

Mission:

To protect, promote & improve the health of all people in Florida through integrated state, county & community efforts.



Ron DeSantis
Governor

Joseph A. Ladapo, MD, PhD
State Surgeon General

Vision: To be the **Healthiest State** in the Nation

Sent via Electronic Delivery

May 25, 2023

392 Farms, LLC, d/b/a South Tip Wellness
c/o Charles Steinfeld
21400 SW 392nd Street
Homestead, Florida 33034
charles@southtip.com

Re: Application for MMTC Licensure – Errors and Omissions Letter

Dear 392 Farms, LLC,

On April 25, 2023, the Florida Department of Health received your application for MMTC licensure (the "Application"). The Department has identified the following apparent errors or omissions in your Application.

1. Subsection 4.3.3, Level 2 Background Screening

Subsection 4.3.3 of the Medical Marijuana Treatment Center License Application Instructions, Requirements and Forms (the "Application Instructions") requires that the applicant submit a completed Form 2 (Waiver Agreement and Statement) for each owner and manager, as those terms are defined by Department rules. The Form 2 contained in Subsection 4.3.3 of your Application is either incomplete or incorrect for the following individual:

435.09

Form 2 includes a date of birth of

435.09

Please provide a corrected and complete Form 2 executed by the above-listed individual.

2. Subsection 4.12.1, Certified Financial Statements

Section 381.986(8)(b)7., Florida Statutes, requires that an applicant for MMTC licensure demonstrate "the financial ability to maintain operations for the duration of the 2-year approval cycle, including the provision of certified financial statements to the Department." Subsection 4.12.1 of the Application Instructions requires certified financial statements for the applicant's most recent fiscal year. Additionally, Subsection 4.12.1 requires the financial statements to be prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP") and audited in accordance with U.S. Generally Accepted Auditing Standards ("GAAS") by a Certified Public Accountant ("CPA") licensed pursuant to Chapter 473, Florida Statutes, or licensed by another state.

Your Application does not contain certified financial statements as required by section 381.986(8)(b)7., Florida Statutes, and Subsection 4.12.1 of the Application Instructions. Although Subsection 4.12.1 of

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your Application contains financial statements for 392 Farms, LLC, the financial statements do not appear to be [REDACTED] 815.045.

Please provide certified financial statements prepared in accordance with GAAP and GAAS for your most recent fiscal year, as required by Subsection 4.12.1 of the Application Instructions.

3. Subsection 4.13.3, Capitalization Tables, Change of Control, and Related Entities

Subsection 4.13.3 of the Application Instructions requires, among other things, that entity applicants provide a fully diluted capitalization table.

Subsection 4.13.3 of your Application contains a capitalization table for [REDACTED] 815.045, which appears to be [REDACTED] 815.045. However, you did not provide for the Applicant, 392 Farms, LLC, a fully diluted capitalization table inclusive of interests flowing to each natural person.

Please provide a single, aggregated and fully diluted capitalization table to sum all natural person interests in 392 Farms, LLC to 100%. The table must list all share types and interests and must show the aggregate sum of shares, including those associated with or flowing to any natural person owners or investors of 392 Farms, LLC.

Additionally, for purposes of ownership attribution, please provide the nature of the familial relationship, if any, among and between the individuals listed in Subsection 4.13.3 of the Application, [REDACTED] 815.045.

Lastly, if any natural person meets the definition of "owner" or "manager," even if by familial attribution of ownership (as provide by Department rule), such natural persons must submit a completed Form 2 and a full set of fingerprints to a Livescan Service Provider for purposes of level 2 background screening. Those natural persons must also be added to an updated list of owners and managers in Subsection 4.3.3 of your Application and submitted to the Department.

4. Section 4.14, Applicant Acknowledgment

Section 4.14 of the Application Instructions requires applicants to provide a Form 3 based on whether the applicant is a natural person or an entity. Because the applicant, 392 Farms, LLC dba South Tip Wellness, is an entity, you were required to submit a completed Form 3(A) (Entity Applicant Acknowledgement and Statement of Understanding). Although your Application includes a completed Form 3(A), it has the following errors:

- You provided Form 3(A) from Emergency Rule 64ER21-16, which is not applicable to this application batching cycle. Please provide a completed Form 3(A), as specifically incorporated in the Application Instructions for Emergency Rule 64ER22-9.
- The form provided also erroneously identifies [REDACTED] 815.045, as the applicant for licensure. The applicant is 392 Farms, LLC. Please provide a revised Form 3(A) that identifies 392 Farms, LLC as the applicant.

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Deadline to Respond

The Department must receive the above-requested documentation and information within twenty-one (21) calendar days of the date on which the Department emails this letter to you. See Section 5.1 of the Application Instructions for the submission address and requirements. Failure to supply the requested documentation and information identified above may result in denial of your Application.

If any materials submitted to the Department in response to this letter contain confidential information, you must comply with the requirements of Section 2.4 of the Application Instructions when submitting such information.

Sincerely,

Christopher Kimball

Christopher Kimball
Director
Office of Medical Marijuana Use