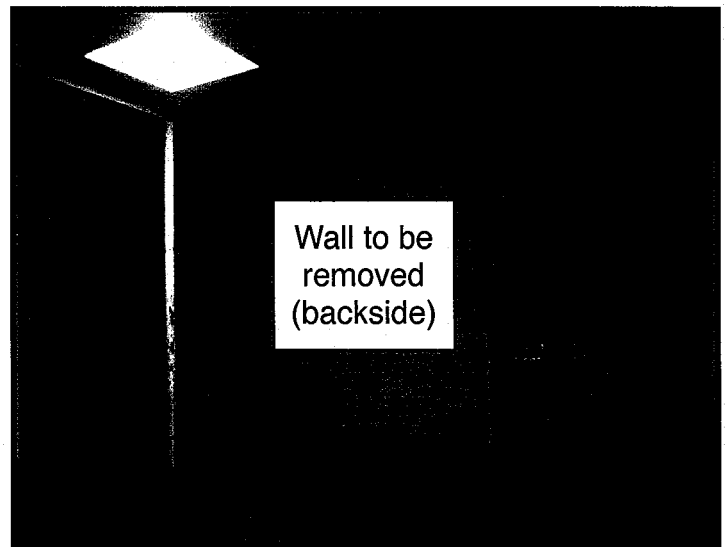
Vision for Main Room  
Patient Service Area



Main Room from rear entrance



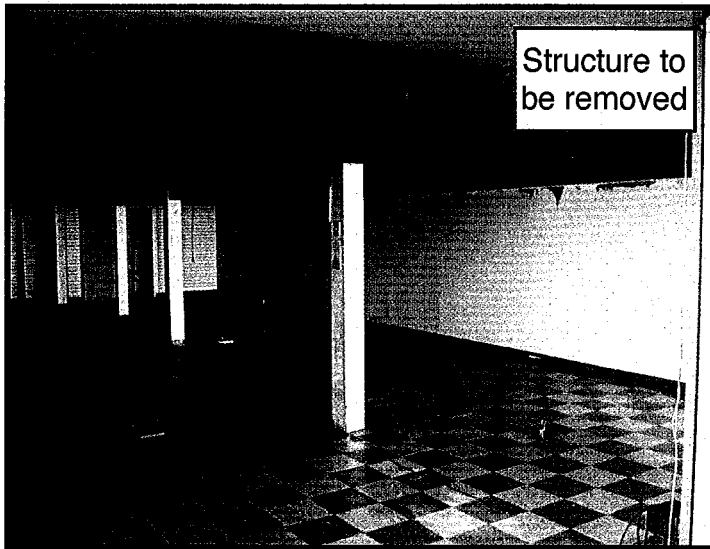
Second Room to Make up Patient Area



Vision for Lobby/Reception/  
Patient Check In Area



# PHOTOS: 3421 TELEGRAPH AVE.- INTERIOR AND EXTERIOR



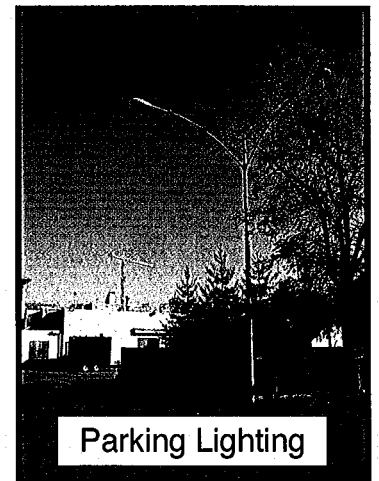
Future Wellness Center



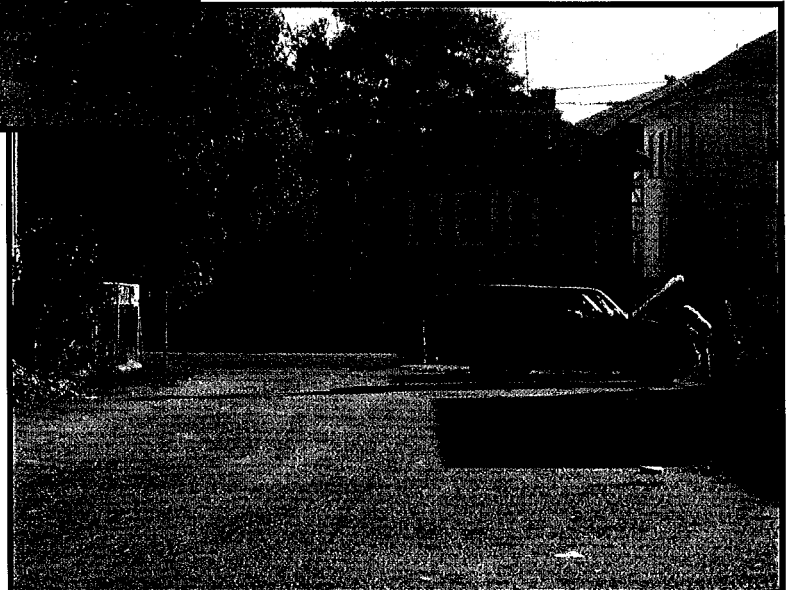
Future Wellness Center Looking  
Towards Telegraph Ave.



Ample  
Parking



Parking Lighting



RFPA CITY ID#: MCD11105

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# EXHIBIT 7-h

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Construction Bid from Smart Construction



# SMARTBUILDING

PO Box 29046  
OAKLAND  
CALIFORNIA 94604

LICENSE No. 875390

Proposal No: 27086  
Date: 10/14/2011  
To: David Spradlin  
Magnolia Wellness Director  
3421 Telegraph Ave  
Oakland, CA

OFFICE:  
510-444-7678

FAX:  
510-444-0977

WWW.GETSMARTBUILDING.COM

## Description

MAGNOLIA WELLNESS CENTER - 3421 Telegraph Ave., Oakland, CA 94609

CONCEPT: It is the intent of this budget proposal to establish the basic work items related to the modifications required to prepare the existing space for the new usage as described by the client and shown on the undated floor plan. Without the benefit of actual construction documents, that have been reviewed by the governing jurisdictions, the following line items are intended to be a budget for the eventual construction required to meet code and the basic usage discussed.

### ASSUMPTIONS:

- 1) The existing space can be reconfigured with standard construction methods without major upgrades to utility services, structural upgrades, demising/egress of adjacent spaces, fire sprinklers, smoke & fire alarm systems, roofing or ADA egress from Telegraph Ave.
- 2) Does not include any provisions for: security/alarm systems beyond the bars in sky-lites, exterior cosmetics, storefront or special signage, awnings or vault.
- 3) No costs are included to separately meter any common utilities to other tenants.
- 4) Includes only minor changes to the parking lot layout for the construction of the new ADA compliant entry landing with ramp and side ramp.
- 5) The flooring allowance includes sealing approximately 3,500 sf of existing concrete, new VCT on approx 1,500 sf, new sheet vinyl in the two restrooms and rubber base throughout.
- 6) The act of acquiring a construction or conditional use permit will not trigger any costs related to: adding fire sprinklers, upgrading utilities, structural, ADA, egress, fire alarm or site work.
- 7) The HVAC budget includes the most feasible means of distributing exchange and heated air (excludes cooling) from roof top units. Exposed interior and/or exterior ducting without decorative intent. New equipment to be placed on existing sky-lites opening to minimize costs.
- 8) The budget is based on drawings A0.1 and A1.1 by concordia, LLP dated 10/8/11 and information from site visit.

Provide budget pricing for the construction of new space for the Magnolia Wellness Center. Includes all labor material and supervision to construct the wall layout including two new restrooms. The varying drywall ceiling height design will remain with surface mounted lighting.



# SMART BUILDING

PO Box 29046  
OAKLAND  
CALIFORNIA 94604

LICENSE NO. 875390

Proposal No: 27086

Date: 10/14/2011

To: David Spradlin  
Magnolia Wellness Director  
3421 Telegraph Ave  
Oakland, CA

OFFICE:  
510-444-7678

FAX:  
510-444-0977

WWW.GETSMARTBUILDING.COM

## Description

To accept this proposal, please sign and fax back to Smart Building at (510) 444-0977

Name \_\_\_\_\_

Date \_\_\_\_\_

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# ORGANIZATIONAL SYNOPSIS and MANAGEMENT PLAN

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An informative document about  
Magnolia as an organization and  
the management team that will  
ensure success.

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RFPA CITY ID#: MCD11105

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## Organizational Overview

We founded our collective organization in 2009 in the Sacramento area and currently serve over 10,000 patients. Our collective is a model for compassion and professionalism in the area. We were voted Most Compassionate Collective by the Sacramento News and Review this year and pride ourselves on being a community based and forward thinking organization. Our patients enjoy our caring service and ability to understand the needs of our membership. Our model is based in the understanding that patients deserve to have a friendly, knowledgeable, and safe place to access their medicine and we work hard to ensure every patient we serve leaves with a smile feeling that they have gotten superior quality at a great value from a caring staff. We are incredibly proud of the work we have done to make Sacramento a better place and we look forward to bringing our successful and compassionate model to patients in Oakland.

Our dispensing collective is a not-for-profit patient-focused Collective. We assist qualified patients, caregivers and providers in facilitating positive transactions in a safe and supportive environment. Our focus is on providing a full-spectrum of alternative healing options, including herbal compounding, Ayurveda, Chinese medicine, and traditional Western Herbalism. We respect a patient's choice to use alternative medicines and assure that they receive the highest quality and safest medicines at a fair value in a closed-loop system. In addition, we provide an extensive service package to our members that encourage wellness and healing specific to their condition. The collective is founded on the principle that our patients are best served by understanding the many aspects of healthy living, including nutrition, exercise, social therapies and safe medicines. We work to assist our members in finding health and happiness.

The organization is founded and staffed by medical cannabis patients. The directors and staff are dedicated to creating a collective that is a clean, secure, convenient and respected part of the Oakland community. Our extensive experience in organizational development, business administration and community participation give us the insight and know-how to run a successful non-profit mutual benefit organization.

The collective will provide a large variety of services, including massage therapy, acupuncture, and yoga/pilates classes to assist in the physical wellbeing of our members. Our counseling, support groups, and educational seminars help our patients to find wellness through interaction and learning. Discount and complimentary care programs help our most needy patients to realize the same level of service and quality as all other members of the collective. We encourage our patients to participate in the collective's many community service projects and to take part in a variety of complimentary healing services such as massage and reflexology.

The collective verifies that all medicines are of the highest quality and safe for patient consumption. Rigid inspection, handling, documenting, testing, and storage practices assure that medicines meet our standards of quality and effectiveness. Patient safety is highlighted through the entire process of the medical cannabis continuum, from plant to patient. We work with Steep Hill Analytical Labs, and have used their professional quality medicine testing services for over a year.

We provide a comprehensive wellness program to our patients. We work hard to make our patients' experiences productive and positive. We pride ourselves on great service, educational opportunity, quality medicines, rewarding social activities, and community responsibility.

## **Our Mission**

The mission of Magnolia Wellness, a non-profit patient collective, is to provide comprehensive compassionate care, counseling, support, and education to qualified patients and their caregivers. We focus on providing a complete holistic wellness program to our patient members that will enable them to find health and happiness in a safe, convenient, and caring environment. Our top priority is patient care.

## **Our Plan and Our Collective Management**

Magnolia Wellness focuses on the patients we serve, not just the medicine we dispense to them. The medicine is merely the means by which patients achieve a better quality of life. By creating a safe, clean, convenient, caring and professional environment we give our members the best experience possible and make our collective a rewarding place to work.

Our team consists of professionals with vast organizational management and development skills, coupled with expert industry knowledge, to best implement the goals and principles of the organization. Our team of emerging leaders in the industry enables the organization to be in touch with cutting edge solutions and the most up-to-date operations and procedures. We will guide the organization to success and ensure that patients receive the highest quality services and alternative medicines. Our team is comprised of community leaders that have spent their careers building and managing successful organizations. We have assembled a diverse, talented and experienced group to manage the development phase. Our backgrounds include a high level of expertise in non-profit administration, human resources, finance, operations, quality improvement, feasibility, management, business development, and regulatory compliance. We are committed to making this project successful using our industry knowledge and business experience to make that possible. We see this project as an opportunity to make a positive difference in the Oakland community and believe our expertise can make that a reality. In addition to having the funding commitment necessary to make this project successful and we are motivated to be the most compassionate and professional patient access service in the area. Our plan to serve others will be implemented by the entire staff and we look forward to successfully operating the organization on a long-term basis. Our directors will oversee the operations, manage cash flow, and monitor key indicators of performance on a daily basis. The Board of Directors will have significant involvement in setting the policies for the organization and overseeing the financial performance of the organization, inherent due to their expertise in organizational development and analytical skills.

The Oakland expansion will be funded debt and equity by committed investors and organizational resources. They have substantial assets and income to fund the project through solvency.

Executive Director David Spradlin is a business development and operations management expert with vast experience in planning, managing budgets, and developing retail and consumer organizations. He has operated Magnolia Wellness since 2009 and has developed an award winning patient services program. He is also a graduate of Oaksterdam University making him knowledgeable in the history of the medical cannabis industry, California medical cannabis law, and medical cannabis collective policies and procedures. Dave will be responsible for ensuring the organization is run effectively and efficiently to guarantee that we things go well the first time to eliminate costly mistakes. His experiences in managing relationships, recruiting, retaining quality employees, and implementing policies and procedures will greatly benefit the medical cannabis community. Dave has also worked with many local and national charitable organizations to advance the non-profit mission and provided needed resources to the organization. His experiences will ensure patients will have a well-run and professional organization to depend on that is financially sound and able to give more back to them as the non-profit grows. Dave's experience as a patient helps him to better understand the needs of the patients, and in turn he can direct the organization to better serve those needs.

A fifth generation San Francisco Bay Area native, AnnaRae has lived and worked in Oakland for 5 years. She is the CEO of Steep Hill Lab, the nation's first medical cannabis analysis laboratory and as such, oversees the business development, scientific, and outreach departments. Her vision is to champion the future of the medical cannabis while bringing expert solutions to the industry. With AnnaRae's leadership, Steep Hill is setting the standard for socially responsible cannabis entrepreneurship. In addition to her 10 years as medical cannabis patient and advocate, previously AnnaRae has been instrumental in operations, project management, brand identity and implementation in the renewable energy, workforce-development, urban farming and event planning sectors. Additionally AnnaRae is on the Think Tank of the Cannabis Law Institute, and the steering committee of the NORML Women's Alliance, she is the Treasure of Sensible California (the committee sponsoring Repeal Cannabis Prohibition Act 2012), has been published in various publications, speaks frequently at public events. AnnaRae was educated at the University of California, Santa Cruz, the New College of California and is currently an MBA candidate at University of San Francisco. AnnaRae will help to ensure our collective is successful in developing non-profit projects in Oakland, as well as developing programs that continue to ensure our patients have safe and effective cannabis medicines.

Long time Oakland resident and community organizer Eli Austin will serve as the organization's Community Benefits program coordinator. Eli was instrumental in organizing efforts for the groundbreaking Measure Y efforts in the City of Oakland, working on violence prevention programs and outreach to gang members in the City. His case management of over 200 at-risk or gang affiliated members of the community helped to reduce violence in Oakland and his leadership in this program helped develop programs that were effective in curbing gang

violence. He worked directly with young people to provide education and resources that allowed many of them to make better decisions for our future. Eli also assisted in the development of Healthy Oakland, which is fast becoming the model for health care and social service delivery that many of our political and public health officials embrace. His experience as a supervisor at Lincoln Child Center and as a Program Manager at Rago Treatment Center gives him vast experience in managing outreach and wellness operations. His experience professionally and as an intricate member of the Oakland Community will help us to create Community Benefits that are professional and meet the needs of Oakland residents.

Oakland business owner and long-time Oakland resident Harold Rogers will serve as the initial Treasurer on the collective's Board of Directors. Harold has owned and operated a small Laundromat business in North Oakland on 40<sup>th</sup> Street for over 11 years. He has lived and raised a family in Oakland since the 1980's. Harold also works in the financial sector, mostly doing tax preparation work. His experience in this field and as a business owner makes him an ideal candidate to manage the non-profit administration aspects of the organization and help oversee the financial viability of the organization to ensure that the collective meets all of its financial obligations. Harold is a member of the Oakland African American Chamber of Commerce (OAACC) and prides himself on promoting business ownership in the local black community.

The leadership at Magnolia understands that we are only as good as the individuals that make up our staff, and it is necessary for us to find the right people to make up our team. We focus on proper training to ensure patient satisfaction at every level. The collective's values are reflective of the experienced and professional nature of its leadership. Their local leadership and partnerships give them insight to the needs of the Oakland community and what it takes to run an effective organization here. The directors will lead the organization to be a responsible and integral part of the community by creating a forum for opportunity, education, and wellbeing.

We enhance our patient care opportunity through direct involvement with other community-based organizations. We are associated with many medical, scientific, political, and patient advocacy groups that are committed to advancing the cause of cannabis and alternative therapies. These resources allow us to organize patients effectively and provide them detailed and relevant information about their treatment. Our network of patients, providers, activists, and community leaders enable us to stay on the cutting edge of product quality, innovation, and safety standards. We document and track all medicine transactions in compliance with all guidelines and ethical practices. Through these experiences we provide our patients with a definitive advantage to traditional care.

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# PATIENT MEMBER WELLNESS SERVICES and EDUCATIONAL OPPORTUNITIES

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A look at the many services  
we provide to patient  
members, including  
complimentary therapies,  
added values, and educational  
programs offered.

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RFPA CITY ID#: MCD11105

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## A Commitment to Wellness and Healing

Our collective understands that wellness and healing are more than just taking medicine and feeling better. We work to create and maintain programs that encourage our patient members to live a more healthy life, and in turn feel better. In order to assist our patients in healthy and wellness we provide an array of complimentary wellness services and educational opportunities to them to give them the resources they need to live a good life and expand their well-being. Our alternative therapies, such as acupuncture, reflexology, and yoga, give our patients the opportunity to experience therapies they may otherwise not participate in due to cost. By providing a safe place that they can participate in these activities free of cost, many of our patients report the positive benefits that these therapies have brought to their overall health and wellness. We also are committed to educating our members and the community in areas of health and wellness. We have ongoing educational seminars on subjects such as nutrition, fitness, pain management, and safe use of medicine. In addition, we provide a space for condition-based and treatment specific support groups where patients can partake in discussions that help educate them and give them a place to share and better understand the issues they face in their personal quest for health and wellness. Our hopes are to give our patient members a more expansive set of resources to help lead more fulfilling lives. We are committed to developing and expanding these programs to meet the needs of our patient community in Oakland.

## Wellness Services

Our goal is focusing on each patient's needs by providing an array of services to achieve optimal health. We encourage each patient to become active, informed participants in their health care because wellness is based on everyday life choices, nutrition, stress management, and preventive care.

Magnolia prides itself in being a safe place to receive natural healing through relaxation, stress reduction, counseling and support, education, and availability of medicine and materials to cope with chronic pain and illness. Our patients are encouraged to participate in a variety of complimentary treatment opportunities to learn what works best for them. Having a personal relationship with the members of the collective enables us to better understand the needs of our members and helps us to find ways of serving those needs. We will provide a detailed orientation process and ongoing counseling to our members to be sure that they are being appropriately cared for.

*Below are detailed examples of services we will provide our patients with:*

**Therapeutic Massage and Acupressure:** Members are able to schedule appointments to receive massage therapies from a therapist regularly. Massages relieve muscle tension and promote relaxation, each treatment is adapted based on each patients needs by using a combination of eclectic techniques.

**Reiki**

This is a body harmonizing technique used to restore nature's energy flow with a calm and nurturing touch.

**Deep Tissue Massage:**

Intensive massage experience focused on releasing tension in deep muscle layers to relieve tension headaches and chronic muscle pain.

**Acupuncture:** This alternative therapy provides relief for many health conditions by using the ancient Chinese techniques to pinpoint various meridians or channels of the body to relieve pain.

**Reflexology**

Therapeutic foot massage that improves circulation and restores energy flow through the entire body using ancient techniques.

**Yoga/Pilates:** Our services area will be ideal for the tranquil exercise of yoga and the healthful practice of Pilates and stretching. A disciplined approach to physical wellbeing can be extremely beneficial for patients if they are physically able. Classes that teach patients to care for their bodies and be aware of its needs promote health and wellness.

**Magnolia Cares Program:** Some patients will face economic hardships or physical disabilities that limit their ability to purchase medicine. Patients that qualify receive complimentary medicine every week and have access to all services. We believe in helping our members that are less fortunate and provide a generous and caring program.

**Discount Programs:** We honor our seniors, military veterans, and SSI patients with regular discounts on their fees for medicine and services.

**Community Service:** The Collective will organize and participate in community service projects for our members to take part in, such as neighborhood clean-up afternoons, feeding the homeless, or graffiti removal days.

**Cannabis Medicines:** We provide the highest quality medicines to patients at a great value. Patients find relief in different kinds of cannabis medicines, such as tinctures, extractions, whole plant preparations, topical treatments, and more. We encourage patients to explore the different types of therapies and find what works best for them. The medicine will carry warnings and instructions for use to the patient through proper labeling. We make sure all providers are fully trained in industry best practices and that all medicine is created with patient safety in mind.

## Educational Opportunities

We believe an informed and educated patient benefits the patient, the organization, and the community in many ways. The organization is committed to ensuring our patients have the educational resources and opportunities to better understand how to live a healthy and complete life. We have in-house experts in some areas and we often contract with experts in particular fields, including doctors and healthcare providers, to teach classes to our patients. Education is the key to many people's wellness, as often patients simply lack the knowledge or experience they need to overcome their illness and practice healthy living habits.

By expanding the knowledge of our patients through educational opportunities, we find that our collective population cares more about their health, and also about the organization. People appreciate the opportunity to learn and we see it as a wise investment. From health issues, to issues directly related to cannabis advocacy, to education on how to write a resume and look for employment, our programs help people in the community to live more fulfilling and productive lives.

*Below are detailed examples of services we will provide our patients with:*

**Educational Seminars and Training Courses:** A well-educated patient is a healthy patient. Magnolia provides a forum to learn many different relevant topics. Classes are available to patients on a variety of topics including: state and local law, nutrition, production methods, safe uses, business training, and more. Education gives a person confidence and supports the healing experience.

### **Sample Seminars and Courses:**

- Nutrition and Fitness
- Sensible Use of Medicine
- Surviving Cancer
- Managing and Understanding Your Condition
- Writing as Therapy
- Resume Building and Job Searching
- Cultivating Wisdom
- Best Practices for Medical Cannabis
- Medical Cannabis 101
- Cannabis and Spirituality

**Counseling:** At times patients just will need to talk to someone about issues in their life. Counseling is a service that is essential to the healing process. With all of the stress and turmoil people face in life, having an outlet and forum in which to openly discuss these challenges is extremely vital part of being well.

### **Counseling Opportunities:**

- Life Counseling
- Spirituality Counseling
- Peer Counseling with ASA
- Financial Counseling

**Support Groups:** It is proven that patients benefit greatly by being part of a support group to share and discuss the challenges that they may share with others in similar situations. HIV, Cancer, Gastrointestinal, and other condition-based groups allow for patients to be a part of a smaller community of patients that have the same type of issues. Together they can share ways of overcoming them. Magnolia provides a space for these meetings and will give guidance if needed.

**Sample Support Groups:**

- Condition Based Support Groups (HIV/AIDS, Cancer, Gastrointestinal, Movement, etc.)
- Veteran Support Groups
- Cultivation Support and Sharing
- Addiction Support

## Sample Weekly Services Calendar

Sun.	Mon.	Tue.	Wed.	Thurs.	Fri.	Sat.
Morning Pilates- 10 am	Acupuncture Clinic- 11 am	Resume Writing Class- 11 am	Nutrition and Cooking- 11 am	Life Counseling- 1 pm	ASA Peer Counseling- 1 pm	Volunteer and Community Service Planning Meeting- 10 am
Veteran Support: 3 pm	Life Counseling- 2pm	Yoga- 1 pm Tai Chi- 3 pm	Your Body and You- 2 pm	Yoga- 2 pm Tai Chi- 3 pm	Patient Safety 101 Class- 3 pm	Yoga- 1 pm
Legal Rights and Responsibilities 4 pm	Massage Services- 4-8 pm HIV/AIDS Support- 6 pm	Cancer Support Group- 6 pm	Massage Services 4-8 pm Gastro Disorder Support- 6 pm	Movement Disorder Support Group- 6 pm	Massage Services- 4-8 pm Aging Support Group- 6 pm	Tai Chi- 3 pm Muscular Sclerosis Support- 6 pm

## **The Big Picture**

Magnolia Wellness sees this as a great opportunity to provide seriously ill patients with a valuable resource that promotes health and wellness to them through many alternative health resources. Our program of complimentary services will allow our patient base to experience therapies, methods of healing and education that will give them a better quality of life. We can use our state of the art facility, knowledgeable staff, and access to a variety of alternative medicines to help patients find a program of healing and health that works best for their specific condition and wellness needs. Our staff will ensure that patient safety and service are our top priority. We see Magnolia as an amazing chance to educate the community on the positive benefits of many alternative care solutions and will use this opportunity to give the Oakland community a reliable, safe, and convenient place to access these services. We have the resources, experience, and motivation to make Magnolia Wellness a true Oakland success story and an incredible resource to its citizens.



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# EXHIBIT 9-a

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## Patient Handbook

2011

# PATIENT HANDBOOK

Your guide to being a member of Magnolia Wellness Collective



OAKLAND, CALIFORNIA



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# PATIENT HANDBOOK

## Welcome to MAGNOLIA WELLNESS CENTER

### Thank you for becoming a member of Magnolia's Collective

We are honored you decided to join our collective. We believe our patients deserve the best, so we work hard to provide an environment where patients can thrive. Magnolia Wellness Center prides itself on providing a diverse program of knowledge, wellness activities, effective medicines, and social responsibility. It is our pleasure to serve your patient needs.

We believe that patients benefit greatly by participating in an array of complimentary services and activities. Our knowledgeable staff will assist you in your wellness program and will be happy to answer any questions you may have regarding our medicines, services, or programs. It is important for you to find the best program for wellness and our staff is here to help. From safety, to variety, to cultivation, our staff can help you to have a positive experience with cannabis medicines.

Magnolia Wellness Center provides for social activities, educational opportunities, and community service projects that we encourage our patients to get involved in. We are a not-for-profit organization, so your fees go directly into improving the collective and the community we serve. This is your collective and we invite you to be an active part of it. Through sharing our resources with those most in need and working to make our immediate world a better place, we can find healing and well-being through goodwill. Just ask what you can do to help build and improve our collective.

We welcome you to Magnolia Wellness Center. We have developed a great group of patients and providers to share in opportunity and sharing. We offer a wide variety of great medicines at a good value and specialize in quality production methods. If you wish to provide medicine for the collective please speak to our leadership staff about our production requirements. You will find all of our medicines to be safe, clean, and thoroughly inspected. Please inform us of any areas for improvement, as we are always looking for ways improve our programs to be even greater. We want to humbly welcome you and thank you for choosing Magnolia Wellness Center for all of your wellness needs.

Kind regards,  
The Magnolia Wellness Center Staff



# PATIENT HANDBOOK

## **What We Do**

We are a patient-focused holistic collective serving a private membership base. We provide a convenient, affordable, discreet, and safe service for qualified patients to access cannabis medicines in accordance with the recommendation of their physician. In addition to medicine, we provide our patients with health management services, support, counseling, and educational opportunities. We also offer organic and natural goods.

## **Our Mission**

The mission of Magnolia Wellness, a non-profit patient Collective, is to provide comprehensive compassionate care, counseling, support, and education to qualified patients and their caregivers. We focus on providing a complete holistic wellness program to our patient members that will enable them to find health and happiness in a safe, convenient, and caring environment. Our top priority is patient care.

## **Our Vision**

Magnolia Wellness Center provides excellent service and the high quality medicines to seriously ill patients in the area. We ensure that all cannabis medicines provided by Magnolia Wellness Center meet the standard for quality medical cannabis production in the State of California. We seek to improve patients' qualities of life by providing an array of safe and effective medicine and distinctive offerings produced by trained professionals. We facilitate positive transactions, and provide a high level of service and information in the dispensing process.

In addition to goods, we provide wellness services to our clients. We offer a wide array of educational material, ongoing counseling on cannabis, nutrition, stress management, and more. Magnolia Wellness Center also partners with an array of wellness service providers, like chiropractors and massage therapists to provide our members with discounted or complimentary services. These local partners enable us to reach beyond a person's symptoms and give them affordable resources in which to directly address their health needs. By investing these resources back into the collective, we hope to create a caring relationship and create patient loyalty, which enables us to grow.

The core values of Magnolia Wellness are compassion, understanding, and knowledge. Compassion enables us to empathize with those we serve and treat them with a level of respect and service that all people should enjoy. We strive to understand the condition and situation of every patient we serve, so that we may provide unique and effective solutions to their needs. We look to provide a knowledge-based program that empowers the patient to learn more about cannabis as a medicine, healthy life styles, and what they can do to improve their quality of life. These values are instilled into every staff member, and give our patients a service that is unparalleled in the industry. Our success is measured by our patient members' satisfaction.





# PATIENT HANDBOOK

## Patient Member Requirements

Magnolia Wellness Center is a non-profit entity that is compliant with CA Health and Safety Code 11362.5 and 11362.7, the statutes governing cannabis medicines in the state.

### The following is required to be a member of MAGNOLIA WELLNESS CENTER:

- Members must be 18 years of age and have a California issued driver's license or identification card.
- Members must have a valid doctor's recommendation for using cannabis medicines or be the documented caregiver of a qualified patient.
- Members must agree to the membership agreement, rules for membership and sign a HIPPA privacy authorization.
- A copy of the member's physician recommendation and identification documents must be made and kept on file. (Renewals will be updated yearly or at expiration, whichever is sooner).

We are a closed-loop patient collective in full compliance with California State law, meaning all medicine provided is done so by other patient members in compliance with Magnolia Wellness standards and practices. We never accept or dispense medicine from outside resources, as it is not legal nor desirable. We never dispense medicine to those not qualified to use medical cannabis under law or those who are not members of the Magnolia Wellness Collective.

### Becoming a Magnolia Wellness Center Member:

- To join our collective, just submit your current and valid medical cannabis recommendation, Patient ID Card, or California Medical Marijuana ID Card and a corresponding State issued picture ID or driver's license.
- We will verify your patient status with your doctor before you will be allowed to access the dispensary or services. We will make a copy of your patient documents for our records and give you back the originals.
- We have got to verify that you are a qualified patient before you can begin receiving medicine. If you want, you can submit information for online verification at [www.MagnoliaWellness.org/join-now](http://www.MagnoliaWellness.org/join-now) prior to your first visit and avoid some delay. Otherwise our friendly staff will do their best to get you verified in a timely manner.

### Designating a Caregiver:

You can designate a primary caregiver to be authorized to obtain medicine on your behalf. Your caregiver can only access medicine for you unless they too are a patient member of Magnolia Wellness Center. Caregivers must have valid State issued documentation or must submit the proper information for approval with our membership staff and wait for approval.



# PATIENT HANDBOOK

## Rules for Membership to Magnolia Wellness Center

1. Patients must be 18 years of age and have proper ID to access dispensing services.
2. Non-Patients and those who are not members of Magnolia Wellness Center, including minors, are not permitted to obtain services from the collective.
3. All members are required to submit proper identification and have their physician recommendation to use cannabis medicines verified and membership validated before accessing Magnolia Wellness services of any kind.
4. No alcohol, illegal drugs, or weapons of any kind in the presence of Magnolia Wellness Service Staff to ensure safety.
5. Patient members and caregivers are limited to one service visit per day.
6. Patient members will abide by the limits placed on personal cannabis possession in accordance with CA Health and Safety Codes 11362.5 and 11362.7 and the regulations set forth by local law.
7. Patient Members agree to never sell, distribute or divert medicine obtained through Magnolia Wellness Center. Membership will be immediately and permanently terminated if diversion is suspected or discovered.
8. Treat all fellow patients, collective staff, and any other person associated with Magnolia Wellness with the utmost respect. Offensive and abusive behavior will not be tolerated.
9. Be friendly and support our local and associated businesses.
10. Always be safe and never allow your use of medicine to disturb others in the community. Be discreet and respectful when using medical cannabis.
11. Never abuse cannabis medicines. If you think you have an abuse issue our staff has a list of local resources that can help you. Any perceived abuse will be reported to the collective leadership and be further reviewed.

If any of the Rules for Membership are violated there will be a Critical Incident Report filled out and the collective directors and management will take appropriate action. If warranted we will terminate a patient's membership and ask them not to return to Magnolia Wellness.



## **Good Neighbor Policy**

Magnolia Wellness Center and its members have a responsibility to be the best neighbors we can. Help us to ensure that Magnolia Wellness collective is perceived as a good neighbor. Always be nice, friendly and respectful and caring of our neighbors. Never let your actions interfere with other activities or happenings. It is important for us to have a great relationship with those in our community, including our neighbors, the city, and law enforcement. Be mindful that you are representing the collective as a member and that you are expected to be a good neighbor and a good citizen in your travels in the community.

We expect our patient members and collective staff to be courteous and respectful in their experiences with those in our neighborhood. It is important that we be considerate of those who live and work nearby. Please respect these relationships and avoid activities that could disturb others.

Be mindful of where you park. Always turn down your music and use low voices when entering or leaving the collective area. Never park illegally on the streets surrounding the collective or in spaces not intended for the collective's use. If you are having trouble finding appropriate parking please ask our friendly staff for help.

We always want you to feel safe at Magnolia Wellness Center. If you need an escort to your vehicle, just let our staff know. Report any suspicious or illegal activity. Being a good neighbor will help us to have a good relationship with our community and be able to serve your needs for years to come.



## Patient Conditions For Which Cannabis Medicines May Be Beneficial

- **Cancer and Chemotherapy Treatment-** Cannabis is most effective to combat the side effects of the treatments used to fight cancer. Most notably are its extremely effective in curbing nausea and increasing the appetite of patients experiencing the harsh side effects of chemotherapy and radiation. It also can reduce the pain associated with the disease.
- **HIV/AIDS-** HIV/AIDS patients often experience wasting syndrome from the disease and the multitudes of medicines used to combat the disease. Cannabis stimulates their appetite allowing them to eat more regularly and avoid the common traits associated with wasting syndrome, as well as helps ease the pains associated with the disease itself.
- **Pain Afflictions-** Research shows that cannabis is a safe and effective treatment for a variety of pain related afflictions, including deep tissue pains, muscle and back pain, and neuropathic or shooting pains. Cannabis does not have the dangerous side effects of other opiate-based painkillers and is not known to be toxic at any level of ingestion, making it a much safer medicine for pain.
- **Multiple Sclerosis-** Cannabis improves spasticity and improves tremors in MS patients. It helps control involuntary muscle contraction, balance, bladder control, speech, and eyesight in these patients. Cannabis helps with the immune system, which is thought to be the underlying pathogenic process in MS patients.
- **Gastrointestinal Disorders-** Cannabis has value as an anti-emetic and analgesic medication. It helps combat the symptoms brought on by disorders such as Crohn's Disease, Irritable Bowel Syndrome, and Ulcerative Colitis. Cannabis interacts with the endogenous cannabinoid receptors in the digestive tract, which can result in calming spasms, assuaging pain, and improving motility. Cannabis has also been shown to have anti-inflammatory properties and recent research has demonstrated that cannabinoids are immune system modulators, either enhancing or suppressing immune response.
- **Movement Disorders-** Cannabis is effective in treating muscular spasticity, a common condition, affecting millions of people. This condition afflicts individuals who have suffered strokes, as well as those with multiple sclerosis, cerebral palsy, paraplegia, quadriplegia, and spinal cord injuries. Conventional medical therapy offers little to address spasticity problems. Because cannabinoids have antispasmodic, analgesic, anticonvulsant, and anti-ataxia properties, cannabis is extremely effective in treating these disorders, and lacks the side effects and dangers of Valium or other prescribed medicines.



## PATIENT HANDBOOK

- **Aging-** Cannabis has been found to help many patients suffering from conditions that afflict older patients, including arthritis, chronic pain, cancer, Alzheimer's disease, diabetes, and spasticity associated with such diseases as Parkinson's.
- **Arthritis-** There are two common types of arthritis, rheumatoid arthritis and osteoarthritis, but both affect the joints, causing pain and swelling, and limiting movement. The analgesic properties of cannabis make it useful in treating the pain associated with arthritis, both on its own and as an adjunct therapy that enhances the efficacy of opioid painkillers. Cannabis has also been shown to have powerful immune-modulation and anti-inflammatory properties suggesting that it could play a role in treating arthritis, and not just in symptom management.



## Using Medicine Sensibly and Safely

- Medical cannabis should be a positive in your life. Always strive to have a productive and responsible experience.
- The freedom to use medical cannabis hinges on patients and providers ability to maintain an ethical and compassionate environment. Never let your activity as a patient or producer of medicine hinder the progress of the entire movement.
- Be educated about medical cannabis and what it means for your condition. It is important to be an informed and active part of your own healing experience.
- Do not let cannabis interfere with your daily activities or your responsibilities at home, work, or in the community.
- Be a positive cannabis role model and use your knowledge and experience to counsel and educate less informed users.
- Learn to titrate and regulate your dosage appropriately. Many patients have found better medicinal effects by using less medicine. Begin by taking in just a small amount of medicine and give it time to take effect (15-30 minutes depending on method of ingestion). Then making a calculated assessment on whether you need to increase your dosage based on how well your symptoms are managed.
- Never use your medicine if you are planning on driving or are in a situation where your impairment could cause harm to another person or property. Always be aware of your surrounding and ensure proper dosage before performing activities requiring a high level of concentration.
- Never allow non-patients, especially young people, to have access to your medicine for any reason. Medicine should be locked away in a safe place away from common areas if not being directly supervised by the patient or caregiver. It is unacceptable to leave medicine unattended and susceptible to misuse.
- Do not abuse the privilege of medical cannabis. Be respectful of the norms and laws of the community you live in. Realize there are still many in the community that lack understanding of medical cannabis. Use discretion in the way that you interact with the community and never let your involvement with medical cannabis or Magnolia Wellness Center result in people being concerned or upset. Take a low-key approach and never let your use of medical cannabis be a distraction.
- Always be cautious and never obtain medicine from or provide medicine to people you do not know to be qualified patients under any circumstance.
- Never ever divert medicine obtained for your personal medical use to other non-patients. Any diversion of Magnolia Wellness products will result in immediate revocation of your membership.



## Methods of Medicating

The information below is from Americans for Safe Access ([www.americansforsafeaccess.org](http://www.americansforsafeaccess.org))

### Smoking

Smoking marijuana produces the most immediate effects and permits the most refined control of your dosage. Smoking any material is not good for the lungs, but the amount of marijuana you need to smoke is so small that you need not be overly concerned. It is better to smoke the flowers rather than the leaves as this also reduces the amount you will need to smoke.

### Vaporizing

Cannabis vaporizers are designed to let users inhale active cannabinoids while avoiding harmful smoke toxins. They do so by heating cannabis to a temperature that is just below the point of combustion where smoke is produced. At this point, THC and other medically active cannabinoids are emitted with little or none of the carcinogenic tars and noxious gases found in smoke. Many medical marijuana patients who find smoked marijuana highly irritating report effective relief inhaling through vaporizers. Also, vaporizers are very efficient so they can save money in the long term.

### Eating

Marijuana can be eaten. When consumed this way, it is usually baked in brownies or cookies, and sometimes made into a candy. It takes longer to feel the effects when eaten, and may take longer for you to learn to control your dosage. However, when you do feel the effects, they may be stronger than those felt by smoking. You may also feel a certain heaviness in your body. This will not hurt you. Schedule your time so that you can relax when you take it.

### Tea

Like other herbs, marijuana may be made into a tea. Boil the water first and pour it over the marijuana. Let it steep for longer than you would for common black tea; approximately an hour and a half. Add 1 teaspoon of butter. The effects are similar to eating it.

### Tincture

To prepare a tincture, use 5 parts fresh marijuana to 1 part vodka. If you are using dried marijuana, as is usually the case, use 10 parts marijuana to 1 part vodka. An easy way to do this if you don't have measuring equipment, is to fill whatever container you are using (glass is preferable as you don't want to leech any residues from metal containers) to thirds full with marijuana, then fill the container with vodka and let stand for a week or more. Afterward, strain the solution. If you use a larger portion of marijuana, the resulting tincture will be more potent.

### Compress

Follow the recipe as for tea. Make as much as you need to thoroughly soak the cloth you intend to use. Apply to pain and leave on ½ hour.



## Varieties of Medicine

**Whole Plant Medicines and Flowers:** Dried flowering clusters and leafy material of the cannabis plant. Raw plant material is used as the basis for all other cannabis medicines. The flowers can be smoked, vaporized, extracted, or infused into tinctures and food-based medicines.

**Extractions:** Cannabis can be extracted by a number of different processes resulting in a resinous substance that is more concentrated in nature and requires less consumption by a patient. Commonly referred to as “hash,” these types of medicine can be smoked, vaporized, or infused into other products. Extractions allow patients to regulate dosage more easily.

**Kief or Dry Sift Resin Glands:** By sifting dried plant matter over a screen of some sort or in a tumbling device, the loose resin gland of the cannabis will be detached from the plant, resulting in what is known as kief. The dry, granular substance is effective for patients to use when smoking, or by adding it to other types of preparations.

**Food-Based Medicines:** Some patients must eat their medicine and the healing properties of cannabis are best bonded to fats and glucose preparations. Butters, oils, and simple syrups are used to infuse with the cannabis medicines, and these preparations are normally added to foods, such as baked goods and candies. The food helps mask the taste of the medicine. These functional foods are all prepared by patient kitchens by members who are trained in the safe handling of foods. They are all discreetly packaged and clearly labeled to ensure safety.

**Tinctures:** Tinctures are liquid preparations in which the cannabis plant material is infused into a substance like alcohol or glycerin for a period of time. It is then strained and bottled for patient use, normally in a dropper container to control dosage. These tinctures are great for patients to add to beverages and produce a more rapid onset.

**Topical Preparations:** Cannabis can be infused into a number of ointments and lotions that may help with conditions, such as eczema or dry skin. Topical medicines do not normally create a psychoactive effect, but some patients find applying them to areas of tissue pain to be helpful.





## Informational Resources

Magnolia Wellness Center does its best to provide the most complete information for our patients, but there are many other great informational resources that we encourage our members to become familiar with. Below are a list of great medical cannabis information organizations and their online addresses:

**Americans for Safe Access:** [www.americansforsafeaccess.org](http://www.americansforsafeaccess.org)

Medical Cannabis Advocacy organization dedicated to expanding access to cannabis medicines and ending the prohibition of safe and effective medicine. ASA has had innumerable successes in moving forward positive legislation to protect patient rights on local, state, and national levels.

**California NORML:** [www.canorml.org](http://www.canorml.org)

California NORML is a non-profit, membership organization dedicated to reforming California's marijuana laws. Our mission is to establish the right of adults to use cannabis legally. We maintain a separate membership and financial base from national NORML. Site provides detailed lists of Doctors and Patient Organizations.

**Marijuana Policy Project:** [www.mpp.org](http://www.mpp.org)

A national organization working on ending cannabis prohibition. MPP and MPP Foundation envision a nation where marijuana is legally regulated similarly to alcohol, marijuana education is honest and realistic, and treatment for problem marijuana users is non-coercive and geared toward reducing harm

**Patients Out of Time:** [www.medicalcannabis.com](http://www.medicalcannabis.com)

The organization known as Patients Out of Time is a non-profit 501c4 corporation of the Commonwealth of Virginia that shall lobby and educate all disciplines of health care professionals; their specialty and professional organizations; and the public at large about medical cannabis (marijuana).

**West Coast Leaf:** [www.westcoastleaf.com](http://www.westcoastleaf.com)

The West Coast Leaf fosters a socio-political community by providing photos, news, directories, features, and regional information for our readers. We invite your submissions and advertising. The Leaf supports tolerance and maintains that cannabis sales and cultivation should and will be legal for adult consumption.

**Students for Sensible Drug Policy:** [www.ssdp.org](http://www.ssdp.org)

Students for Sensible Drug Policy are an international grassroots network of students who are concerned about the impact drug abuse has on our communities, but who also know that the War on Drugs is failing our generation and our society. SSDP mobilizes and empowers young people to participate in the political process, pushing for sensible policies to achieve a safer and more just future, while fighting back against counterproductive Drug War policies, particularly those that directly harm students and youth.



# PATIENT HANDBOOK

## Patients' Rights

**Choice of Providers:** You have the right to accurate and easily understood information about the laws and local regulations. You have the right to have your medicine provided elsewhere if needed.

**Accuracy, Quality, and Control:** You have the right to accurately labeled and weighed quality medication and accurate information about the medication being provided. Our quality control staff thoroughly inspects all medicines before it is dispensed to you.

**Safety:** You have the right to obtain your medication in a safe and friendly environment. You have the right to safe and effective medicine handled in appropriate and sanitary conditions.

**Respect and Non-Discrimination:** You have the right to considerate, respectful, and non-discriminatory care.

**Confidentiality of Health Information:** You have the right to talk in confidence with your providers and to have your health care information protected under all appropriate safety provisions. Our staff is discreet and will never release information about you to anyone not authorized by you.

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# EXHIBIT 9-b

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## Educational Material Examples



# **HIV/AIDS**

**AND**

# **MEDICAL MARIJUANA**



## A Note from Americans for Safe Access

We are committed to ensuring safe, legal availability of marijuana for medical uses. This brochure is intended to help doctors, patients and policymakers better understand how marijuana—or "cannabis" as it is more properly called—may be used as a treatment for people with serious medical conditions. This booklet contains information about using cannabis as medicine. In it you'll find information on:

<b>Why Cannabis is Legal to Recommend</b> .....	3
<b>Overview of the Scientific Research on Medical Cannabis</b> .....	4
<b>Research on Cannabis and Arthritis</b> .....	6
<b>Comparison of Medications: Efficacy and Side-Effects</b> .....	8
<b>Why Cannabis is Safe to Recommend</b> .....	10
<b>Testimonials of Patients and Doctors</b> .....	12
<b>History of Cannabis as Medicine</b> .....	19
<b>Scientific and Legal References</b> .....	22

We recognize that information about using cannabis as medicine has been difficult to obtain. The federal prohibition on cannabis has meant that modern clinical research has been limited, to the detriment of medical science and the wellness of patients. But the documented history of the safe, medical use of cannabis dates to 2700 B.C. Cannabis was part of the American pharmacopoeia until 1942 and is currently available by prescription in the Netherlands and Canada.

Testimonials from both doctors and patients reveal valuable information on the use of cannabis therapies, and supporting statements from professional health organizations and leading medical journals support its legitimacy as a medicine. In the last few years, clinical trials in Great Britain, Canada, Spain, Israel, and elsewhere have shown great promise for new medical applications.

This brochure is intended to be a starting point for the consideration of applying cannabis therapies to specific conditions; it is not intended to replace the training and expertise of physicians with regard to medicine, or attorneys with regard to the law. But as patients, doctors and advocates who have been working intimately with these issues for many years, Americans for Safe Access has seen firsthand how helpful cannabis can be for a wide variety of indications. We know doctors want the freedom to practice medicine and patients the freedom to make decisions about their healthcare.

For more information about ASA and the work we do, please see our website at **AmericansForSafeAccess.org** or call **1-888-929-4367**.

## Is Cannabis Legal to Recommend?

In 2004, the United States Supreme Court upheld earlier federal court decisions that doctors have a fundamental Constitutional right to recommend cannabis to their patients.

**The history.** Within weeks of California voters legalizing medical cannabis in 1996, federal officials had threatened to revoke the prescribing privileges of any physicians who recommended cannabis to their patients for medical use.<sup>1</sup> In response, a group of doctors and patients led by AIDS specialist Dr. Marcus Conant filed suit against the government, contending that such a policy violates the First Amendment.<sup>2</sup> The federal courts agreed at first the district level,<sup>3</sup> then all the way through appeals to the Ninth Circuit and then the Supreme Court.

**What doctors may and may not do.** In *Conant v. Walters*,<sup>4</sup> the Ninth Circuit Court of Appeals held that the federal government could neither punish nor threaten a doctor merely

for recommending the use of cannabis to a patient.<sup>5</sup> But it remains illegal for a doctor to "aid and abet" a patient in obtaining cannabis.<sup>6</sup> This means a physician may discuss the pros and cons of medical cannabis with any patient, and issue a written or oral recommendation to use cannabis without fear of legal reprisal.<sup>7</sup> This is true regardless of whether the physician anticipates that the patient will, in turn, use this recommendation to obtain cannabis.<sup>8</sup> What physicians may not do is actually prescribe or dispense cannabis to a patient<sup>9</sup> or tell patients how to use a written recommendation to procure it from a cannabis club or dispensary.<sup>10</sup> Doctors can tell patients they may be helped by cannabis. They can put that in writing. They just can't help patients obtain the cannabis itself.

**Patients protected under state, not federal, law.** In June 2005, the U.S. Supreme Court overturned the *Raich v. Ashcroft* Ninth Circuit Court of Appeals decision. In reversing the lower court's ruling, *Gonzales v. Raich* established that it is legal under federal law to prosecute patients who possess, grow, or consume medical cannabis in medical cannabis states. However, this Supreme Court decision does not overturn or supersede the laws in states with medical cannabis programs.

For assistance with determining how best to write a legal recommendation for cannabis, please contact ASA at 1-888-929-4367.



Angel Raich & Dr. Frank Lucido

## Scientific Research Supports Medical Cannabis

Between 1840 and 1900, European and American medical journals published more than 100 articles on the therapeutic use of the drug known then as Cannabis Indica (or Indian hemp) and now simply as cannabis. Today, new studies are being published in peer-reviewed journals that demonstrate cannabis has medical value in treating patients with serious illnesses such as AIDS, glaucoma, cancer, multiple sclerosis, epilepsy, and chronic pain.

The safety of the drug has been attested to by numerous studies and reports, including the *LaGuardia Report* of 1944, the *Schafer Commission Report* of 1972, a 1997 study conducted by the British House of Lords, the Institutes of Medicine report of 1999, research sponsored by Health Canada, and numerous studies conducted in the Netherlands, where cannabis has been quasi-legal since 1976 and is currently available from pharmacies by prescription.

### INSTITUTE OF MEDICINE

"Nausea, appetite loss, pain and anxiety . . . all can be mitigated by marijuana.... For patients, such as those with AIDS or undergoing chemotherapy, who suffer simultaneously from severe pain, nausea, and appetite loss, cannabinoid drugs might offer broad spectrum relief not found in any other single medication."

*Marijuana and Medicine:  
Assessing the Science Base, 1999*

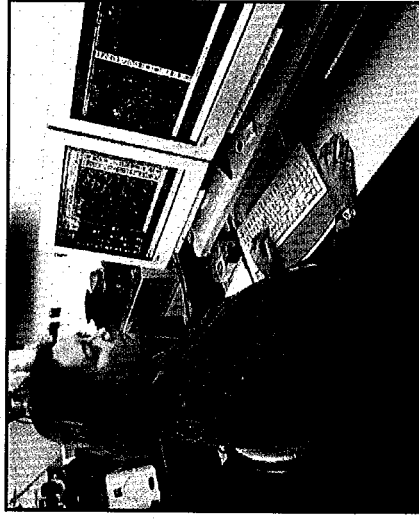
The use of medical cannabis has been endorsed by numerous professional organizations, including the American Academy of Family Physicians, the American Public Health Association, and the American Nurses Association. Its use is supported by such leading medical publications as *The New England Journal of Medicine* and *The Lancet*.

## Recent Research Advances

While research has until recently been sharply limited by federal prohibition, the last few years have seen rapid change. The International Cannabinoid Research Society was formally incorporated as a scientific research organization in 1991. Membership in the Society has more than tripled from about 50 members in the first year to over 300 in 2005. The International Association for Cannabis as Medicine (IACM) was founded in March 2000. It publishes a bi-weekly newsletter and the IACM-Bulletin, and holds a bi-annual symposium to highlight emerging research in cannabis therapeutics. The University of California estab-

lished the Center for Medicinal Cannabis Research in 2001. As of June 2006, the CMCR has 17 approved studies, including research on cancer pain, nausea control in chemotherapy, general analgesia and a proposed study on refractory cancer pain.

In the United Kingdom, GW Pharmaceuticals has been granted a clinical trial exemption certificate by the Medicines Control Agency to conduct clinical studies with cannabis-based medicines. The exemption includes investigations in the relief of pain of neurological origin and defects of neurological function in the following indications: multiple sclerosis (MS), spinal cord injury, peripheral nerve injury, central nervous system damage, neuroinvasive



cancer, dystonias, cerebral vascular accident and spina bifida, as well as for the relief of pain and inflammation in rheumatoid arthritis and also pain relief in brachial plexus injury.

GW has completed Phase III studies in patients with MS neuropathic pain and spasticity, and Phase II trials on perioperative pain, rheumatoid arthritis, peripheral neuropathy secondary to diabetes mellitus or AIDS, and patients with neurogenic symptoms.

These trials have provided positive results and confirmed an excellent safety profile for cannabis-based medicines. In 2002, GW conducted five Phase III trials of its cannabis derivatives, including a double-blind, placebo-controlled trial with a sublingual spray containing THC in more than 100 patients with cancer pain. In total, more than 1,000 patients are currently involved in phase III trials in the UK.

In 2002 GW Pharmaceuticals received an IND approval to commence phase II clinical trials in Canada in patients with chronic pain, multiple sclerosis and spinal cord injury, and in April 2005 GW received regulatory approval to distribute Sativex in Canada for the relief of neuropathic pain in adults with Multiple Sclerosis. Following meetings with the FDA, DEA, the Office for National Drug Control Policy, and the National Institute for Drug Abuse, GW was granted an import license from the DEA and has imported its first cannabis extracts into the U.S., and in

January of 2006 was granted permission to begin Phase III clinical trials into cancer pain.

## CANNABIS AND HIV/AIDS

The effectiveness of cannabis for treating symptoms related to HIV/AIDS is widely recognized. Its value as an anti-emetic and analgesic has been proven in numerous studies and has been recognized by several comprehensive, government-sponsored reviews, including those conducted by the Institute of Medicine (IOM), the U.K. House of Lords Science and Technology Committee, the Australian National Task Force on Cannabis, and others.

The IOM concluded, "For patients such as those with AIDS or who are undergoing chemotherapy and who suffer simultaneously from severe pain, nausea, and appetite loss, cannabinoid drugs might offer broad-spectrum relief not found in any other single medication."<sup>12</sup>

Research published in 2004 found that nearly one-quarter of AIDS patients were using cannabis. A majority reported relief of anxiety and/or depression and improved appetite, while nearly a third said it also increased pleasure and provided relief of pain.<sup>13</sup>

AIDS wasting syndrome was a very frequent complication of HIV infection prior to the advent of protease-inhibitor drugs,<sup>14</sup> and has been associated with major weight loss and cachexia, conditions that further debilitate its victims, who are already weakened by immune system failure and opportunistic infections. Cannabis has been a frequently employed alternative medicine for the condition, particularly in the USA,<sup>15</sup> because of its reported benefits on appetite and amelioration of other AIDS symptoms. In the rest of the world, where such medications are seldom affordable, AIDS wasting remains a common problem to the extent that it is known in Africa as 'slim disease'.<sup>16</sup>

## Research findings on cannabis and HIV/AIDS

Beginning in the 1970s, a series of human clinical trials established cannabis' ability to stimulate food intake and weight gain in healthy volunteers. In a randomized trial in AIDS patients, THC significantly improved appetite and nausea in comparison with placebo. There were also trends towards improved mood and weight gain. Unwanted effects were generally mild or moderate in intensity. The possible benefit of cannabis in AIDS made it one of the lead indications for such treatment in the judgment of the American Institute of Medicine in their study.<sup>17-23</sup>

A preliminary safety trial conducted at the University of California at San Francisco found that inhaled cannabis does not interfere with the



effectiveness of protease inhibitors in patients suffering from HIV or AIDS. It also found that patients in the study who used cannabis gained weight.<sup>24</sup>

Dronabinol (a.k.a. "Marinol" or oral THC) is approved by the U.S. Food and Drug Administration (FDA) as an anti-emetic and appetite stimulant for patients undergoing cancer chemotherapy or suffering from AIDS. The FDA approved the drug for this use in 1992 after several clinical trials determined it stimulated weight gain in HIV-infected patients.<sup>25</sup> In one study, 70 percent of patients administered Marinol gained weight.<sup>26</sup>

The 1999 report by the IOM concluded: "It is well recognized that Marinol's oral route of administration hampers its effectiveness because of slow absorption and patients' desire for more control over dosing. ... In contrast, inhaled marijuana is rapidly absorbed."<sup>27</sup> In a series of U.S. state studies in the 1980s, cancer patients given a choice between using inhaled marijuana and oral THC overwhelmingly chose cannabis.<sup>28</sup>

While the benefits of cannabis for HIV/AIDS patients are well established, research continues around the world. In 2002, researchers began a Canadian government-sponsored trial evaluating the appetite-enhancing effects of smoked cannabis in HIV/AIDS, the safety of short-term exposure to cannabis, its interaction with HIV medications, and its effects on nausea, pain, mood and neuro-cognitive function. In 2004 New South Wales in Australia will begin making cannabis available to HIV/AIDS patients and other seriously ill individuals for both research

and compassionate use.

The University of California's Center for Medicinal Cannabis Research is currently conducting three HIV/AIDS related studies: two on cannabis as treatment for neuropathy, a condition which afflicts AIDS, diabetes and other patients with severe tingling and pain in their hands and feet, and one on how repeated treatment with cannabis affects the driving ability of patients with HIV-related neuropathy.

Over 30% of patients with HIV/AIDS suffer from excruciating pain in the nerve endings (polyneuropathies), many in response to the antiretroviral therapies that constitute the first line of treatment for HIV/AIDS.<sup>29-31</sup> But, there is no approved treatment for such pain that is satisfactory for a majority of patients. As a result, some patients must reduce or discontinue their HIV/AIDS therapy because they can neither tolerate nor eliminate the debilitating side effects of the antiretroviral first-line medications.<sup>32</sup>

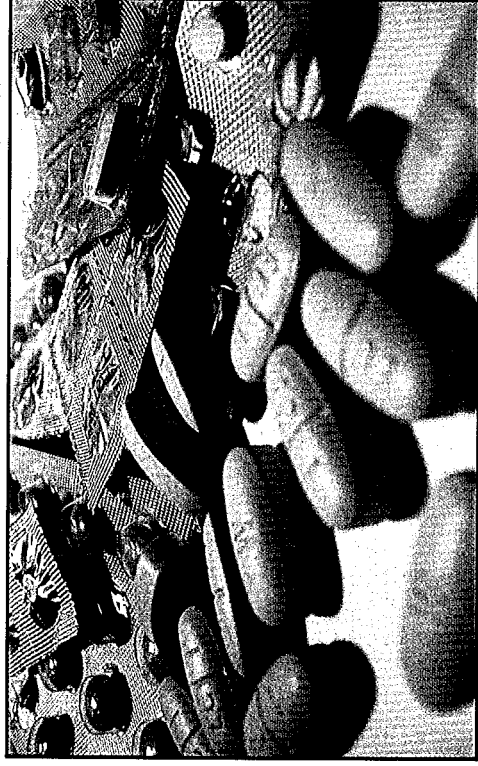
Patients with various pain syndromes claim significant relief from cannabis. This is particularly true for patients suffering from neuropathic pain, a symptom commonly associated with HIV/AIDS and a variety of other illnesses or conditions.

In fact, British researchers have recently reported that cannabis extract sprayed under the tongue was effective in reducing pain in 18 of 23 patients who were suffering from intractable pain.<sup>33</sup> The validity of their experiences is corroborated by studies in which cannabinoids have been shown to be effective analgesics in animal pain models.<sup>34</sup>

### Efficacy and side effects: how cannabis compares

The many medications currently employed to fight HIV/AIDS include many that produce serious side effects, including severe nerve pain, nausea and wasting. These side effects frequently threaten the health of the patient and require other medications to combat them.

Drugs commonly prescribed against AIDS-related weight loss include **megestrol acetate** (Megace), an anticachectic. Serious side effects of this medicine include high blood pressure, diabetes, inflammation of the blood vessels, congestive heart failure, seizures, and pneumonia. Less serious side effects of this medicine include diarrhea, flatulence, nausea, vomiting, constipation, heartburn, dry mouth, increased salivation, and thrush; impotence, decreased libido, urinary frequency, urinary incontinence, urinary tract infection, vaginal bleeding and discharge (including breakthrough bleeding); disease of the heart muscle, palpitation, chest pain, chest pressure, and edema; shortness of breath, cough, pharyngitis, lung disorders, and rapid breathing; insomnia,



headache, weakness, numbness, confusion, seizures, depression, and abnormal thinking.

Synthetic human growth hormones, such as **Somatropin**, also known as Genotropin, Humatrope, Norditropin, Nutropin, Nutropin AQ, Saizen, and Serostim, are also prescribed for AIDS wasting syndrome.

Serious side effects of this medicine include: abdominal pain or swelling of the stomach; cancer; decrease in red blood cells; diarrhea; enlargement of face, hands, or feet; fever; headache; high blood pressure; high blood sugar; increased sweating; limp or pain in hip or knee; loss of appetite; pain in ear(s); pain and swelling where the shot was given; pain and tingling of fingers and toes; protein in the urine; rapid heart beat; severe tiredness; skin rash or itching; stomach upset; swelling of lymph nodes; trouble sleeping; vision changes; and vomiting. Less serious side effects of this medicine include: enlargement of breasts; increased growth of birthmarks; joint pain; muscle pain; swelling of hands, feet, or lower legs; unusual tiredness or weakness; and wrist pain.

**Testosterone** and anabolic steroids are being studied for use against AIDS wasting, as is **Thalidomide**, a drug that was taken off the market in the 1960s when it was found to cause severe birth defects.

Opioid analgesics are commonly prescribed to combat the polyneuropathy associated with HIV/AIDS. The opioid analgesics commonly used to combat pain include **codeine** (Dolacet, Hydrocet, Lorcet, Lortab, Vicodin); **morphine** (Avinza, Oramorph); **Oxycodone** (Oxycontin, Roxicodone, Percocet, Roxicet); **propoxyphene** (Darvon, Darvocet) and tramadol (Ultram, Ultracet). These medicines can cause psychological



and physical dependence, as well as constipation, dizziness, lightheadedness, mood changes, nausea, sedation, shortness of breath and vomiting. Taking high doses or mixing with alcohol can slow down breathing, a potentially fatal condition.

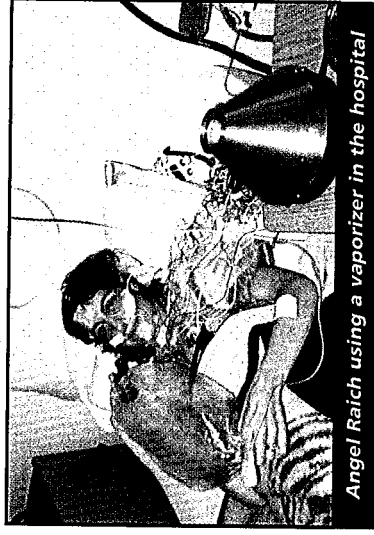
**Cannabis:** By comparison, the side effects associated with cannabis are typically mild and are classified as "low risk." Euphoric mood changes are among the most frequent side effects. Cannabinoids can exacerbate schizophrenic psychosis in predisposed persons. Cannabinoids impede cognitive and psychomotor performance, resulting in temporary impairment. Chronic use can lead to the development of tolerance. Tachycardia and hypotension are frequently documented as adverse events in the cardiovascular system. A few cases of myocardial ischemia have been reported in young and previously healthy patients. Inhaling the smoke of cannabis cigarettes induces side effects on the respiratory system. Cannabinoids are contraindicated for patients with a history of cardiac ischemias. In summary, a low risk profile is evident from the literature available. Serious complications are very rare and are not usually reported during the use of cannabinoids for medical indications.

### Is cannabis safe to recommend?

"The smoking of cannabis, even long term, is not harmful to health...." So began a 1995 editorial statement of Great Britain's leading medical journal, *The Lancet*. The long history of human use of cannabis also attests to its safety—nearly 5,000 years of documented use without a single death. In the same year as the *Lancet* editorial, Dr. Lester Grinspoon, a professor emeritus at Harvard Medical School who has published many influential books and articles on medical use of cannabis, had this to say in an article in the *Journal of the American Medical Association* (1995):

"One of marihuana's greatest advantages as a medicine is its remarkable safety. It has little effect on major physiological functions. There is no known case of a lethal overdose; on the basis of animal models, the ratio of lethal to effective dose is estimated as 40,000 to 1. By comparison, the ratio is between 3 and 50 to 1 for secobarbital and between 4 and 10 to 1 for ethanol. Marihuana is also far less addictive and far less subject to abuse than many drugs now used as muscle relaxants, hypnotics, and analgesics. The chief legitimate concern is the effect of smoking on the lungs. Cannabis smoke carries even more tars and other particulate matter than tobacco smoke. But the amount smoked is much less, especially in medical use, and once marihuana is an openly recognized medicine, solutions may be found; ultimately a technology for the inhalation of cannabinoid vapors could be developed."

The technology Dr. Grinspoon imagined in 1995 now exists in the form of "vaporizers," (which are widely available through stores and by mail-order) and recent research attests to their efficacy and safety.<sup>35</sup> Additionally, pharmaceutical companies have developed sublingual sprays and tablet forms of the drug. Patients and doctors have found other ways to avoid the potential problems associated with smoking, though long-term studies of even the heaviest users in Jamaica, Turkey and the U.S. have not found increased incidence of lung disease or other respiratory problems. As Dr. Grinspoon goes on to say, "the greatest danger in medical use of marihuana is its illegality, which imposes much anxiety and expense on suffering people, forces them to bargain with illicit drug dealers, and exposes them to the threat of criminal prosecution." This was the same conclusion reached by the House of Lords report, which recommended rescheduling and decriminalization, both of which were enacted in Great Britain in 2004.



Angel Raich using a vaporizer in the hospital

### Cannabis or Marinol?

Those committed to the prohibition on cannabis frequently cite Marinol, a Schedule III drug, as the legal means to obtain the benefits of cannabis. However, Marinol, which is a synthetic form of THC, does not deliver the same therapeutic benefits as the natural herb, which contains at least another 60 cannabinoids in addition to THC. Recent research conducted by GW Pharmaceuticals in Great Britain has shown that Marinol is simply not as effective for pain management as the whole plant; a balance of cannabinoids, specifically CBC and CBD with THC, is what helps patients most. In fact, Marinol is not labeled for pain, only appetite stimulation and nausea control. But studies have found that many severely nauseated patients experience difficulty in getting and keeping a pill down, a problem avoided by use of inhaled cannabis.

Clinical research on Marinol vs. cannabis has been limited by federal restrictions, but a New Mexico state research program conducted from 1978 to 1986 provided cannabis or Marinol to about 250 cancer

patients for whom conventional medications had failed to control the nausea and vomiting associated with chemotherapy. At a DEA hearing, a physician with the program testified that cannabis was clearly superior to both Chlorpromazine and Marinol for these patients. Additionally, patients frequently have difficulty getting the right dose with Marinol, while inhaled cannabis allows for easier titration and avoids the negative side effects many report with Marinol. As the House of Lords report states, "Some users of both find cannabis itself more effective."

## THE EXPERIENCE OF PATIENTS

### Keith Vines

I am an Assistant District Attorney for the City and County of San Francisco, a position I have held since 1985. I am a retired Air Force Captain and JAG Corps prosecutor, a former foot soldier in the war on drugs, and the proud father of a son who will turn 18 this summer. I am also an AIDS patient who credits medical marijuana as an important link to saving my life.

To stimulate my appetite one of my physicians prescribed Marinol, a synthetic derivative of

#### NEW ENGLAND JOURNAL OF MEDICINE

"A federal policy that prohibits physicians from alleviating suffering by prescribing marijuana to seriously ill patients is misguided, heavy-handed, and inhumane.... It is also hypocritical to forbid physicians to prescribe marijuana while permitting them to prescribe morphine and meperidine to relieve extreme dyspnea and pain... there is no risk of death from smoking marijuana.... To demand evidence of therapeutic efficacy is equally hypocritical"

Jerome P. Kassirer, MD, editor  
*N Engl J Med* 336:366-367, 1997

THC, which is one of the main active ingredients of marijuana. I found, however, that I could not tolerate Marinol's harsh and unpredictable side effects—side effects that I tried to endure despite only a marginal improvement in appetite. Not infrequently, a single Marinol capsule would make me feel "stoned" for several hours, such that I was unable to function at a level at which I felt comfortable or competent. Other times the Marinol put me right to sleep. Because I continued to work full-time as an Assistant District Attorney, this was for me an unacceptable state of affairs. I need to be at the top of my game. Marinol deprived me of something I have always valued deeply: a sense of control over my mind and body.

I informed my physicians that I could no longer tolerate the Marinol because of the unacceptable side effects. At that point, two of my doc-

tors suggested that I try marijuana. They explained that in their practices, they had observed that for many AIDS patients, smoking marijuana stimulated appetite better than its synthetic cousin, and did so without many of the deleterious side effects of Marinol....

I found that it took only two or three puffs from a marijuana cigarette for my appetite to return. Moreover, the beneficial effect took place within minutes rather than the hours that I sometimes waited after swallowing a Marinol capsule. Because I only required a small dose to stimulate my appetite, I did not need to get stoned in order to eat. ... I remain on my growth hormone therapy and I continue to take 15-20 pills a day as part of my antiviral and vitamin regimens. I also use medical marijuana as needed to stimulate my appetite.

My marijuana use is quite modest. I find that I need to take a couple of puffs only two or three times a week, in the evenings, in order to eat. There are also periods of weeks at a time when the marijuana is unnecessary. I do not smoke before or during business hours. I have not become addicted to marijuana.

I continue to work, as I have for the past 12 years, as a city and county prosecutor. The thought processes and motor skills that I use on the job are not the least impaired by the couple of puffs of cannabis I occasionally take before an evening meal. I am not a danger to myself or others. Perhaps most important, I am not wasting away. I am still contributing to society rather than draining its resources. I am thriving on my own, rather than existing as a burden—either financially or emotionally—to my family, friends, or the government.

### Daniel J. Kane

Wasting syndrome, in combination with other HIV-related symptoms and conditions, left me thoroughly disabled and desperate to obtain relief. I suffered severe nausea, chronic exhaustion and physical weakness, neurological complications, persistent anxiety, and a total loss of appetite. It was my impression, confirmed by my doctor, that these symptoms were likely caused, or exacerbated, by one or more of the 11 different prescription drugs I had taken for some time. I was dangerously malnourished and the symptoms persisted. I became too ill to ingest the pills that lay at the core of my treatment. Despite my attempts, I simply could not swallow them with any regularity. When I did swallow them, I rarely kept them down. I also tried suppositories for the nausea and the pain, but I was physically unable to tolerate them either. I was warned that my treatment would not work if I could not comply with the protocol.

... In August of 1996, after several prescription medications had given me no relief, my doctor informed me that marijuana, in small quantities,

might act as both an anti-nauseant and an appetite stimulant. I tried smoking marijuana to combat the nausea. I found that it reduced my nausea and restored my appetite, allowing me to eat and regain my strength with no noticeable side effects. Having tried the other medications, I know from personal experience that, at least for me, nothing compares to marijuana in terms of results. I use marijuana only a few times a week—sometimes less—but since I started, I have been able to eat and I've regained weight, muscle mass and hope. That small amount of marijuana has enabled me to function in the world again.

## Michael Cheslosky

I am a resident of Santa Cruz diagnosed with HIV/AIDS. I also suffer from several other chronic medical conditions associated with the disease, including Kaposi's sarcoma, Hepatitis C, thrush, liver disease, a damaged spleen, gastrointestinal disorders, neuropathic illnesses, and degenerative disk disease. Recurrent pneumonia, chronic pain, and wasting syndrome are also aspects of my deteriorating health....

On January 20, 1984, I was diagnosed with Kaposi's sarcoma (KS). KS is an often fatal cancer that strikes individuals with compromised immune systems. ... At that time, most patients diagnosed with KS died soon thereafter. My doctor told me that I only had six months to live.... From 1984-1990, dozens of KS lesions appeared all over my legs, arms, trunk, back, neck and face.... My doctor in Seattle advised me that the only treatment for Kaposi's sarcoma was

**AMERICAN ACADEMY OF FAMILY PHYSICIANS**  
*"The American Academy of Family Physicians [supports] the use of marijuana ... under medical supervision and control for specific medical indications."*  
**1996-1997 AAFP Reference Manual**

I began taking Interferon. I began taking AZT because the doctors insisted that the Interferon would not work against KS without AZT. I did not question the wisdom of this treatment and I complied with the regime. However, the side effects were debilitating. For more than two years, I lived with constant nausea, frozen and painful joints, and intense body sweats that left me exhausted and dehydrated.... The Interferon treatments severely damaged my liver and caused episodes of severe anemia, an enlarged spleen, and chronic thrombocytopenia....

In 1991, I received some sample pills of Marinol from my physician to address the pain and the nausea from the Interferon treatments. Since I am quite sensitive to medications and had experienced the side effects of other drugs, I only took one pill at first, as prescribed. The instruc-

tions allowed me to supplement the dosage as needed. After several hours, I felt no effects at all. Two days later after my next Interferon injection, I took two Marinol pills, and was literally unable to move for hours. This was obviously more than I needed. I tried on other occasions to find a dose that I could tolerate, but the medicine was unpredictable and prevented me from functioning normally.... As for nausea, swallowing a pill with water to stop vomiting will NOT work at least not in my experience. The pills I took for episodes of nausea didn't stay in my stomach for more than five minutes.

Medical marijuana was originally recommended to treat my nausea and chronic pain and has proven to be more effective than any of the numerous other treatments I have tried. Applied as a spray, it effectively relieves the pain caused by arthritis and the severe nerve damage in my hands and back. ... It is effective without the debilitating grogginess, nausea and lethargy I experienced with other prescribed pain medications (Vicodin, Percocet, Neurontin, Codiene, and course aspirin), including those prescribed specifically for spastic pain and neuropathy (such as Bently, Klonopin, Prednisone, and NuLev).

Marijuana also acts as an appetite stimulant, helping me eat enough to avoid "wasting" and the malnutrition that results.

Before using marijuana, vomiting, nausea, and stomach pains dominated my daily life. They were unpredictable and uncontrollable, often so severe that I was literally housebound for days at a time. The nausea came in waves, usually with headaches and dizziness. It prevented me from eating regular meals and frequently left me sleepless. There have been periods when nausea, vomiting, or both were so persistent that I was unable to keep down my HIV medications. If I vomited my medications, I would have to take a second dose immediately after vomiting to keep the drug levels in my blood consistent for the therapies to work effectively. Although I never smoked tobacco, smoking medical marijuana provides almost instant relief from the nausea without the incapacitating side effects that often occur with prescription drugs. At times, it causes throat problems, but considering the health benefits and the alternatives, I think this is a fair trade.

I have a chronic, potentially fatal, autoimmune disorder. Ongoing sleep disruptions, chronic pain, anxiety, as well as malnutrition, were destroy-

## AMERICAN NURSES ASSOCIATION

In 2003 the American Nurses Association passed a resolution that supports those health care providers who recommend medicinal use, recognizes "the right of patients to have safe access to therapeutic marijuana/cannabis," and calls for more research and education, as well as a rescheduling of marijuana for medical use.

ing my health, leaving me extremely vulnerable to infections and respiratory diseases. Medical marijuana has controlled my gastrointestinal symptoms to the point where they no longer control my daily activities. This became more important when it was discovered that I was also infected with Hepatitis C (HCV). At one point, the gastritis from HIV medications left me so weak and dehydrated that I was unable to digest proteins or benefit from either food or medications. Medical marijuana has enabled me to adhere to the various HIV regimens. Unlike Marinol, medical marijuana is more easily controlled and I can avoid the mental confusion and lethargy from over-medication.

## THE EXPERIENCE OF DOCTORS

### Kate Scannell, M.D.

From working with AIDS and cancer patients, I repeatedly saw how marijuana could ameliorate a patient's debilitating fatigue, restore appetite, diminish pain, remedy nausea, cure vomiting and curtail down-to-the-bone weight loss. The federal obsession with a political agenda that keeps marijuana out of the hands of sick and dying people is appalling and irrational.

*Kate Scannell, M.D. is Co-Director, Kaiser-Permanente, Northern California Ethics Department. She is the author of Death of the Good Doctor: Lessons from the Heart of the AIDS Epidemic.*

### Marcus A. Conant, M.D.

Medical marijuana has been used extensively by physicians throughout the United States in the treatment of cancer and AIDS patients. It stimulates the appetite and promotes weight gain, in turn strengthening the body, combating chronic fatigue, and providing the stamina and physical well-being necessary to endure or withstand both adverse side effects of ongoing treatment and other opportunistic infections. It has been shown effective in reducing nausea, neurological pain and anxiety, and in stimulating appetite.

When these symptoms are associated with (or caused by) other therapies, marijuana has been useful in facilitating compliance with more traditional therapies. It may also allow individual patients to engage in normal social interactions and avoid the despair and isolation which frequently accompanies long-term discomfort and illness....

In my practice, marijuana has been of greatest benefit to patients with wasting syndrome.... Likewise, for some of my patients undergoing chemotherapy, when conventional drugs fail to relieve the severe nau-

sea and vomiting, I often find that marijuana provides the patient with the ability to eat and to tolerate aggressive cancer treatments....

I was one of the principal investigators of an FDA-supervised trial conducted by Unimed, Inc. on the safety and efficacy of Marinol as an appetite stimulant in HIV/AIDS patients suffering from wasting syndrome. Marinol is a form of THC, one of the key active components of marijuana; it is essentially a marijuana extract. It was approved by the FDA five years ago, and has been widely prescribed by physicians treating both AIDS and cancer patients....

I am aware, however, that Marinol (like any medication) is not effective in treating all patients. In some cases, the reason is simple: Marinol is taken orally, in pill form. Patients suffering from severe nausea and retching cannot tolerate the pills and thus do not benefit from the drug. There are likely other reasons why smoked marijuana is sometimes more effective than Marinol. The body's absorption of the chemical may be faster or more complete when inhaled. Means of ingestion is often critical in understanding treatment efficacy.

*Dr. Marcus Conant is a physician who has practiced medicine for 33 years in San Francisco. Dr. Conant is Medical Director of the Conant Medical Group, one of the largest private AIDS practices in the United States. He is a professor at the University of California Medical Center in San Francisco and is the author or co-author of over 70 publications on treatment of AIDS. He and his colleagues provide primary care for over 5,000 HIV patients, including 2,000 with AIDS.*

### Neil M. Flynn, M.D., MPH

I participate in the care of approximately 1,500 AIDS patients. I am the primary physician for 200 AIDS patients.

Intractable nausea and wasting syndrome are frequent symptoms associated with AIDS and the treatment of AIDS. The nausea, which can last for days, weeks or months, is one of the most severe forms of discomfort or pain that the human being can experience. It destroys the quality of life of the patient, whose sole objective is to make it through the next hour, the next day. Racked by intense vomiting and queasiness, time for the patient seems to stand still. Wasting can take a similar psychological and physical toll. ...

If I am unable to relieve the patient's nausea with [conventional] remedies, I next prescribe Marinol, a synthetic version of THC, one of the main active compounds found in marijuana. Marinol is also helpful in stimulating appetite in patients suffering from AIDS wasting, as are other drugs, Megace, anabolic steroids, and human growth hormone.

If Marinol does not provide adequate relief from nausea and/or wasting, I may suggest that the patient try a related remedy, marijuana. I firmly believe that medical marijuana is medically appropriate as a drug of last resort for a small number of seriously ill patients. Over 20 years of clinical experience persuade me of this fact. The anecdotal evidence is overwhelming. Almost every patient I have known to have tried marijuana achieved relief from symptoms with it. That success rate far surpasses that for Compazine. Accordingly, as with any other medication that I consider potentially beneficial to my patients, I must discuss the option of medical marijuana in detail when appropriate. Anything less is malpractice....

#### FEDERATION OF AMERICAN SCIENTISTS

"Based on much evidence, from patients and doctors alike, on the superior effectiveness and safety of whole cannabis compared to other medications.... the President should instruct the NIH and the FDA to make efforts to enroll seriously ill patients whose physicians believe that whole cannabis would be helpful to their conditions in clinical trials"

FAS Petition on Medical Marijuana, 1994

overcome these potentially life threatening symptoms, and has done so safely and without the debilitating side effects induced by many mainline therapies. I have seen marijuana restore patients' will to live by restoring their ability to eat, gain strength, and perform simple, daily activities free from crippling nausea or pain.

There is no doubt in my mind that for some seriously ill patients, marijuana can help make the difference between life and death; and that for other terminally ill patients, marijuana can make the difference between exercising control over their final months and days and passing in relative peace and comfort, or dying in constant and severe agony (or incapacitated in a prolonged sedated haze, unaware of their surroundings).

Marijuana, in short, can help sick and dying persons achieve autonomy over their lives by alleviating the intense suffering caused by their illnesses or the side effects of their medications.

For some patients (for example those suffering from operable cancer), medical marijuana may allow them to continue their treatments and thus serve as a bridge to eventual cure; for others marijuana may help promote relative well-being and prolong a life free from intolerable

pain; and for still other patients, marijuana may help them control the manner and timing of their deaths consistent with their values, beliefs and dignity.

*Dr. Neil M. Flynn is a Professor of Clinical Medicine at the University of California at Davis School of Medicine where he established the UCD AIDS and Related Disorders Clinic and is a member of the Chancellor's Committee on AIDS. He is attending physician in the University Medical Center's Infectious Diseases Clinic and at the Center for AIDS Research, Education and Services. He is the author of numerous articles and a member of many professional organizations.*

## THE HISTORY OF CANNABIS AS MEDICINE

The history of the medical use of cannabis dates back to 2700 B.C. in the pharmacopoeia of Shen Nung, one of the fathers of Chinese medicine. In the west, it has been recognized as a valued, therapeutic herb for centuries. In 1823, Queen Victoria's personal physician, Sir Russell Reynolds, not only prescribed it to her for menstrual cramps but wrote in the first issue of *The Lancet*, "When pure and administered carefully, [it is] one of the most valuable medicines we possess." (*Lancet* 1; 1823).

The American Medical Association opposed the first federal law against cannabis with an article in its leading journal (108 J.A.M.A. 1543-44; 1937). Their representative, Dr. William C. Woodward, testified to Congress that "The American Medical Association knows of no evidence that marihuana is a dangerous drug," and that any prohibition "loses sight of the fact that future investigation may show that there are substantial medical uses for Cannabis." Cannabis remained part of the American pharmacopoeia until 1942 and is currently available by prescription in the Netherlands and Canada.

## Federal Policy is Contradictory

Federal policy on medical cannabis is filled with contradictions. Cannabis is a Schedule I drug, classified as having no medicinal value and a high potential for abuse, yet its most psychoactive component, THC, is legally available as Marinol and is classified as Schedule III.

Even in America cannabis was widely prescribed until the turn of the century. Cannabis is now available by prescription in the Netherlands. Canada has been growing cannabis for patients there and plans to make it available in pharmacies as well. Ironically, the U.S. federal government also grows and provides cannabis for a small number of patients today.

In 1976 the federal government created the Investigational New Drug (IND) compassionate access research program to allow patients to receive medical cannabis from the government. The application process was extremely complicated, and few physicians became involved. In the first twelve years the government accepted about a half dozen patients. The federal government approved the distribution of up to nine pounds of cannabis a year to these patients, all of whom report being substantially helped by it.

In 1989 the FDA was deluged with new applications from people with AIDS, and 34 patients were approved within a year. In June 1991, the Public Health Service announced that the program would be suspended because it undercut the administration's opposition to the use of illegal drugs. The program was discontinued in March 1992 and the remaining patients had to sue the federal government on the basis of "medical necessity" to retain access to their medicine. Today, eight surviving patients still receive medical cannabis from the federal government, grown under a doctor's supervision at the University of Mississippi and paid for by federal tax dollars.

Despite this successful medical program and centuries of documented safe use, cannabis is still classified in America as a Schedule I substance. Healthcare advocates have tried to resolve this contradiction through legal and administrative channels. In 1972, a petition was submitted to reschedule cannabis so that it could be prescribed to patients.

The DEA stalled hearings for 16 years, but in 1988 their chief administrative law judge, Francis L. Young, ruled that, "Marijuana, in its natural form, is one of the safest therapeutically active substances known... It would be unreasonable, arbitrary and capricious for the DEA to continue to stand between those sufferers and the benefits of this substance."

The DEA refused to implement this ruling based on a procedural technicality and continues to classify cannabis as a substance with no medical use.

### **Widespread public support; state laws passed**

Public opinion is clearly in favor of ending the prohibition of medical cannabis. According to a CNN/Time poll in November 2002, 80% of Americans support medical cannabis. The AARP, the national association whose 35 million members are over the age of fifty, released a national poll in December 2004 showing that nearly two-thirds of older Americans support legal access to medical marijuana. Support in the West, where most states that allow legal access are located, was strongest, at 82%, but at least 2 out of 3 everywhere agreed that "adults should be allowed to legally use marijuana for medical purposes."

es if a physician recommends it."

The refusal of the federal government to act on this support has meant that patients have had to turn to the states for action. Since 1996, voters have passed favorable medical cannabis ballot initiatives in nine states plus such cities as Ann Arbor, Michigan and the District of Columbia, while the legislatures in Hawaii, Rhode Island, Vermont and Maryland have enacted similar bills. As of June 2006, medical cannabis legislation is under consideration in several states.

Currently, laws that effectively remove state-level criminal penalties for growing and/or possessing medical cannabis are in place in Alaska, California, Colorado, Hawaii, Maine, Maryland, Montana, Nevada, Oregon, Rhode Island, Vermont and Washington.

Thirty-six states have symbolic medical cannabis laws (laws that support medical cannabis but do not provide patients with legal protection under state law).

### **2005 U.S. Supreme Court ruling**

In June 2005, the U.S. Supreme Court overturned a decision by a U.S. appeals court (*Raich v. Ashcroft*) that had exempted medical marijuana from federal prohibition. The 2005 decision, now called *Gonzales v. Raich*, ruled that federal officials may prosecute medical marijuana patients for possessing, consuming, and cultivating medical cannabis. But according to numerous legal opinions, that ruling does not affect individual states' medical marijuana programs, and only applies to prosecution in federal, not state, court.

### **Petitions for legal prescriptions pending**

The federal Department of Health and Human Services (HHS) and the FDA are currently reviewing two legal petitions with broad implications for medical marijuana. The first, brought by ASA under the Data Quality Act, says HHS must correct its statements that there is no medical use for marijuana to reflect the many studies which have found it helpful for many conditions. Acknowledging legitimate medical use would then force the agency to consider allowing the prescribing of marijuana as they do other drugs, based on its relative safety.

A separate petition, of which ASA is a co-signer, asks the Drug Enforcement Administration for a full, formal re-evaluation of marijuana's medical benefits, based on hundreds of recent medical research studies and several thousand years of documented human use.

## Legal Citations

1. See "The Administration's Response to the Passage of California Proposition 215 and Arizona Proposition 200" (Dec. 30, 1996).
2. See *Conant v. McCaffrey*, 172 F.R.D. 681 (N.D. Cal. 1997).
3. See *id.*; *Conant v. McCaffrey*, 2000 WL 1281174 (N.D. Cal. 2000); *Conant v. Walters*, 309 F.3d 629 (9th Cir. 2002).
4. 309 F.3d 629 (9th Cir. 2002).
5. *Id.* at 634-36.
6. Criminal liability for aiding and abetting requires proof that the defendant "in some sort associated[ed] himself with the venture, that he participat[ed] in it as something that he wish[ed] to bring about, that he [sought] by his action to make it succeed." *Conant v. McCaffrey*, 172 F.R.D. 681, 700 (N.D. Cal. 1997) (quotation omitted). A conspiracy to obtain cannabis requires an agreement between two or more persons to do this, with both persons knowing this illegal objective and intending to help accomplish it. *Id.* at 700-01.
7. 309 F.3d at 634 & 636.
8. *Conant v. McCaffrey*, 2000 WL 1281174, at \*16 (N.D. Cal. 2000).
9. 309 F.3d at 634.
10. See *id.* at 635; *Conant v. McCaffrey*, 172 F.R.D. 681, 700-01 (N.D. Cal. 1997).

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26. Plasse T et al (1991). Recent Clinical Experience with Dronabinol. *Pharmacology, Biochemistry and Behavior*. 40: 695-700 as cited by L. Grinspoon et al., in *Marihuana The Forbidden Medicine* (second edition), 102.
27. Joy J et al, op cit., 201.
28. "Seventeenth Annual Report of the Research Advisory Panel," prepared for the Governor and Legislature by the California Research Advisory Panel, San Francisco (1986), 9-10; R. McNeill, The Lynn Pierson Therapeutic Research Program: A Report on Progress to Date, Behavioral Health Services Division, Health and Environment Department, State of New Mexico (1983), 4; Annual Report: Evaluation of Marijuana and Tetrahydrocannabinol in

## PROFESSIONAL ORGANIZATION ENDORSEMENTS

AIDS Action Council	French Ministry of Health
Alaska Nurses Association	Hawaii Nurses Association
American Academy of Family Physicians	Health Canada
American Medical Student Association	Kaiser Permanente
American Nurses Association	Lymphoma Foundation of America
American Preventive Medical Association	Mississippi Nurses Association
American Public Health Association	Multiple Sclerosis Society (Canada)
American Society of Addiction Medicine	National Acad. of Sciences Inst. of Medicine
Arthritis Research Campaign (United Kingdom)	National Association for Public Health Policy
Australian Medical Association	National Nurses Society on Addictions
Australian National Task Force on Cannabis	Netherlands Ministry of Health
Belgian Ministry of Health	New Jersey State Nurses Association
British House of Lords Select Committee	New Mexico Medical Society
British Medical Association	New Mexico Nurses Association
California Academy of Family Physicians	New York State Nurses Association
California Nurses Association	North Carolina Nurses Association
California Pharmacists Association	San Francisco Mayor's Summit on AIDS
Colorado Nurses Association	San Francisco Medical Society
Federation of American Scientists	Virginia Nurses Association
Florida Governor's Red Ribbon Panel on AIDS	Whitman-Walker Clinic
Florida Medical Association	Wisconsin Nurses Association

Treatment of Nausea and/or Vomiting Associated with Cancer Chemotherapy Unresponsive to Conventional Anti-Emetic Therapy: Efficacy and Toxicity. Board of Pharmacy, State of Tennessee (1983) 5; <http://www.medmjscience.org/Pages/science/zeestates.html>

28. Joy J et al, op cit., 177.
29. Many of the reverse transcriptase and protease inhibitors commonly prescribed as part of the "AIDS Cocktail" cause side effects including peripheral neuropathy, nausea, and vomiting. See, e.g., Physician's Desk Reference 889 (Didanosine), 895 (Stavudine) (54th ed. 2000).
30. Simpson DM et al (1999). Selected Neurologic Manifestations of HIV Infection: Dementia and Peripheral Neuropathy. Improving the Management of HIV Disease, Dec.
31. Do Quang-Cantagrel N et al (2000). Opioid Substitution to Improve the Effectiveness of Chronic Noncancer Pain Control: A Chart Review. 90 *Anesthesia & Analgesia* 933 (reporting opioid analgesics are effective for only 36% of patients, ineffective for 34%, and intolerable for 30% of patients).
34. Neurologic AIDS Research Consortium, Peripheral Neuropathy, available at <http://www.neuro.wustl.edu/narc/peripheral-neuropathy.html> ("Treatment of neuropathic pain . . . is notoriously difficult. Even narcotics may not fully relieve [it].").
32. *Id.*; SER 91-94; ER 102 6.
33. Cookson C (2007). High Hopes for Cannabis to Relieve Pain: British Association Science Festival in Glasgow. *Financial Times*, September 4, , at National News pg. 4.
34. Martin WJ (1999). Basic Mechanisms of Cannabinoid-Induced Analgesia. *IASP Newsletter* (International Association for the Study of Pain) Summer, at 89.
35. Hazekamp A et al (2006). Evaluation of a vaporizing device (Volcano®) for the pulmonary administration of tetrahydrocannabinol. *J Pharm Sci* 95 (6) Apr 24: 1308-1317.



## DEA CHIEF ADMINISTRATIVE LAW JUDGE

*"Marijuana, in its natural form, is one of the safest therapeutically active substances known... It would be unreasonable, arbitrary and capricious for the DEA to continue to stand between those sufferers and the benefits of this substance"*

The Honorable Francis L. Young,  
Ruling on DEA rescheduling hearings, 1988

## ADDITIONAL RESOURCES

Americans for Safe Access maintains a website with more resources for doctors and patients. There you will find the latest information on legal and legislative developments, new medical research, and what you can do to help protect the rights of patients and doctors.

ASA is the largest national member-based organization of patients, medical professionals, scientists and concerned citizens promoting safe and legal access to cannabis for therapeutic uses and research. ASA works in partnership with state, local, and national lawmakers to overcome barriers and create policies that improve access to cannabis for patients and researchers. We have more than 30,000 active members with chapters and affiliates in more than 40 states.

ASA provides medical information and legal training for patients, attorneys, health and medical professionals, and policymakers throughout the United States.



Advancing Legal Medical Marijuana Therapeutics and Research

888.979.4557 / [www.americanforsafeaccess.com](http://www.americanforsafeaccess.com)

1322 Webster Street, Suite 402, Oakland, California 94612





## **Guide to Using Cannabis**

## **Using Marijuana**

### **Smoking**

Smoking marijuana produces the most immediate effects and permits the most refined control of your dosage. Smoking any material is not good for the lungs, but the amount of marijuana you need to smoke is so small that you need not be overly concerned. It is better to smoke the flowers rather than the leaves as this also reduces the amount you will need to smoke.

### **Vaporizing**

Cannabis vaporizers are designed to let users inhale active cannabinoids while avoiding harmful smoke toxins. They do so by heating cannabis to a temperature that is just below the point of combustion where smoke is produced. At this point, THC and other medically active cannabinoids are emitted with little or none of the carcinogenic tars and noxious gases found in smoke. Many medical marijuana patients who find smoked marijuana highly irritating report effective relief inhaling through vaporizers. Also, vaporizers are very efficient so they can save money in the long term.

### **Eating**

Marijuana can be eaten. When consumed this way, it is usually baked in brownies or cookies, and sometimes made into a candy. It takes longer to feel the effects when eaten, and may take longer for you to learn to control your dosage. However, when you do feel the effects, they may be stronger than those felt by smoking. You may also feel a certain heaviness in your body. This will not hurt you. Schedule your time so that you can relax when you take it.

### **Tea**

Like other herbs, marijuana may be made into a tea. Boil the water first and pour it over the marijuana. Let it steep for longer than you would for common black tea; approximately an hour and a half. Add 1 teaspoon of butter. The effects are similar to eating it.

### **Tincture**

To prepare a tincture, use 5 parts fresh marijuana to 1 part vodka. If you are using dried marijuana, as is usually the case, use 10 parts marijuana to 1 part vodka. An easy way to do this if you don't have measuring equipment, is to fill whatever container you are using (glass is preferable as you don't want to leech any residues from metal containers) to thirds full with marijuana, then fill the container with vodka and let stand for a week or more. Afterward, strain the solution. If you use a larger portion of marijuana, the resulting tincture will be more potent.

### **Compress**

Follow the recipe as for tea. Make as much as you need to thoroughly soak the cloth you intend to use. Apply to pain and leave on ½ hour.

### **Marinol**

Marinol is a synthetic petrochemical analog of THC, one of the active elements found in marijuana. Some patients find that it helps relieve nausea yet takes a long time to work. Do not smoke this product. It has the potential for overdose. Use only under the supervision of a doctor.

## **Side Effects**

Marijuana is one of the safest medicines: it is impossible to consume enough to produce a toxic effect in the body. However, if you are unfamiliar with it, there are some effects which you should be aware of so that you can use it more effectively.

### **Uneasiness**

Marijuana usually has a soothing and comforting effect on the mind. Sometimes, however, people do experience feelings of anxiety. If this happens to you, there are several things you can do. Try to stay in environments where you feel naturally comfortable. If you feel anxious, sit or lay down, breathe deeply, and relax. If you have loved ones with you, hold each other for a while. If you have a pet, hold or stroke it. Eating will often quickly reduce the feeling of anxiety. Then, the next time you use it, try reducing your dosage. Because of our social training, you may have feelings of guilt. Know that you have a right to your medicine.

### **Hunger & Thirst**

Many patients use marijuana to stimulate appetite. If you are not using marijuana for this purpose, drink water or juice. If you wish to eat, eat good nourishing food rather than sweets.

### **Redness in the Eyes**

This will not hurt you. If you must go out in public and are concerned about others' reaction to the redness, wear sunglasses or use eye drops.

### **Drowsiness**

If marijuana makes you sleepy, take a nap if you can and wish to. As with all medicines that can produce drowsiness, don't drive or operate heavy machinery.

### **Sleeplessness**

If you find that you can't sleep for a while after using marijuana, try reducing your dosage and avoid using it for about two hours or so before you want to sleep.

### **Short-term Memory Loss**

Sometimes people find it difficult to carry on a complicated conversation, keep track of details, or perform complex tasks. If this happens to you, schedule your time so that you don't have to do these things when using your medicine.

### **Giddiness**

Many people find that things which normally don't seem funny become quite amusing when they use marijuana. Most people enjoy this effect. If you must deal with situations where humor would be inappropriate in your judgement, schedule your time so that you don't have to deal with them when you are taking your medicine.



## **Personal Cultivation Tips**

# Cultivation Tips

First time growers should start with a soil-based grow rather than hydroponics. You need to get a feel for the growth and life cycle of cannabis in order to have confidence that things are going well. Soil is more forgiving than rockwool or other hydroponics media. Micro nutrient balances, which are critical to proper growth and vigor, exist in soil naturally. Soil is inexpensive and not suspicious to neighbors who may wonder what all the equipment is for otherwise. Make sure that the soil is not too dense. Use perlite to lighten and loosen the soil. This provides necessary space in the medium for air. Air is an important factor in cultivating any type of plant.

## Light

Get a high intensity discharge (HID) light. High-pressure sodium systems are the best for vegetative and flowering. Without a HID light, you will not produce dense buds. You may substitute fluorescent fixtures with warm bulbs (not cool white), but the yield from such a system would be low. Do not use a regular incandescent bulb - this will not provide the correct spectrum of light for the plants. Fancy specialty "grow bulbs" don't have the intensity needed to grow dense buds, but they will definitely keep the plants alive.

Cannabis flowers form naturally outdoors in the fall, as the days grow shorter. Indoors, we can force cannabis to flower by creating a growing space where the light cycle can be controlled. 12 hours of *uninterrupted darkness* are necessary to force cannabis to flower. This period, known as the flowering period, continues for approximately 6-8 weeks depending on the strain of cannabis.

The vegetative period, which precedes the flowering period, is usually done (with clones) under 24 hours of continuous light. This period usually lasts from five days to two weeks depending on strain and vigor of clones. Plants will usually double in size during the change from the vegetative to the flowering period. You may want to make a note of that in order to accommodate the height and width of your garden.

## Nutrients

There are three main nutrients that plants use: Nitrogen (N), Phosphorus (P) and Potassium (K). These will be noted on the plant food label with relative % numbers as N-P-K. A good balance for the vegetative cycle would be something with a high N ratio, such as 20-10-10. When changing the plants from vegetative to flowering (i.e. changing the light cycle from 24 hours of continuous light to 12 hours of light and 12 hours of *uninterrupted darkness*), the nutrient ratio must change as well. Plants use phosphorus to make flowers or "buds". During the flowering stage, feed your plants a high phosphorus plant food. Something like 10-20-10 would be appropriate. Don't get hung up on the actual numbers. It is the *ratio* that is actually important. Feed cannabis like a vegetable. Follow the instructions on the label and be careful not to overfeed!

## Water

Water your plants whenever they are dry and not too often. Overwatering is a common cause of death to cannabis. Overwatered plants droop and look like they need water. The first reaction is to water a plant that looks droopy. What the plants are actually lacking is air. They are drowning and the last thing that they need is more water. One simple way to check for the proper time to water is to lift the pot that the plant is in after watering. Feel the weight of the watered pot and make a mental note. Next time you think the plant needs water lift the pot and see how heavy it is. If it feels light, then water it. If it feels heavy then don't. Young plants will use less water. As the plant grows and the root ball fills the container, it will use more water.

## pH

pH is a measure of the acidity or alkalinity of the root zone and water. In general cannabis likes the root zone to be acidic, around 5.6 - 6.3 is the range. You may want to get a pH test kit and check your tap water to see if it skewed in one direction or the other. If your plants are not thriving, are turning yellow or appear to be burning at the edges of the leaf, then you may need to consult a more exhaustive source of information about how to go about solving these problems.

## Air and temperature

Cannabis needs fresh air. You will have to find a way to circulate the air in the growing chamber. Fresh air from the outside is the best. Fans will move air sufficiently in and out of the closet from the house. You just need to be aware. Without some kind of fresh air, plants don't have the carbon dioxide needed to create new plant material. No fresh air, no CO<sub>2</sub>, no big buds. Temperature is also a reason to circulate the air. HID lights create a lot of heat and high temperatures will inhibit growth. Keep the temperature between 75 and 85 degrees and you will not have growth problems related to heat. Too cold is bad as well, especially in the root zone. Under 60 degrees, the plant will be unable to take up nutrient properly and you will experience problems.

By keeping the basic needs of the plant in mind cannabis will reward you enormously. Light, food and water and air are all critical to the proper growth of the cannabis plant. Good luck!



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# EXHIBIT 10-b

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## Patient Information Form



# Patient Information Form

name:

address:

city, state, zip:

mailing address (if different):

phone:

email:

I affirm that the information stated herein is true and correct. I authorize my physician to verify to Magnolia Wellness his or her recommendation for my use of cannabis medicines.

signature:

date

## DO NOT WRITE IN THIS BOX: FOR STAFF USE ONLY

recommendation or card verified by:

date::

expiration date of recommendation or card:

CA DL or ID #:

intake staff signature:

member ID #:



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# EXHIBIT 10-c

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## Membership Agreement



## Membership Agreement and Informed Consent

I, (print clearly) \_\_\_\_\_, hereby consent to the benefits provided by membership in Magnolia Wellness Collective, a CA Mutual Benefit Nonprofit Corporation ("MWC").

I am informed that Magnolia Wellness is a nonprofit collective organized as a means for facilitating or coordinating transactions between members. I understand that MWC has made no efforts encouraging me to produce or use any substance for any medical condition. Magnolia Wellness has informed me that I should continue to seek professional medical advice regarding my use of any cannabis product.

I understand that Magnolia Wellness reserves the right to refuse service(s) to members. I understand that any person caught violating Magnolia Wellness' Rules for Membership or Membership Agreement may be excluded from membership. I am informed that membership is open only to patients whose physicians' recommendations or approvals for cannabis, or whose medical cannabis identification cards, have not expired, and to designated primary caregivers of such patients.

I agree not to use cannabis for other than medical purposes. I agree not to distribute cannabis to non-members of the Magnolia Wellness collective. I understand that any member caught diverting cannabis for non-medical use will be excluded from membership.

I affirm that I am above 18 years of age or have the consent of my parent/guardian, and that the information stated on my Patient Information Form is truthful and accurate. If I am on parole or probation or released on bail, I certify that no condition of such parole, probation, or bail prohibits my use of medical cannabis.

I understand that my contributions to Magnolia Wellness through products I may acquire from the collective, are used to ensure continued operation of Magnolia Wellness, and that such transactions are exchanges to cover overhead costs and operating expenses, and in no way constitute commercial promotion.

I understand that medical cannabis, while being a well-known effective therapeutic agent, is still considered illegal by the federal government. Therefore, by signing this form, all members of the Magnolia Wellness are committing an act of collective federal civil resistance.

\_\_\_\_\_  
Member Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Intake Staff Signature

\_\_\_\_\_  
Date



**Magnolia Wellness, A Non-Profit Collective (MWC)**

**RULES FOR MEMBERSHIP TO MAGNOLIA WELLNESS PRIVATE COLLECTIVE**

- 1.) Patients must be 18 years of age and have proper ID to access dispensing services.
- 2.) Non-Patients and those who are not members of Magnolia Wellness, including minors, are not permitted to obtain services from the collective.
- 3.) All members are required to submit proper identification and have their physician recommendation to use cannabis medicines verified and membership validated before accessing Magnolia Wellness services of any kind.
- 4.) No alcohol, illegal drugs, or weapons of any kind in the presence of Magnolia Wellness Service Staff or on Magnolia Wellness premises to ensure safety.
- 5.) Patient members and caregivers are limited to two service visits per day.
- 6.) Patient members will abide by the limits placed on personal cannabis possession in accordance with CA Health and Safety Codes 11362.5 and 11362.7 and the regulations set forth by local law.
- 7.) Patient Members agree to never sell, distribute or divert medicine obtained through Magnolia Wellness. Membership will be immediately and permanently terminated if diversion is suspected or discovered.
- 8.) Treat all fellow patients, collective staff, and any other person associated with MWC with the utmost respect. Offensive and abusive behavior will not be tolerated.
- 9.) Be friendly and support our local and associated businesses.
- 10.) Only qualified service animals allowed on the premises.
- 11.) To ensure safety, place all medicine and plants out of sight before entering or leaving the building.
- 12.) No loitering on Magnolia Wellness property; adhere to our Good Neighbor policy.

**Print:** \_\_\_\_\_

**Sign:** \_\_\_\_\_

**Date:** \_\_\_\_\_

RFPA CITY ID#: MCD11105

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# EXHIBIT 10-d

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HIPAA Privacy Authorization



## **HIPAA PRIVACY AUTHORIZATION FOR USE AND VERIFICATION OF PERSONAL HEALTH INFORMATION**

This authorization is prepared pursuant to the requirements of the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-191), 42 U.S.S Section 1320d, et. Seq., and regulations promulgated hereunder, as amended from time to time (collectively referred to as "HIPAA").

This application and authorization affects your rights in the privacy of your personal healthcare information. Please read it carefully before signing.

MAGNOLIA WELLNESS COLLECTIVE (MWC) will not condition treatment, participation or enrollment in a health plan, or eligibility for membership, benefits, as applicable, on your providing authorization for the requested use of disclosure for verification purposes. **YOU MAY REFUSE TO SIGN THIS AUTHORIZATION.** However, by law, dispensaries must verify patients and qualified caregiver status to ensure compliance with, and as set forth in the laws governing medical marijuana in the State of California.

By signing this application and authorization agreement you the undersigned understand acknowledge and agree that aforementioned dispensary (MWC) may use or disclose for verification purposes the contents and authenticity of the recommendation for which the facility has been provided by you in the form of a State of California Medical marijuana Registration Card and/or written recommendation and/or approval by a qualified and licensed physician. By signing this agreement you acknowledge the authenticity of this document and the information you have provided and continue to provide to the facility a true and faithful representation of the truth to the best of you ability under penalty of perjury.

By signing this authorization and application you agree that Magnolia Wellness Collective, Association or its Sister Dispensaries, Associates and/or Associations may disclose your voluntarily provided personal health care information, approval or recommending physician and or sister dispensary facilities for the purposes of verifying the authenticity of said approval and or recommendation.

Further, by signing this authorization you acknowledge that you have been provided a copy of, and have read and understand, Magnolia Wellness HIPAA Privacy Notice containing a complete description of your rights, and the permitted uses and disclosures, under HIPAA. While Covered Entity has reserved the right to change the terms of its Privacy Notice, copies of the Privacy Notice as amended are available for dispensaries at any of its offices or by sending a written request with return address to the dispensary's address: \_\_\_\_\_.

If you do not wish to receive said policy change and wish to waive this right please initial here: \_\_\_\_\_

In accordance with your rights under, and subject to certain restrictions imposed by, HIPAA, you may inspect or copy your PHI in the designated record set maintained by Magnolia Wellness for as long as the PHI is maintained in the designated record set.

You have the right to revoke this authorization, in writing, at any time, except to the extent that Covered Entity has taken action in reliance on it. A revocation is effective upon receipt by Covered Entity of a written request to revoke and a copy of the executed authorization form to be revoked at the address listed above.

This authorization shall expire upon the earlier occurrence of " (a) revocation of the authorization, (b) a finding by the Secretary of the U.S. Department of Health and Human Services, Office of Civil Rights that this authorization is not in compliance with requirements of HIPAA, (c) complete satisfaction of the purposes for which this authorization was originally obtained, to be determined in the reasonable discretion of Covered Entity, or (d) six years from the date this authorization was executed if required by law.

By signing this authorization you acknowledge and agree that any and all information used or disclosed pursuant to this authorization and application could be at risk for redisclosure by the recipient and or its verification agents or the agents of the verifying facility is no longer protected under HIPAA.

Magnolia Wellness will provide \_\_\_\_\_ [name of patient] with a copy of this signed authorization.

Acknowledged and agreed to by:

**PATIENT:**

By: \_\_\_\_\_

Date: \_\_\_\_\_

Print Name \_\_\_\_\_

Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

RFPA CITY ID#: MCD11105

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# EXHIBIT 10-e

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Proof of Insurance



# CERTIFICATE OF LIABILITY INSURANCE

CVESLLC-01

KOSSC

DATE (MM/DD/YYYY)

10/13/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER License # OE67768  
IOA Insurance Services  
2180 Harvard Street, Suite 450  
Sacramento, CA 95815

CONTACT  
NAME:PHONE  
(A/C, No, Ext): (916) 692-7000FAX  
(A/C, No): (916) 473-1797E-MAIL  
ADDRESS:

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A: Essex Insurance Company

39020

INSURER B:

INSURER C:

INSURER D:

INSURER E:

INSURER F:

INSURED

CVESP, LLC  
dba Magnolia Wellness

## COVERAGES

CERTIFICATE NUMBER:

REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> GENERAL LIABILITY			3DE5655	11/18/2010	11/18/2011	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 50,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 1,000
							PERSONAL & ADV INJURY \$ Excluded
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	<input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ Excluded
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
	UMBRELLA LIAB	<input type="checkbox"/> OCCUR					\$
	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE					EACH OCCURRENCE \$
	DED <input type="checkbox"/> RETENTION \$						AGGREGATE \$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						\$
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				WC STATU-TORY LIMITS <input type="checkbox"/> OTH-ER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
RE: 3401 Telegraph Avenue, Oakland, CA 94609

## CERTIFICATE HOLDER

## CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Evidence of Coverage



RFPA CITY ID#: MCD11105

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# Loan Amortization Schedule

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Magnolia Wellness

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# EXHIBIT 11-a

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## Critical Incident Report

# Critical Incident Report

Please submit form to Executive Director in 72 hours

Person Reporting (Please print)		Telephone Number (____) _____ - _____	Date of Report ____/____/____
Facility Address (Print)		Date of Incident Time ____/____/____ ____:____ am / pm	
MWC Administrator (Last, First,) (Please print)		Person(s) Involved (Last, First, Middle Name) (Print)	
Person Reporting (Last, First) (Please print)		Staff Involved (Last, First,) (Please print)	
Director Notified (Last, First- Print)		Last Logged Check In of Members(s) Involved:	
Date/Time: ____/____/____ ____:____ am / pm		Date: ____/____/____ Time: ____ Findings:	
<b>Incident Type (Circle One)</b> <ul style="list-style-type: none"> <li>a. Accident</li> <li>b. Adverse Reaction to Medicine</li> <li>c. Problem with medicine (freshness, spoiling, contaminated, etc.)</li> <li>d. Staff Misconduct</li> <li>e. Patient Misconduct</li> <li>f. MWC Policy Issue</li> <li>g. Criminal Action (Robbery, Assault, Vandalism, etc.)</li> <li>h. Community Complaint</li> <li>i. Automobile Accident/Damage on Property</li> <li>j. Theft/Shrinkage</li> <li>k. Other (Explain below)</li> </ul>			
Other:		Attachments: __ Yes __ No # of pages: ____	
Summary of Incident or attach related reports			

### **Systems Installations**

All security and safety systems will be installed prior to opening. All alarm systems and zone control technology alarms will be installed in the final 30 days of construction.

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# EXHIBIT 11-b

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## Security Team Handbook

2011

# SECURITY TEAM HANDBOOK



OAKLAND, CALIFORNIA



# SECURITY TEAM HANDBOOK

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# EXHIBIT 11-c

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CCTV Plan- Interior/Exterior



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# EXHIBIT 11-d

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## Zone Control Plan

## Electronic

1/3" Sony Super HAD CCD/DNR  
 540 TV Line  
 3.3 ~12mm Varifocal Auto Iris Lens  
 On-Screen Menu Programming with Built-In Joystick  
 100 Foot Range IR with Intelligent Camera Sync  
 DNR (Digital Noise Reduction)  
 DSS (Digital Slow Shutter)  
 Secondary Video-BNC Output for Easy Installation  
 TDN (True Day and Night/IR Cut Filter)  
 Auto Sensing 24 VAC/12 VDC with Line Lock  
 AGC (Auto Gain Control)  
 BLC (Back Light Compensation)  
 AWB (Auto White Balance)  
 Mirror Image Control  
 Programmable Privacy Zone  
 and Motion Detection  
 Sharpness Control  
 5 Year Warranty

## Mechanical

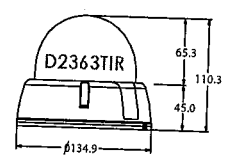
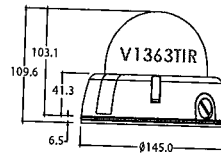
3D Gimbal for Easy Control  
 (360° Pan, 90° Tilt)  
 IP66 Certified (V1363TIR Only)  
 Designed to Accommodate  
 Junction Box Installation  
 Wall and Ceiling Mount Bracket Sold Separately (V1363TIR)  
 Video Test Output Cable Included

## Optional Accessories

DWC-V1WM Wall Mount Bracket for V1, V3 Housing  
 DWC-V1CM Ceiling Mount Bracket for V1, V3 Housing  
 DWC-V1CNM Corner Mount Bracket for V1, V3 Housing



90.0°



## SPECIFICATIONS: V1363TIR (Vandal Resistant Dome)/D2363TIR (Indoor Dome)

<b>Camera TYPE</b>	Color/BW (V1363TIR)	Vandal Resistant Day and Night Digital Dome IR Camera
	Color/BW (D2363TIR)	Plastic Day and Night Digital Dome IR Camera
	Mount	Surface
<b>Image</b>	Device	1/3" Super HAD CCD
	Pixels-Total	811 (H) x 508 (V)
	Pixels-Effective	768 (H) x 494 (V)
<b>Scanning</b>	System	525 line, 2:1 Interlace
	Horizontal Frequency Internal Mode	15,734Hz
	Horizontal Frequency Line-Lock Mode	15,750Hz
	Vertical Frequency Internal Mode	59.94Hz
	Vertical Frequency Line-Lock Mode	60Hz
<b>Min. Scene Illumination</b>	IR-LED ON	0.0 Lux
<b>Functions</b>	Sens-up	AUTO/OFF (x128)
	DNR	OFF/LOW/MIDDLE/HIGH
	AGC	ON/OFF (Gain Adjust)
	IR	100 Foot Range
	AWB	ATW/AWC/Manual
	Motion Detection	ON/OFF (Area/Sensitivity/Trace ON/OFF)
	Privacy Zone	4 Programmable Zone/Size
<b>Lens</b>	Focal Length	3.3 ~12mm
<b>Resolution</b>	Horizontal	540 TV Lines [at TDN (B/W) :570 TV Lines]
<b>Video Output</b>	VBS 1.0Vp-p	VBS 1.0Vp-p (75 Load)
<b>S/N Ratio</b>	S/N Ratio	50dB
<b>OSD</b>	OSD	YES
<b>Environmental Conditions</b>	Operating Temperature	-10° ~ +55° (14° ~131°)
	Humidity	Less than 90%
<b>Power</b>	Power Requirement	12VDC/24VAC (60Hz)
	Power Consumption	DC12V:230[mA] (IR-ON: 467[mA]) /24V:110[mA] (IR-ON: 284[mA])
<b>Physical Specifications</b>	Dimensions (Φ x H) (V1363TIR)	145 x 109.6mm
	Dimensions (Φ x H) (D2363TIR)	134.9 x 110.3mm
	NEMA Type	IP66
	Weight	1.9 lbs (V1363TIR), 0.9 lbs (D2363TIR)
<b>Certifications</b>	CE, FCC, RoHS	Certified

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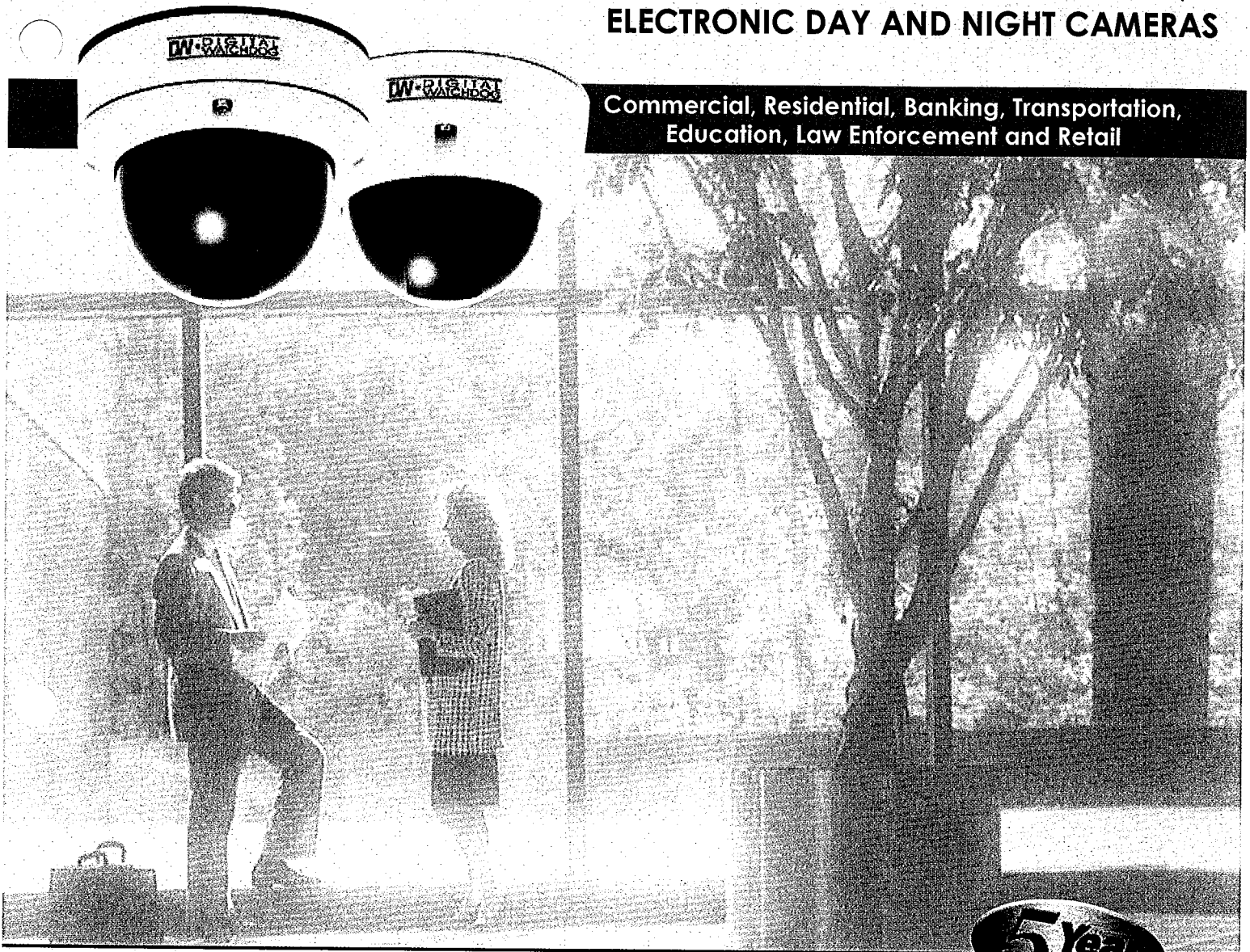
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**★ STAR-LIGHT**

**HIGH RESOLUTION, VANDAL RESISTANT  
DOME, INDOOR DOME, VARIFOVAL,  
ELECTRONIC DAY AND NIGHT CAMERAS**

**Commercial, Residential, Banking, Transportation,  
Education, Law Enforcement and Retail**



**V3363D/Vandal Resistant Dome, High Resolution, DSS, Varifocal, Electronic Day and Night, DNR, NEMA IP66**

**D1363D/Indoor Dome, High Resolution, DSS, Varifocal, Electronic Day and Night, DNR**

The V3363D Vandal Resistant Dome and D1363D Interior Dome Cameras ensure excellent color sensitivity and High Resolution in both Day and Night applications. These cameras are part of our Starlight Series of products which offer Night Vision technology. Designed for more light sensitive security applications this technology offers a unique Digital Slow Shutter feature, which increases the length of time the shutter remains open to collect additional ambient light thus illuminating typically dark environments.

*Additional features include:* High Resolution, 3.3-12mm Varifocal Lens, Digital Noise Reduction, Digital Slow Shutter, Motion Detection, Programmable Privacy Zones, Simple OSD with Built-In Joystick, Electronic Day and Night, AGC, BLC, AWB, and a 5 Year Warranty.

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## Electronic

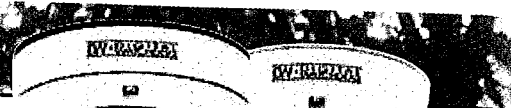
1/3" Sony Super HAD CCD/DNR  
540 TV Line  
3.3 ~12mm Varifocal Auto Iris Lens  
On-Screen Menu Programming with Built-In Joystick  
DNR (Digital Noise Reduction)  
DSS (Digital Slow Shutter)  
Secondary Video-BNC Output for Easy Installation  
Electronic Day/Night with automatic or manual control  
Auto Sensing 24 VAC/12 VDC with Line Lock  
AGC (Auto Gain Control)  
BLC (Back Light Compensation)  
AWB (Auto White Balance)  
Mirror Image Control  
Programmable Privacy Zone  
and Motion Detection  
Sharpness Control  
5 Year Warranty

## Mechanical

3D Gimbal for Easy Control  
(360° Pan, 90° Tilt)  
IP66 Certified (V3363D only)  
Designed to Accommodate  
Junction Box Installation  
Wall and Ceiling Mount Bracket Sold Separately (V3363D)  
Video Test Output Cable Included

## Optional Accessories

DWC-V1WM Wall Mount Bracket for V1, V3 Housing  
DWC-V1CM Ceiling Mount Bracket for V1, V3 Housing



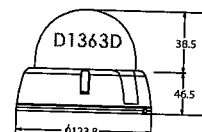
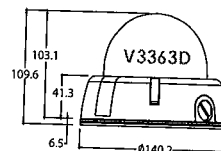
360.0°



360.0°



90.0°



## SPECIFICATIONS: V3363D (Vandal Resistant Dome) / D1363D (Indoor Dome)

Camera TYPE	Color/BW (V3363D)	Vandal Resistant Day and Night Digital Dome Camera
	Color/BW (D1363D)	Plastic Day and Night Digital Dome Camera
Image	Mount	Surface
	Device	1/3" Super HAD CCD
	Pixels-Total	811(H) x 508(V)
Scanning	Pixels-Effective	768(H) x 494(V)
	System	525 line, 2:1 Interlace
	Horizontal Frequency Internal Mode	15,734Hz
Min. Scene Illumination	Horizontal Frequency Line-Lock Mode	15,750Hz
	Vertical Frequency Internal Mode	59.94Hz
	Vertical Frequency Line-Lock Mode	60Hz
Functions	F1.4	0.3 Lux
	Sens-up	AUTO/OFF (x128)
	DNR	OFF/LOW/MIDDLE/HIGH
	AGC	ON/OFF (Gain Adjust)
	Mirror	ON/OFF
	AWB	ATW/AWC/Manual
	Motion Detection	ON/OFF (Area/Sensitivity/Trace ON/OFF)
	Privacy Zone	4 Programmable Zone/Size
	Focal Length	3.3 ~12mm
	Horizontal	540 TV Lines
Resolution	Horizontal	540 TV Lines
Video Output	VBS 1.0Vp-p	VBS 1.0Vp-p (75 Load)
S/N Ratio	S/N Ratio	50dB
OSD	OSD	YES
Environmental Conditions	Operating Temperature	-10° ~ +55° (14° ~131°)
	Humidity	Less than 90%
Power	Power Requirement	12VDC/24VAC (60Hz)
	Power Consumption	DC12(V): 218(mA) /AC24(V): 102(mA)
Physical Specifications	Dimensions (Φ x H) (V3363D)	140.2 x 109.6mm
	Dimensions (Φ x H) (D1363D)	123.8 x 85mm
	NEMA Type	IP66 (V3363D only)
	Weight	2.0 lbs (V3363D), 0.8 lbs (D1363D)
Certifications	CE, FCC, RoHS	Certified

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# FIRE SAFETY PLAN

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A plan outlining the prevention, suppression and warning systems used to ensure safety from fire.

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REPA CITY ID#: 11105

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## **Current State of the Facility**

The facility has been vacant for some time and is not currently outfitted with sprinklers or fire suppression equipment. The facility has plenty of exits for evacuation, if needed. The building is mostly concrete with skylights throughout the rear portion. Existing electric is fairly modern, and in good repair.

## **Operational Risk Assessment**

The operation of a medical cannabis dispensing collective is a lot like other service oriented or retail businesses. There is no open flame or cooking happening on site, and there are no immediate fire dangers. The nursery will only have low voltage fluorescent lighting and will be professionally wired to ensure safety. There will be very little heat from fluorescent lighting. The operations of the collective have a low risk of fire.

## **Planned Suppression Systems**

We are contracting with Shield-Fire of Alameda County to install/upgrade a sprinkler suppression system if it is deemed necessary by the Oakland Planning Department. We do not believe it is required for this use, but we are prepared to install a system in areas if need be. The vault room and nursery already have sprinkler systems that we may have upgraded to be more modern if needed. A quote from Shield Fire is attached as Exhibit 12-a.

## **Fire Alarm System**

AST will also be monitoring our fire alarm.

A separate fire Alarm Panel will be located inside the lobby near the main entrance and will have the following:

- A smoke alarm to protect the panel
- Sensors that attach into our sprinkler/suppression system
- Fire light manual pull station, metal, single action.
- Lexan pull stations cover red, weather resistant covers.
- Horn

## **Portable Fire Extinguishers and Manual Extinguishing Systems**

There will be appropriate hand held extinguishers located through the facility. It will be equipped with portable fire extinguishers as follows:

- ABC units located throughout the facility with clear signs identifying their location
- CO2 units in each mechanical/electrical room.

Extinguishers will be mounted 3'-5' off the ground, with visible signage, annual maintenance, and with sufficient numbers/frequency within each building.

## Fire Hydrants

There is a fire hydrant located on the corner of 34<sup>th</sup> and Telegraph Ave.

## Fire Safety Procedures in Case of Fire Emergency

- 1.) Call Fire Department/ use fire extinguisher. Activate alarm system.
- 2.) Refer to plan by which all staff and all members can be reached as quickly as possible.
- 3.) Guide to a safe place outside of building for evacuation - see Emergency Notification and Evacuation Procedures for evacuation procedure.
- 4.) Enlist additional staff to act as support personnel in the case of evacuation or other action (some who direct others as to where to go or what to do, and some who can make a count of those present – example: a person who directs everyone to the emergency exit and the designated safe place outside the building)

**Call the Emergency Response Manager (ERM) to make decisions about the actions to be taken:**

ERM staffer designated to do so will contact if necessary: Police, Ambulance, Emergency Electrician/ Plumber, Medical professionals.

All fires need to be reported to the Executive Director and a Critical Incident Report must be filled out.

## Communications Systems

Collective cell phones should be used in emergency situations and personal cell phones should be contacted if collective cell phones are not answered by key staff. Emails, text message blasts, and social networking will be used if there is a need to notify our patients.

## Exits

The exit doors are located throughout the facility and will be clearly marked with appropriate signage. All hallways and exits will have electrical and battery backup power to all exit lights and exit signs. Escape floor plans will be mounted to the walls. Doors that lock will read "Doors to remain unlocked during business hours."

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# EXHIBIT 11-e

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## Security Patrol Routes



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# EXHIBIT11-f

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Security Assessment from AST Security

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# FINANCIAL PROJECTIONS AND FEASIBILITY REPORT

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A report on the projected income, expenditures, and funding goals of the collective organization.

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RFPA CITY ID#: 11105

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Clearly the need for low-cost medicine for patients is needed, but if prices are too low, a diversion to the black market may occur. The Board encourages a responsible approach to market prices, and advocates setting prices no lower than 80% of current market price. The organization will maintain the margins to accomplish this and any increase or decrease in these standards will require approval by the Budget and Finance Committee in conjunction with the Board of Directors.

**Net Income**

The Net Income is the amount of income realized after Cost of Goods is removed from the Gross Income projection. This is the amount available to efficiently operate the organization, provide additional services, and contribute to the community.

**Expenses**

Expense projections are based on general costs incurred by organizations in the industry. Included are professional services, such as legal and accounting professionals. Advocacy and policy costs include work with organizations such as Americans for Safe Access, which advance the cause of our membership. Patient Services costs include the hiring of therapy specialists, providing care, and organizing educational opportunities for members. After the initial investment of the organization is repaid in full the organization will expand the patient services further. All other expenses are self-explanatory standard expenses incurred from running a well-functioning organization.

**Start-Up Loan Repayment**

Personal loans to the organization constitute the start-up capital. Repayment of this loan is a financial priority in order to reduce the financial liability of the collective. The initial inventory of the organization is a start-up expense in Month 1 and will have more debt for repayment than Month 2 and Month 3. For this report the three months are added together and will therefore distribute funds evenly over these months of operation. All retained earnings will be committed to repaying the loan at a rate of 5% interest until reaching the “break-even point” which is estimated to be Month 10.

**Break Even Point**

Based on Start-Up and Operating Expense projections it is estimated the organization will require a start-up budget to be secured by the financials of the organization and debt taken on by the Executive Director, David Spradlin. Month 10 is projected to be the “break-even point” based on the above data, at which time the loans at 5% should be resolved.

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# EXHIBIT12-a

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Fire Assessment from Shield-Fire



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# ENVIRONMENTAL IMPACT REPORT

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A report explaining how the organizations will use sustainable practices and materials to reduce our carbon footprint in our daily operations, as well as offset any energy usage with positive impact projects.

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RFPA CITY ID#: 11105

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**Our Commitment to Sustainable and Green Practices**

The organization’s principles and staff have a long history of environmental activism. We are dedicated to leaving our world in a better place than we found it, and spare no expense to ensure our operations have little to no impact on the environment. We understand that it is the duty of each and every person, business, and organization to employ sustainable practices in their daily walk. Our belief in the need for a greener and more aware society motivates us to employ a variety of practices that reduce our carbon footprint and educate our members on methods they can use in their lives to reduce their impact on the environment. There are many areas in the cannabis industry where we believe energy can be saved and waste can be reduced. From power usage reduction, to green building supplies, to packaging innovations, to everyday best practices, we understand that we can have a direct positive impact on our environment. We continue to find methods of sustainability in every aspect of our duties.

**Energy Conservation and Carbon Management**

Our organization is committed to having as little environmental impact on the world we live in as possible. To achieve these goals we will employ techniques that maximize our efficiency. We have devised a growth lighting system that combines the lowest possible energy consumption with the highest possible light emission. In addition we will be working with California firms on reforestation and livestock projects that will help to offset the energy consumption that we have. We will be working hand-in-hand with CarbonFund.org to promote projects that work to reduce carbon build up and better the environment. We will be calculating our output and donating to projects that offset our total energy usage. We also will be implementing many green techniques in our entire organization, including recycling all applicable products in the dispensing and production departments, and implementing packaging ideas that reduce waste. All computers and electronic devices will use EcoStrips or be unplugged when not in use. The leadership of the organization has been at the forefront of the green revolution for many years and those values influence the organization at every level.

**CarbonFund.org**

Carbonfund.org is leading the fight against global warming, making it easy and affordable for any individual, business or organization to reduce & offset their climate impact and hasten the transition to a clean energy future. Carbonfund.org achieves its goals through:

- Climate change education
- Carbon offsets and reductions
- Public outreach

Carbonfund.org supports three types of carbon offset projects; each type plays an important role in the fight against climate change. The projects Carbonfund.org supports are third-party

certified to meet the same high standards that thousands of companies, organizations, and governments rely on to ensure quality environmental protection. Those project types are:

- **Renewable Energy & Methane Projects-** Renewable energy offsets support projects that help to reduce the amount of energy we need to produce from fossil fuel sources like coal and oil.
- **Energy Efficiency & Carbon Credits-** The cleanest unit of energy is the unit you never use. Energy efficiency is the cheapest and fastest way to reduce our dependency on fossil fuels and save money.
- **Reforestation & Avoided Deforestation-** Forest-based projects actually reduce the amount of carbon that's in the atmosphere. These projects sequester carbon dioxide emissions from the atmosphere and have many co-benefits for the community and local wildlife.

### Incorporating Green Construction Methods and Materials

The organization is working with contractors that are familiar with green construction methods and are committed to using sustainable methods in the remodeling of the facility. The facilities innovative design will create an environment that is beautiful, practical, and good for the environment. Below are some materials we plan on using on our remodel project:

- Recycled Carpet from Mohawk's Smart Strand Carpet Line
- Reclaimed or Recycled Wood for Furniture and Built-Ins
- Stained and Polished Concrete Floors in the Main Room and High Foot Traffic Areas
- LED lighting
- Lutron Light Controls to Promote Energy Use Saving
- Low-VOC Nontoxic Paint
- Low Flow Lavatory Faucets for Water Consumption Saving
- Dual Flush Toilets
- Advanced Climate Control Systems
- Air Filtration System that Eliminates Allergens and Odors
- Recycled Glass or Concrete Countertops
- Natural Skylights to Decrease Energy Consumption

### Environmentally Safe Supplies

For cleaning, administrative tasks, and other organizational tasks we will be using environmentally safe supplies. We will use advanced green cleaning supplies to keep our facilities sanitary and beautiful. The organization will print materials on recycled paper and use conscious office supplies wherever possible for our operations. We will use remanufactured toner and printer supplies from greenoffice.com. All plates, cups, napkins and other break room supplies will be recycled/recyclable. Anywhere we can substitute a less environmentally business supply for a more conscious one we will.

**Responsible Packaging Options**

Our organization does not prepackage most items. We provide Patient Preferred Packaging service at the counter, meaning patients get their medicine accurately weighed out for them at the time of dispensing. We allow our patients to bring in their own clean and appropriate packaging to have their medicine placed in, and we offer them a discount as an incentive to do so. We do offer Silver Recycle Mylar packaging that can be safety sealed for those patients who do not bring in their own vessel. These durable and safe packages are recyclable and are also strong enough for a patient to use several times before recycling it. We see a lot of organizations in the industry offer medicine in jars every time a patient gets their medicine. We think that the energy it takes to produce a new jar for each patient’s medicine every time they come to the collective is not environmentally sound, but we do encourage our patients to bring in a jar for their medicine if that is what they desire, which we fill when they visit. Our patients appreciate our dedication to the environment and are pleased that we do not create a lot of waste in our packaging. They are also grateful for the savings that they receive by being environmentally conscious. It is a win-win situation for our members.

**Encouraging and Educating Our Growers**

We do not have the ability to grow all of the medicine for patients in our collective and depend on other independent growers to provide medicine to members. We work hard to facilitate positive transactions amongst our members and make it a point to discuss environmentally safe practices with those who produce medicine for our collective. Members who want to provide medicine for the collective are required to fill out a Quality Cultivation Report. This form gives us a good idea of the practices that the person uses to produce medicine. We provide them with educational materials and discuss areas where we think they could produce their medicine in a more environmentally friendly manner. Most producers are very open to developing more sustainable methods and are excited about ways that they can use less energy. We hold regular classes on Sustainable Production Methods where cultivators can learn about Best Practices and ways that they can be more conscious. If we believe that a grower does not produce their medicine in a responsible manner, we do not accept their medicine. We have high standards for those who provide medicine to our patients and being environmentally aware is a big part of those standards.

**Future Cultivation Projects**

We understand that Oakland may allow for dispensaries to develop cultivation facilities in the future. We currently do not have any directly related cultivation facilities but have designed systems and practices that we will use should we develop them in the near future. Our plan for indoor urban production in Oakland incorporates the most efficient lighting systems and environmentally sound practices in the production cycle, including low voltage lighting, organic



Besides organic medium and nutrients, the collective will only use organic methods to protect the plant from pests, including predatory insects, beneficial bacteria, and natural fungicides, mildewcides, algaecides, and virusides.

**Organic Mediums**

We will use organic potting soil as our preferred growing medium. Our potting soil of choice is an indoor & outdoor gardening media, which is a ready to use potting soil created for fast growing, heavy feeding plants. Its recipe enables better drainage and encourages a vigorous root structure. Our organic cultivators have had great results with this medium but we will also look for other organic and effective mediums to satisfy patient need. All soil will be recycled after use.

**Effluent Discharge**

Because of the methods we will use for watering, having a live person hand water each plant individually to ensure they receive enough water without flooding them; we have ZERO RUNOFF of nutrients in the process. Should there be excess irrigation water, it is carried off to the local purification plant via the sewer and is therefore not harmful to the environment. Our fertilizers will all be plant-based organic and Veganic blends that would cause no harm even if they were discharged for one reason or another. Total fertilizer consumption in our company will amount to less than one gram of fertilizer for each gram of cannabis produced, which is minimal. We will not use pesticides in our cultivation process, therefore there would never be residues entering the wastewater system either. Nursery rooms will be regularly decontaminated with an agent based on formic acid and hydrogen peroxide. When exposed to light, these substances decompose into harmless products within a few minutes: water and carbon dioxide. Again, the rinsing water is carried off to the local water purification plant via the sewer.

**Preventing Waste and Encouraging Progress**

Our staff and members are constantly reminded of our commitment to the environment in our daily actions, newsletters, and conversation. Our staff is trained to reduce waste wherever they can and encourage other to do so as well. From bringing reusable lunch containers and later bottles to reusing waste paper for other tasks, our staff is always looking for ways to reduce environmental impact and promote green living. We provide incentives to staff and patients who ride their bikes or use public transportation to travel to and from the collective, so the more our patients do to save the environment the more we do to save them money. This symbiotic relationship fosters an understanding and appreciation in our membership that is contagious. Through creating an environment where people can buy in to the environmental concept and be a part of the solution, we encourage them to be more conscious in their own lives and we continue to see progress towards a more sustainable environment.

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# INVENTORY PLAN

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An overview of the methods  
used to handle, track, store,  
and account for all inventory  
at Magnolia Wellness.

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REPA CITY ID#: MCD11105

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## Inventory Control Standards

Our organization takes the responsibility of inventory control extremely seriously. It is understood that that cannabis products must be procured from legal and safe producers, handled and packaged by responsible employees, and adequately tracked to ensure accountability and to avoid loss. Our Quality and Inventory Control Staff (QIC) will perform an important function of ensuring that our supply of medicine is in complete compliance with California law and Oakland Municipal Code. It will be precisely monitored to ensure that all medicine is being lawfully dispensed and is not being improperly diverted from the supply. The QIC staff will diligently monitor the cannabis procured from qualified patient members that are fully trained in proper cultivation technique and patient safety.

Every gram of medicine will be accounted for and recorded at each step, from producer to patient. Medicine will be stored in a time-lock vault only accessible by authorized personnel and a high level of security and monitoring will be employed to protect access (see Safety and Security Plan, section 11 for more details). Only an approximate one-day supply of medicine will be made available at any given time in the dispensing area and all other supply will be kept in the vault room. Two employees will be responsible for providing checks and balances in the process, verifying all weights and recording them.

## Intake and Inspection

Following intake and inspection the medicine will be immediately weighed using a calibrated triple beam scale and recorded in the *Medicine Intake Log* (Exhibit 14-a) and entered into the electronic database of our *xMed Club PoS* Inventory Control module. A *Medicine Tracking Report* (Exhibit 14-b) will accompany the medicine throughout its life cycle through bulk storage, packaging, handling, and dispensing operations. The *Medicine Tracking Report* will be filed and records will be kept for a minimum of 5 years.

Medicine is processed following our *Operations Manual* (Exhibit 10-a). The medicine is weighed again after processing, including byproduct, and it is entered into Inventory Control and into the PoS system. All increments of the medicine are weighed and recorded on the *Medicine Tracking Report*. The recording and entering process continues throughout its life cycle at the collective, so that a quick review can determine what medicine is on hand, how much, and where it is located. On specialized forms staff will account for damage, contamination, or sampling, and will conduct a complete physical inventory monthly. The departments will be responsible for daily counts of medicine in their department. Any inventory loss will be reported immediately to leadership and a Critical Incident Report will be completed accordingly.

## Medical Cannabis Procurement Plan

The collective will form a strong relationship with cultivators and producer collectives to ensure a safe and consistent supply of cannabis medicines. The providers will be required to go through an informative orientation detailing what is expected of them in producing medicines for patients and will be required to sign a commitment to adhere to our *Medical Cannabis Best Practices* (Exhibit 15-f), which are detailed in the *Quality Control Plan (section 15)*. Providers will be assigned a unique number and asked to complete a *Provider Information Form* that includes their contact information and details about the medicines they produce. All the medicine provided is then recorded under that provider's unique number.

Each type of medicine will be assigned a unique batch number for each time it is received into the system for tracking. A *Quality Cultivation Report* (Exhibit 15-a) will be completed by the provider and will accompany each batch. It will be examined and a member of the Quality Control/Inventory staff will complete an *Intake Evaluation Form* (Exhibit 15-b). A sample will be taken and broken apart and fully inspected for mold, fungus, insects, and foreign material. If the medicine sample passes all guidelines and sensory exams it will be sent to the lab for verification. Medicine will be stored in a holding quarantine area until lab results confirm its safety. If the results come back from the lab at acceptable levels, the medicine will be processed and packaged into appropriate portions for patient need and labeled with prominent warnings and medicinal facts. If the results come back at unacceptable levels the medicine is returned to the provider and the provider will be informed that the medicine was unacceptable and why. If necessary, further educational materials will be given to the provider to help them address the issue in the future.

All providers of medicine will be registered members and caregivers, and at no time will we accept medicine from a third party. We adhere to the "closed-loop" system as required under the California *Attorney General Guidelines for the Security and Non-Diversion of Marijuana Grown for Medical Use*, and all transactions will be logged and recorded.

## Inventory Department Product and Cash Policies and Procedures

The following policies apply to the QIC staff specifically.

- Money or medicine should never be left alone.
- Doors always must be closed and locked for safety.
- The inventory area must be locked at all times.
- All money must be stored in a secure cash box.
- When counting income for the collective it is important to stay focused. No distracting conversations are allowed while processing funds. Any interruptions should be avoided and the task must be finished before starting a new one.
- Adjustments made to the inventory control module of the Point of Sale system may only be done with approval from a director or management.

- Money must be counted twice and properly recorded.
- A Daily Inventory Report for the day will be completed with beginning and ending totals for all products. These forms will be submitted to the Administrative staff to be checked for accuracy with the system.

## QC/Inventory Department

### Opening Duties

- Print a copy of the *Daily Inventory Report* from the previous day
- Complete the start of day inventory on the current *Daily Inventory Report* and verify it with closing numbers from the day prior.
- Restock the dispensary inventory bins and jars on items that are below projected daily need levels and put on the inventory cart.
- Move inventory from the vault to the sales floor.
- Work with service staff to move items from the cart to the sales display and inventory storage areas. Supervise the sales employee counting the daily inventory and have them check off the daily report.
- Weigh all bulk medicine and record levels before dispensing.
- Clean and sterilize all processing areas.
- Calibrate all scales and check packaging levels for items needing to be reordered.
- Check for lab results of quarantined items. If lab results are back and acceptable, re-weigh quarantined stock and have a staff leader verify it before making it available for processing.

## QC/Inventory Department

### Closing Duties

- Begin by securing all bulk and processed items and record their end of day levels on the *Daily Inventory Sheet* 30 minutes before closing.
- Clean the processing/inventory control area.
- After security signals that the facility is clear, move the cart to the dispensary.
- Work with service staff to remove and count items, recording their end of day levels on the *Daily Inventory Report*. Have them check off all items and sign the form for verification.
- Secure all items from the dispensary in the vault in the appropriate area.
- Complete all closing duties and lockdown procedures. Verify all medicine is secured and that all doors are locked.
- Complete all closing duties as delegated by the Managing Director.

**Basic Cash Handling Policies and Procedures**

The following applies to Dispensing Service Staff that handle cash and their supervisors.

At the beginning of a shift service employees will be assigned a cash drawer and given a Daily Register Sheet (Exhibit 16-c). They will be responsible for counting and verifying the beginning cash is accurate and the Managing Director or manger on duty will verify it. Periodically throughout the day management will perform cash drops and the cashier and the manager will both sign off on those drops. At the end of the day cashiers will be responsible for reconciling their drawer with the register transaction report ("Z" tape) from the PoS system. The managing director will do an End of Day Report or "The Daily Sheet" (Exhibit 16-c) that reconciles all of the cash drawers, credit slips, paid out vouchers, and donations. Brinks Armored Car Service will pick all cash deposits up daily. All cash will be stored in a locked cash box, inside of a safe that is in the vault room to ensure security and accountability until the cash drop is picked up.

**Inventory Discrepancy Procedures**

If physical inventory does not match the inventory counts recorded in the PoS system outside of a specified tolerance, the Executive Director will be notified and an investigation will be conducted. The incident will be documented in an Incident report that includes the following information: the date, name of people involved, a description of the incident, identification of known or suspected cause, and corrective action taken. It is imperative that the cause of the discrepancy be determined. All relevant inventory counts will be examined for accuracy, noting any possible failures in our security. We will create a timeline of events and collect evidence where necessary in attempt to understand the relationship of the contributing factors. Once the cause of the problem is determined, corrective actions will be taken to avoid recurrence. Every detail of the incident will be documented and made available with all other collective records as required by the City. If there is internal criminal action found we will work with Oakland Police to prosecute the offender. Our high level of documenting, verifying, and tracking products and cash will deter bad behavior and create a system of checks and balances in which all staff and collective members can be confident.

**Systems Installations**

All fire safety systems will be installed prior to opening. Where sprinklers are necessary, this construction will be completed in the first 30 days of construction after permitting. All extinguisher, exit signs, evacuation plans and alarms will be installed in the final 30 days of construction.

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# EXHIBIT14-a

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Medicine Intake Log Sample



## Medicine Intake Log

[illegible]

Please Highlight Medicine After it is Completely Out of Stock

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# EXHIBIT14-b

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Medicine Tracking Report Sample

MEDICINE TRACKING REPORT

RCVD BY: \_\_\_\_\_ ITEM: \_\_\_\_\_  
TYPE: FLOWERS EXTRACT    FOOD    TINCTURE    TOPICAL    OTHER  
NOTES:

RECEIVED						
DATE RCVD.	AMOUNT RCVD.	COST	INITIAL			
WEIGHED						
WEIGH DATE	G	1/8	1/4	1/2	FULL	INITIAL

TO DISPENSE			
DATE	QUANTITY	UNIT \$	TOTAL \$
G			
1/8			
1/4			
1/2			
FULL			

DATE	QUANTITY	UNIT \$	TOTAL \$
G			
1/8			
1/4			
1/2			
FULL			

DATE	QUANTITY	UNIT \$	TOTAL \$
G			
1/8			
1/4			
1/2			
FULL			

FINAL TOTAL:			
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DATE	QUANTITY	UNIT \$	TOTAL \$
G			
1/8			
1/4			
1/2			
FULL			

DATE	QUANTITY	UNIT \$	TOTAL \$
G			
1/8			
1/4			
1/2			
FULL			

DATE	QUANTITY	UNIT \$	TOTAL \$
G			
1/8			
1/4			
1/2			
FULL			

DATE	QUANTITY	UNIT \$	TOTAL \$
G			
1/8			
1/4			
1/2			
FULL			

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# QUALITY CONTROL PLAN

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Our comprehensive plan to ensure all medicines are completely safe and of the highest quality for our patients.

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RFPA CITY ID#: MCD11105

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