

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

FTG Development Inc.
c/o Laura S. Olympio
P.O. Box 100234
Cape Coral, Florida 33910
lolympio@masonbolves.com


Re: Application for MMTC Licensure – Errors and Omissions Letter

Dear FTG Development Inc.,

On April 28, 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 an applicant's owners and managers to submit a full set of fingerprints to a Livescan Service Provider for purposes of level 2 background screening. Additionally, an applicant must provide a complete list of the applicant's owners and managers along with, among other things the TCN number assigned to the individual by the Livescan Service Provider.

You provided a list of owners and managers that does not include TCN numbers for anyone except **435.09** .

Please provide a TCN number for each owner and manager, as required by Subsection 4.3.3 of the Application Instructions.

We note that, instead of TCN numbers, you provided dates (all of which are more than 12 months ago) under the "Livescan TCN Number" column of the chart in Subsection 4.3.3 of your Application. It is unclear to the Department what that date signifies. If it reflects the date on which the person was fingerprinted, you are advised that the Department does not have access to background reports in the FDLE online system for longer than 6 months. Therefore, the Department has not been provided FDLE background reports in the FDLE online system for the following individuals, who are identified as owners or managers in Subsection 4.3.3 of your Application:

• **435.09** 

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• 435.09 [REDACTED]

Please ensure that these individuals (and all owners and managers) successfully submit a full set of fingerprints to a Livescan Service Provider for the purpose of level 2 background screening. Once that is accomplished, the Department will be provided with access to the background report by FDLE.

Lastly, Subsection 4.3.3 of the Application Instructions requires that the applicant submit a completed Form 2 (Waiver Agreement and Statement) for each owner or manager, as those terms are defined by Department rules.

435.09 is listed as an owner or manager in Subsection 4.3.3 of your Application. However, your Application does not contain a completed Form 2 for 435.09. Please provide a complete Form 2 executed by 435.09 with all required information.

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 the submission of certified financial statements that are 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 include certified financial statements as required by section 381.986(8)(b)7., Florida Statutes, and Subsection 4.12.1 of the Application Instructions.

Please provide certified financial statements for the applicant, 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 FTG Development Inc. You have also provided separate capitalization tables for an entity or entities with ownership interests in FTG Development Inc. However, the capitalization table for FTG Development Inc. 119.0715 [REDACTED]

First, please provide a single, aggregated and fully diluted capitalization table to sum all natural person interests to 100%. The table must list all share types and interests and must show the aggregate sum of

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shares, including those associated with or flowing to any natural person owners or investors of any entities listed on the capitalization table.

Second, 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, 119.0715 [REDACTED].

Third, 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 to the Department 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.

Lastly, please provide the operating agreement between FTG Development Inc., and 119.0715 [REDACTED], to the extent that agreement pertains to the ownership or control of FTG Development, Inc.

4. Section 4.14, Applicant Acknowledgement

Section 4.14 the Application Instructions requires applicants to provide a Form 3 based on whether the applicant is a natural person or is an entity. Because the applicant, FTG Development, Inc., is an entity, you were required to submit a completed Form 3(A) (Entity Applicant Acknowledgement and Statement of Understanding).

Your Application, however, includes a completed Form 3(B) (Individual Applicant Acknowledgement and Statement of Understanding).

Please provide a completed Form 3(A).

5. Section 4.15, Citrus Preference Documentation

Section 4.15 of the Application Instructions requires applicants seeking to qualify for the citrus preference, as described in section 381.986(8)(a)3., Florida Statutes, to provide certain documents and information. Additionally, the Application Instructions require applicants to advise the Department if they are not seeking to qualify for the citrus preference.

Your Application does not contain a Section 4.15 and does not otherwise state whether the applicant is seeking to qualify for the citrus preference.

If you are seeking to qualify for the citrus preference, please provide the documentation and information requested in Section 4.15.

If you are not seeking to qualify for the citrus preference, please advise the Department accordingly.

6. Section 4.16, Pigford/BFL Application Fee Transfer Request

Emergency Rule 64ER22-9(3)(b) requires that applicants submit to the Department a non-refundable application fee in the amount of \$146,000. Section 3.1 of the Application Instructions provides that the application fee must be submitted with your Application. Additionally, Section 5.1 of the Application Instructions provides that: "An applicant that does not provide the required application fee, *after an opportunity to cure*, will not proceed to Phase Two and *will be denied without further consideration*."

You failed to provide the required application fee.

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Although the Application includes a Form 6 submitted by FTG Development, Inc., seeking to transfer the application fee from the *Pigford/BFL* batching cycle, only applicants that were deemed by the Department to be a recognized class member of *Pigford* or *BFL* may request and qualify for the transfer.

As you are aware, FTG Development, Inc. was not deemed by the Department during the *Pigford/BFL* batching cycle to be a recognized class member of *Pigford* or *BFL*.

Accordingly, please provide a cashier's check made payable to "Florida Department of Health" for the required application fee.

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