

STATE OF FLORIDA
FLORIDA DEPARTMENT OF HEALTH

RECEIVED
DEPARTMENT OF HEALTH
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OFFICE OF THE CLERK

TROPIFLORA, LLC, and
MARIJ AGRICULTURAL, INC.,

Petitioners,

v.

Case No.:

FLORIDA DEPARTMENT OF HEALTH,

Respondent.

PETITION FOR FORMAL ADMINISTRATIVE HEARING

Petitioners, TropiFlora, LLC (“TropiFlora”), and MariJ Agricultural, Inc. (“MariJ”), by and through undersigned counsel, pursuant to Rule 28-106.106, Rule 28-106.201 Florida Administrative Code, and Fla. Stat. 120.569, 120.57(1), petitions Respondent, Florida Department of Health (“DOH” or “Agency”) for a Formal Administrative Hearing challenging the Notice of Denial of Petitioners’ Application for Low-THC Cannabis Dispensing Organization Application, alleging disputed issues of material facts, and states as follows:

Parties

1. Petitioner, TropiFlora, LLC’s address is 3530 Tellevast Road, Sarasota, Florida 34243, email address is dennis@tropiflora.com, telephone number is 800-613-7520 and does not have a fax.

2. Petitioner, MariJ Agricultural, Inc.’s address is 13575 58th Street, Suite 138, Clearwater, Florida 33760, email address is rick@marijinc.com, telephone number is 727-678-4420 and has no fax number.

3. Respondent is Florida Department of Health, 2585 Merchants Row Boulevard, Tallahassee, Florida 32399. The Agency maintains no specific file or identification number for this matter to Petitioners' knowledge.

Jurisdiction

4. Pursuant to Sections 120.569, and Section 120.57, Florida Statutes, a substantially affected party may petition for an administrative hearing. The Petitioner alleges disputed issues of material facts exist, thus requiring a formal proceeding pursuant to Section 120.57(1), Florida Statutes.

5. The notice referenced and attached *infra* at Exhibit A, is agency action for purposes of Section 120.569, Florida Statutes.

Notice of Decision

6. A copy of the Agency's decision in this matter is attached hereto as **Exhibit A**. Petitioners received notice of the Agency's decision by letter dated November 23, 2015, which was received by Petitioners by mail, fax, or e-mail on November 23, 2015. However, Petitioners may have received Exhibit A subsequent to November 23, 2015.

7. Petitioner TropiFlora is substantially affected by the Agency's decision because Petitioner's application for a license to grow marijuana was denied by Respondent even though Petitioner TropiFlora timely filed its Low THC Cannabis Dispensing Organization Application on July 8, 2015 ("TropiFlora Application"). The TropiFlora Application fully disclosed that TropiFlora was essentially a wholly owned subsidiary of MariJ and thus, TropiFlora and MariJ should have been considered a consolidated group / partners for purposes of Rule 64-4.001, Florida Administrative Code and the co-applicants in fact.¹ The TropiFlora Application met all legal

¹ This interpretation of Rule 64-4.001(1), F.A.C. is not inconsistent with Hearing Officer Watkins Final Order dated November 14, 2014 in *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP. See pages 58-61. The Final Order

requirements to be scored by the Agency including the submission of Certified Financials of its parent/consolidated partner MariJ as defined in Rule 64-4.001(6) F.A.C., as well as providing evidence pursuant to Rule 64-4.001(12), F.A.C. of the “entity’s economic resources” at a specific point in time. See **Exhibits B and C**.

8. Petitioner MariJ is substantially affected by the Agency’s intended decision because Petitioner’s application for a license to grow marijuana was denied by Respondent even though Petitioner MariJ’s wholly owned subsidiary, TropiFlora, timely filed its Low THC Cannabis Dispensing Organization Application on July 8, 2015 (“TropiFlora Application”). The TropiFlora Application fully disclosed that MariJ was the parent of TropiFlora and thus, TropiFlora and MariJ should have been considered a consolidated group / partners for purposes of Rule 64-4.001(6), F.A.C. and Rule 64-4.001(12), F.A.C. and the co-applicants in fact. Further, pursuant to Rule 64-4.001(10), F.A.C., MariJ should have been considered a contractual agent of TropiFlora.

9. Further, Petitioners substantial interest will be affected as a result of the Agency’s “negotiated rulemaking” process and the selection and composition of the Negotiated Rulemaking Committee. The Negotiated Rulemaking Committee met February 4 and 5, 2015. The Negotiated Rulemaking Committee members were not prohibited from submitting Dispensing Organization Applications (“DO Applications”), despite their obvious input into the DO Application process and requirements². In fact, of the five awarded DO Licenses, four licenses were awarded to

requires that the “applicant” possess a valid certificate of registration issued by the Department of Agriculture and Consumer Services. The Final Order did not address whether or not the “applicant” nursery could satisfy the financial responsibility provisions of Fla. Stat. 381.986(5) through the submission of a certified financial statement of its consolidated partner or parent.

² Florida procurement law generally would provide that the persons who write the specifications for bids or ITN’s would be precluded from submitting a bid or ITN for the license or contract for which they provided input. In *Baywood Nurseries Co., Inc. v. DOH*, DOAH Case No.: 15-1694RP, Hearing Officer Watkins addressed the “negotiated rulemaking” process challenged by *Baywood Nurseries Co., Inc.’s* Petition in his Final Order of May 27, 2015, but was not presented with evidence or argument that in fact members of the Negotiated Rulemaking Committees would

nurseries whose principals were members of the Negotiated Rulemaking Committee. The nurseries who were awarded licenses and who also had their principals on the Negotiated Rulemaking Committee are:

- a. Robert Wallace of Chestnut Hill Tree Farm, LLC;
- b. George Hackney of Hackney Nursery Company;
- c. Pedro Freyre of Costa Nursery Farms, LLC; and
- d. Bruce Knox of Knox Nursery, Inc.

10. On November 23, 2015, the Agency award of licenses to the nurseries above constituted Final Agency Action, which substantially affected the interests of the Petitioners.

11. Petitioners' substantial interest will be affected as a result of the Agency scoring the following applications³ which did not meet the requirements of Rule 64-4.001(6), F.A.C., Rule 64-4.001(12), F.A.C. and the Final Order dated November 14, 2014 in *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP (pages 62-63) regarding the certification or attestation of forward-looking projections:

- a. McCroy's Sunny Hill Nursery's Inc.;
- b. Loop's Nursey and Greenhouses, Inc.;

be submitting DO Applications to the Agency and in fact, such nurseries, would be awarded four out of five DO Licenses. Had Hearing Officer Watkins been presented with evidence at the April 23 and 24, 2015 hearing that in fact four of five DO Licenses would be awarded to nurseries associated with committee members on November 23, 2015, he well could have found that *Baywood Nurseries Co., Inc.* met their burden of proof in its rule challenge and found that the proposed rules adopted by the Negotiated Rulemaking Committee were in fact an invalid exercises of delegated legislative authority. In fact, the Chestnut Hill Tree Farm, LLC, Hackney Nursery Company, Costa Nursery Farms, LLC and Knox Nursery, Inc. Applications were submitted on July 8, 2015, approximately 45 days after Hearing Officer Watkins Final Order of May 27, 2015.

³ Some Certified Financials and Independent Auditor's Reports, required by Rule 64-4.001(6) F.A.C., were redacted from the Agency's website and thus, the compliance with Rule 64-4.001(6) F.A.C., as well as Rule 64-4.001(12) F.A.C. cannot be determined at the time of the filing of this Petition. However, upon information and belief, no CPA licensed in the State of Florida could "certify (attest) that the applicant has the financial stability, resources and capability to maintain low-THC cannabis operations for at least a minimum of two years from approval." This requirement is in the nature of an attested projection and not a snapshot of the applicant's financial condition. None of the parties in Case No.: 14-4296RP or 15-1694RP raised this issue regarding the certification of forward-looking financials with the Hearing Officer.

- c. Keith St. Germain's Nursery;
- d. Plants of Ruskin, Inc.;
- e. DeLeon's Bromeliads, Inc.;
- f. Bill's Nursery, Inc. d/b/a Almond Tree Nursery (Southeast and Northeast);
- g. Chestnut Hill Tree Farm, LLC;
- h. Costa Nursery Farms, LLC;
- i. George Hackney, Inc. d/b/a Hackney Nursery;
- j. Nature's Way Nursery of Miami, Inc.;
- k. Alpha Foliage, Inc. (Northwest and Southwest);
- l. Redland Nursery, Inc. (Central and Southeast);
- m. Hart's Plant Nursery, Inc. (Northeast and Northwest);
- n. Sun Bulb Company, Inc.;
- o. Treadwell Nursery;
- p. Spring Oaks Greenhouse, Inc.;
- q. Knox Nursery, Inc.;
- r. San Felasco Nurseries, Inc. d/b/a Grandiflora
- s. Dewar Nursery, Inc.;
- t. Tornello Landscape Corp. d/b/a 3 Boys Farm;
- u. Perkins Nursery, Inc.; and
- v. Tree King Tree Farm, Inc.

12. Petitioners' substantial interest will be affected as a result of the Agency approving the following applications which did not meet the requirements of Rule 64-4.001(6), F.A.C., Rule 64-4.001(12), F.A.C. and the Final Order dated November 14, 2014 in *Costa Farms, LLC v. DOH*,

DOAH Case No.: 14-4296RP (pages 62-63) regarding the certification or attestation of forward-looking projections:

- a. Chestnut Hill Tree Farm, LLC;
- b. Costa Nursery Farms, LLC;
- c. George Hackney, Inc. d/b/a Hackney Nursery;
- d. Alpha Foliage, Inc. (Southwest); and
- e. Knox Nursery, Inc.

In summary, all of the DO Applications failed to meet the requirements of Rule 64-4.001(6), F.A.C., Rule 64-4.001(12), F.A.C. and the Final Order dated November 14, 2014 in *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP (pages 62-63) regarding the certification or attestation of forward-looking projections and therefore, should be excluded from scoring or approval.

Ultimate Facts that Warrant Reversal or Modification of the Agency's Intended Decision

13. Petitioners' Application was complete as compared to other Applications submitted to the Agency which were scored and approved. The Petitioners' Application was not scored based upon an erroneous interpretation of Rule 64-4.001(6) F.A.C. and Rule 64-4.001(12) F.A.C. by the Agency. Petitioners contend that this ultimate fact would require reversal of the Agency's proposed action.

14. The Agency permitted the scoring of the following Applications which did not meet the requirements of Rule 64-4.001(6), F.A.C., Rule 64-4.001(12), F.A.C. and the Final Order dated November 14, 2014 in *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP (pages 62-63) regarding the certification or attestation of forward-looking projections:

- a. McCroy's Sunny Hill Nursery's Inc.;

- b. Loop's Nursery and Greenhouses, Inc.;
- c. Keith St. Germain's Nursery;
- d. Plants of Ruskin, Inc.;
- e. DeLeon's Bromeliads, Inc.;
- f. Bill's Nursery, Inc. d/b/a Almond Tree Nursery (Southeast and Northeast);
- g. Chestnut Hill Tree Farm, LLC;
- h. Costa Nursery Farms, LLC;
- i. George Hackney, Inc. d/b/a Hackney Nursery;
- j. Nature's Way Nursery of Miami, Inc.;
- k. Alpha Foliage, Inc. (Northwest and Southwest);
- l. Redland Nursery, Inc. (Central and Southeast);
- m. Hart's Plant Nursery, Inc. (Northeast and Northwest);
- n. Sun Bulb Company, Inc.;
- o. Treadwell Nursery;
- p. Spring Oaks Greenhouse, Inc.;
- q. Knox Nursery, Inc.;
- r. San Felasco Nurseries, Inc. d/b/a Grandiflora
- s. Dewar Nursery, Inc.;
- t. Tornello Landscape Corp. d/b/a 3 Boys Farm;
- u. Perkins Nursery, Inc.; and
- v. Tree King Tree Farm, Inc.

15. Petitioners' approved the following DO Applications, which did not meet the requirements of Rule 64-4.001(6), F.A.C., Rule 64-4.001(12), F.A.C. and the Final Order dated

November 14, 2014 in *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP (pages 62-63) regarding the certification or attestation of forward-looking projections:

- a. Chestnut Hill Tree Farm, LLC;
- b. Costa Nursery Farms, LLC;
- c. George Hackney, Inc. d/b/a Hackney Nursery;
- d. Alpha Foliage, Inc. (Southwest); and
- e. Knox Nursery, Inc.

16. The Agency erroneously issued DO Licenses to the following nurseries whose principals were on the Negotiated Rulemaking Committee and did not disclose in writing to the Agency or other Committee members that they intend to submit DO Applications on or about July 8, 2015:

- a. Robert Wallace of Chestnut Hill Tree Farm, LLC;
- b. George Hackney of Hackney Nursery Company;
- c. Pedro Freyre of Costa Nursery Farms, LLC; and
- d. Bruce Knox of Knox Nursery, Inc.

Petitioners contend that this ultimate fact would require reversal of the Agency's proposed action.

17. Petitioner reserves the right to amend this Petition to assert additional ultimate facts should they become apparent during discovery.

Disputed Issues of Material Fact

18. Petitioner contends that the following issues of material fact are in dispute:

- a. Whether the Agency followed its Rules and Florida Law regarding the **review and scoring of all DO Applications** and specifically Rule 64-4.001(1), F.A.C., Rule 64-4.001(6), F.A.C., Rule 64-4.001(12), F.A.C. and the Final Order dated November

14, 2014 in *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP (pages 62-63) regarding the certification or attestation of forward-looking projections as required by Fla. Stat. 381.986(5)(b)(5). The Agency should not have scored any DO Applications as no DO Applications complied with *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP (pages 62-63).

b. Whether the Agency followed its Rules and Florida Law regarding the issuance of DO Licenses of applicants who did not meet Rule 64-4.001(1), F.A.C., Rule 64-4.001(6), F.A.C., Rule 64-4.001(12), F.A.C. and the Final Order dated November 14, 2014 in *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP (pages 62-63) regarding the certification or attestation of forward-looking projections.

c. Whether the Agency violated its Rules and Florida Law when it accepted DO Applications from nurseries whose principals were members of the Negotiated Rule Making Committee and issued licenses to such applicants.

d. Whether the Agency should have scored the Petitioners' Application in that there was not demonstrable difference between Petitioners' application and those which were scored and DO Licenses issued to.

e. Whether Rule 64-4.001, F.A.C., Rule 64-4.002, F.A.C., Rule 64-4.004, F.A.C. and Rule 64-4.005, F.A.C. constitute an invalid exercise of delegated legislative authority as applied by the Agency in that the Rules:

i. Are vague, fail to establish adequate standards for the Agency decisions or vests an unbridled discretion in the Agency to the extent that the Rules or the interpretation of the Rules by the Agency did not prohibit members of the Negotiated Rulemaking Committee from submitting DO Applications.

ii. Were negotiated and applied so as to only result in members of the Negotiated Rulemaking Committee received DO Licenses in that four of five licenses were awarded to applicants whose principals were members of the Committee thus, vested unbridled discretion in the Agency.

iii. Are arbitrary or capricious as applied and when applied are not supported by logic or necessary facts.

f. Whether the interpretation of the Rules by the Agency to allow members of the Negotiated Rulemaking Committee to submit DO Applications and to be awarded such licenses after the time for the Petitioners to institute a rule challenge violated Article I, Section 21, Fla. Const. by denying Petitioners access to courts.

g. Whether the Petitioner is entitled to a comparative review hearing with regards to DO application in southwest Florida. See *Bio-Med. Applications of Clearwater, Inc. v. Dept. of Health & Rehab Svcs., Office of Cmty. Med Facilities*, 370 So. 2d 19 (Fla. 2d DCA 1979 and the Final Order dated November 14, 2014 in *Costa Farms, LLC v. DOH*, DOAH Case No.: 14-4296RP.

19. Petitioner reserves the right to amend this Petition to assert additional ultimate facts should they become apparent during discovery.

Rules and Statutes that require Reversal or Modification of the Agency’s Denial

20. The following Rules and Statutes require reversal or modification of the Agency’s denial:

a. Rule 64-4.001(1), F.A.C. to the extent that the Rule fails to define “nursery”;

b. Rule 64-4.001(6), F.A.C to the extent that the Agency has accepted and scored DO Applications which did not contain financial statements that were prepared in accordance with the Generally Accepted Auditing Standard (GAAS);

c. Rule 64-4.001(12), F.A.C. to the extent that the Agency accepted and scored DO Applications which (1) did not contain a presentation of financial data that shows actual or anticipated financial position of the applicant and thus failed to communicate the applicants economic resources at a point in time; and (2) which fail to demonstrate the results of operations in cash flows in accordance with generally accepted accounting principles or a comprehensive basis of accounting other than generally accepted accounting principles; and (3) failed to contained a certification or attestation by a certified public accountant that the Applicant can maintain operations for the 2-year approval cycle;

d. AICPA AU Section 150, AICPA SAS No. 95, AICPA SAS No. 98, AICPA SAS No. 102, AICPA SAS No.105, AICPA SAS No.115 to the extent that the agency did not require that applicants submit presentation of financial data in accordance with general accepted accounting principles as required by Rule 64-04.001(12), which incorporates the AICPA AU Section and Statements of Standards by reference, thus the Agency accepted and scored applications that did not comply with Rule 64-04-001(12);

e. Section 381.986(5)(b)(5), Fla Stat. to the extent that the Agency accepted, scored, and approved DO Applications which did not contain a certification and attestation by a certified public accountant that the DO Applicant possessed the

financial ability to maintain operations for the duration of the 2-year approval cycle submitted by the applicants with their DO Applications;

- f. Rule 61H1-20.008, F.A.C. *repealed* November 11, 2015, but in effect on July 8, 2015, the due date of the DO Applications, *See Supra*;
- g. Section 120.52(8), Fla Stat., *See supra*;
- h. Fifth Amendment to the United States Constitution, *See Supra*;
- i. Fourteenth Amendment to the United States Constitution, *See Supra*;
- j. Article I, Section 21, Fla. Const., *See Supra*.

Statement of Relief Sought by Petitioners

21. Petitioners request the following relief:

- a. the Agency declare the DO Application process void;
- b. the Agency require the resubmission of all DO Applications excluding those Applications submitted by nurseries having principals on the Negotiated Rule Making Committee without any additional fees from the applicants;
- c. the Agency throw out all DO Applications submitted for failing to contain a certification from a certified public accountant that the Applicant possesses the ability the maintain operations for the duration of the 2-year approval cycle;
- d. the Agency require that each DO applicant, its parent entity and/or others responsible to certain specified financial obligations of the DO applicant submit Applications including Financial Statements that have been audited in accordance with Generally Accepted Auditing Standards by a Certified Public Accountant licensed pursuant to Chapter 473, Fla Stat. as required by Rule 64-4.001(6), F.A.C.

e. that the financial statements submitted by Petitioners with the DO Application be declared to be sufficient to comply with the laws, rules and regulations governing the DO Applications;

f. that the Petitioner's Application be scored;

g. A comparative review hearing regarding the Petitioners' Application, *See Gulf Court Nursing Center v. Dep't of HRS*, 483 So. 2d 700, 705 (Fla. 1st DCA 1985);

h. for such other relief as may be appropriate.

WHEREFORE, Petitioners, TropiFlora, LLC, and MariJ Agricultural, Inc, request:

a. that this Petition be forwarded to the Division of Administrative Hearings for the assignment of an Administrative Law Judge to conduct a Formal Administrative proceedings;

b. that a Recommended Order and Final Order be entered dismissing the Agency's action, and that recommended and final orders be entered in accordance with the relief requested herein and award the relief requested herein.

DATED this 10th day of December 2015.

Respectfully Submitted,

The Law Offices of
STEVEN R. ANDREWS, P.A.
822 Monroe Street
Tallahassee, Florida 32303
Tel: (850) 681-6416 / Fax: (850) 681-6984



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dlepp@brdwlaw.com (Secondary)
brdwlaw@hotmail.com (Secondary)

Counsel for Petitioners

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that a true and correct copy of the above and foregoing has been hand delivered on December 10, 2015, to

Agency Clerk
Department of Health
2585 Merchants Row, Blvd.
Prather Building
Suite 110, Tallahassee, FL 32399



RYAN J. ANDREWS

Mission:

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



Vision: To be the Healthiest State In the Nation

Rick Scott
Governor

John H. Armstrong, MD, FACS
State Surgeon General & Secretary

November 23rd, 2015

Tropiflora, LLC
3530 Tallevast Rd
Sarasota, FL 34243

In Re: Low-THC Cannabis Dispensing Organization Application

Dear Applicant:

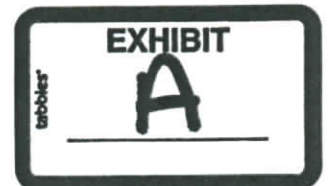
On July 8, 2015 the Department of Health (Department) received your application to become a dispensing organization under section 381.986, Florida Statutes. After a preliminary review of your application, the Department notified you on August 6, 2015 that your application did not contain certified financial statements that met the requirements of section 381.986(5)(b)1., Florida Statutes, and Chapter 64-4, of the *Florida Administrative Code*.

Section 381.986(5), Florida Statutes, requires that an applicant for a dispensing organization must be able to demonstrate its "financial ability to maintain operations for the duration of the 2-year approval cycle, including the provision of certified financials to the department." Rule 64-4.001, of the *Florida Administrative Code*, defines "certified financials" as "[f]inancial statements that have been audited in accordance with Generally Accepted Auditing Standards (GAAS) by a Certified Public Accountant, licensed pursuant to Chapter 473, F.S." Rule 64-4.001, of the *Florida Administrative Code*, defines an "applicant" as "[a] nursery that meets the requirements of Section 381.986(5)(b)1., F. S., applies for approval as a dispensing organization, and identifies a nurseryman as defined in Section 581.011, F. S., who will serve as the operator."

In the August 6, 2015 letter to you, the Department requested that you cure the deficiency in your application by submitting certified financial statements of the applicant itself – Tropiflora, LLC. In a response dated August 12, 2015 you did not cure the deficiency and therefore, failed to meet the mandatory requirements of section 381.986(5)(b), Florida Statutes. Accordingly, your application is denied.

Sincerely,

Dr. Celeste Philip
Deputy Secretary for Health



CB/cc
Cc: Office of the General Counsel

NOTICE OF RIGHTS

Florida Department of Health
Office of Compassionate Use
4052 Bald Cypress Way, Bin #A-06
Tallahassee, FL 32399-3265
PHONE: 850/245-4444 • FAX 850/245-4748

www.FloridaHealth.gov
TWITTER: HealthyFLA
FACEBOOK: FLDepartmentofHealth
YOUTUBE: fldoh
FLICKR: HealthyFla
PINTEREST: HealthyFla

Tropiflora, LLC
November 23rd, 2015

This notice is agency action for purposes of section 120.569, Florida Statutes. A party whose substantial interest is affected by this action may petition for an administrative hearing pursuant to sections 120.569 and 120.57, Florida Statutes. A petition must be filed in writing and must be received by the Agency Clerk within twenty-one (21) days from receipt of this notice. The petition may be mailed to the Agency Clerk, Department of Health, 4052 Bald Cypress Way, BIN #A-02, Tallahassee, FL 32399-1703; hand delivered to the Agency Clerk, Department of Health, 2585 Merchants Row Blvd., Prather Building, Suite 110, Tallahassee, FL; or sent by facsimile to (850) 413-8743. Such petition must be filed in conformance with Florida Administrative Code Rules 28-106.201 or 28-106.301, as applicable.

Mediation is not available.

Failure to file a petition within 21 days shall constitute a waiver of the right to a hearing on this agency action.



TropiFlora LLC

Department of Health, Office of Compassionate Use

Financials for Approval as a Dispensing Organization

Application Due Date: July 8th 2015

Time: 5pm Eastern Standard Time

Address:

4052 Bald Cypress Way

Tallahassee, FL 32399-1703

FINANCIALS

TropiFlora LLC

7216 21st Street East Sarasota, FL 34243



EXHIBIT

B

Financials

1. Certified Financials issued within the immediately preceding 12 months.
Included.
2. Applicant (Tropiflora, LLC) corporate structure.
Included.
3. All owners of the (Applicant) Tropiflora, LLC.
Included.
4. All individuals and entities that can exercise control of Tropiflora, LLC.
All individuals are included, they are no other entities.
5. All individuals and entities that share in the profits and losses of Tropiflora, LLC.
All individuals are included that share in the profits and losses of Tropiflora, LLC, there are no other entities.
6. All subsidiaries of Applicant (Tropiflora, LLC).
There are no other subsidiaries.
7. Any other individuals or entities for which the Applicant's (Tropiflora, LLC) is financially responsible.
There are no other individuals or entities, other than those stated within these financials for which Troiflora, LLC is financially responsible.
8. Assets of the Applicant (Tropiflora, LLC) Subsidiaries.
Not Applicable
9. Liabilities of the Applicant (Tropiflora, LLC) Subsidiaries.
Not Applicable
10. Any pending lawsuits to which the Applicant (Tropiflora, LLC), is a party.
There are no pending law suits to which Tropiflora, LLC is a party.
11. Any lawsuits within the past 7 years to which the Applicant (Tropiflora, LLC) was a party.
Not Applicable
12. All financial obligations of Applicant (Tropiflora, LLC), that are not listed as a "liability" in the Certified Financials.
There are no other financial obligation of Tropiflora, LLC that are noty listed in the certified financials.
13. A projected two year budget.
Included.
14. Specific reference to sufficient assets available to support the Dispensing Organization (Tropiflora LLC) Activities.
Included.


Statutory Declaration 7/8/2015

STATUTORY DECLARATION

I, .. Joseph Sansonetti
13575 58st N
Clearwater FL 33607
Business man, and Father

Do solemnly and sincerely declare that, I have no lawsuits, Judgements, or Bankruptcies pending or anticipated.

I make this solemn declaration by virtue of the *Statutory Declarations Act 1959* as amended and subject to the penalties provided by that Act for the Making of false statements in statutory declarations, conscientiously believing The statements contained in this declaration to be true in every particular.



Joseph Sansonetti

Declared at _Saint Petersburg FL_

On This day of June 8th 2015
Before me (in the presence of),

Isaella Cox



Saint Petersburg FL

_____ LEFT BLANK _____

Marij Agricultural, Inc.
13575 58th Street North
Suite 138
Clearwater, Florida 33607

July 7, 2015

Office of Compassionate Use
4052 Esplanade Way, Bin #A-06
Tallahassee, FL 32399-3265

Dear Director Nelson:

As President and CEO of Marij Agricultural, Inc., a closely-held corporation, incorporated under the laws of the state of Florida, I hereby state that the company is owned by the following shareholders:

Joseph Sansnetti

Deborah J. Pertile

Kim Edwards

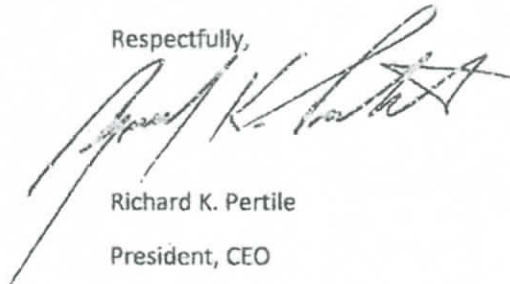
 J.S. 500

William Abbott

And, myself. As shareholders and owners of Marij Agricultural, Inc., each shareholder has successfully been screened for a Level 2 background check. Their results are found in Attachment 7 of the Application.

This statement is made pursuant to Florida law and Rule 64-4.

Respectfully,



Richard K. Pertile

President, CEO

MariJ Agricultural, Inc.

Financial Statements

September 30, 2014

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INDEPENDENT AUDITORS' REPORT

Board of Directors
MariJ Agricultural, Inc.
Clearwater, Florida

Report on Financial Statements

We have audited the accompanying financial statements of MariJ Agricultural, Inc. (the "Company"), which comprise the balance sheet as of September 30, 2014 and the related statements of operations, changes in shareholders' equity, and cash flows for the period February 5, 2014 to September 30, 2014, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

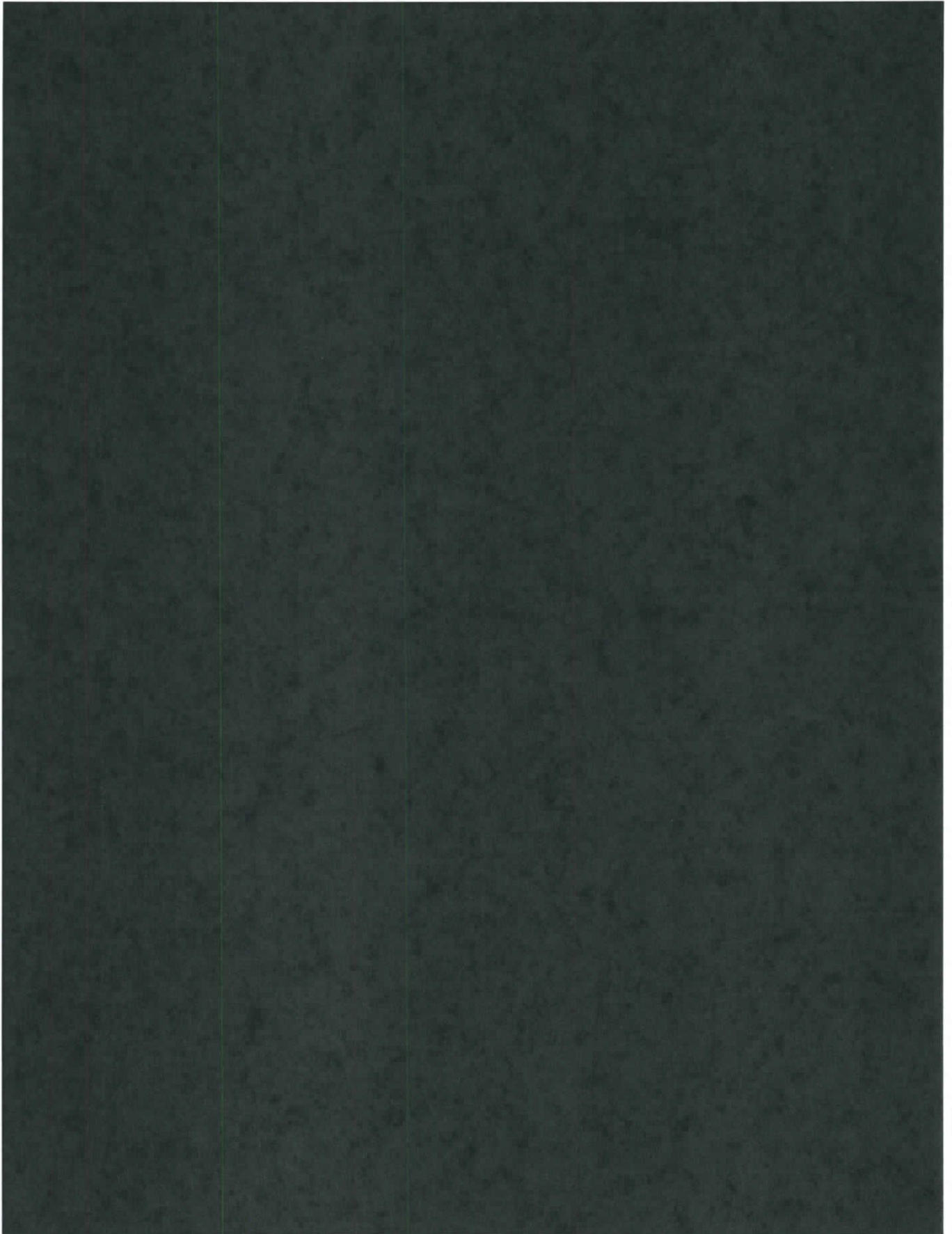
Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of MariJ Agricultural, Inc. as of September 30, 2014, and the results of its operations and its cash flows for the period February 5, 2014 to September 30, 2014 in accordance with accounting principles generally accepted in the United States of America.

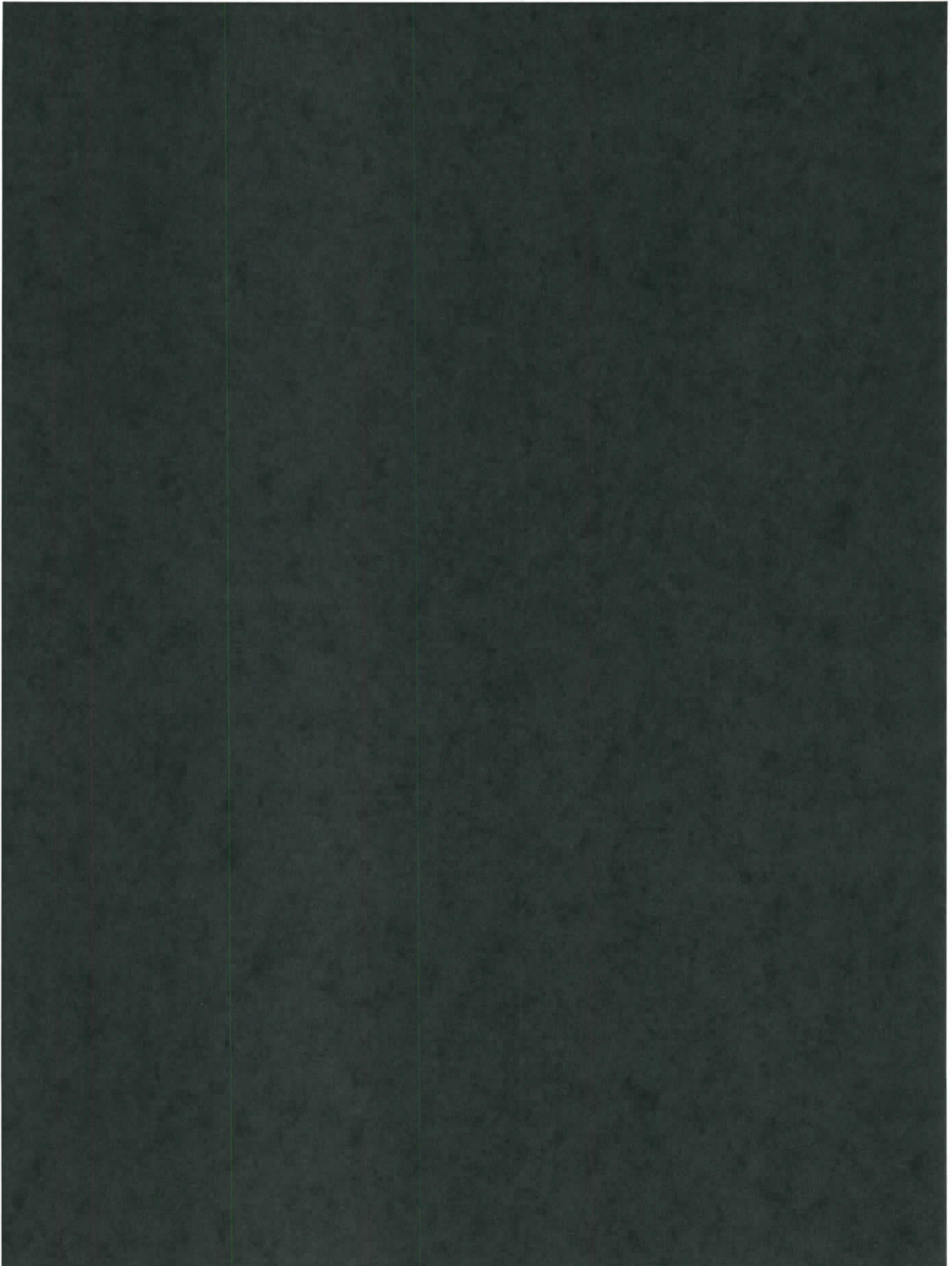
Warren Averett, LLC

Tampa, Florida
July 6, 2015

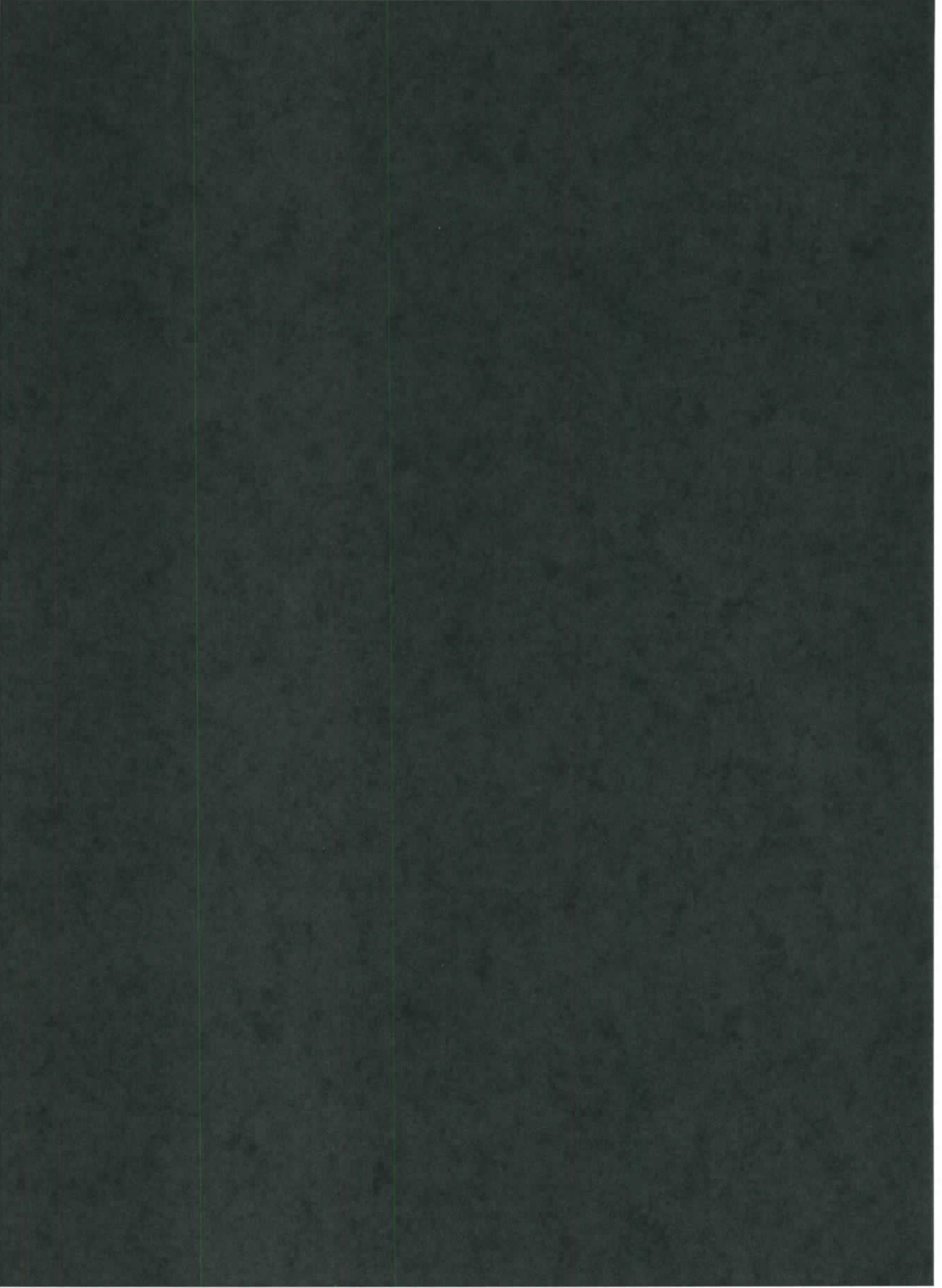
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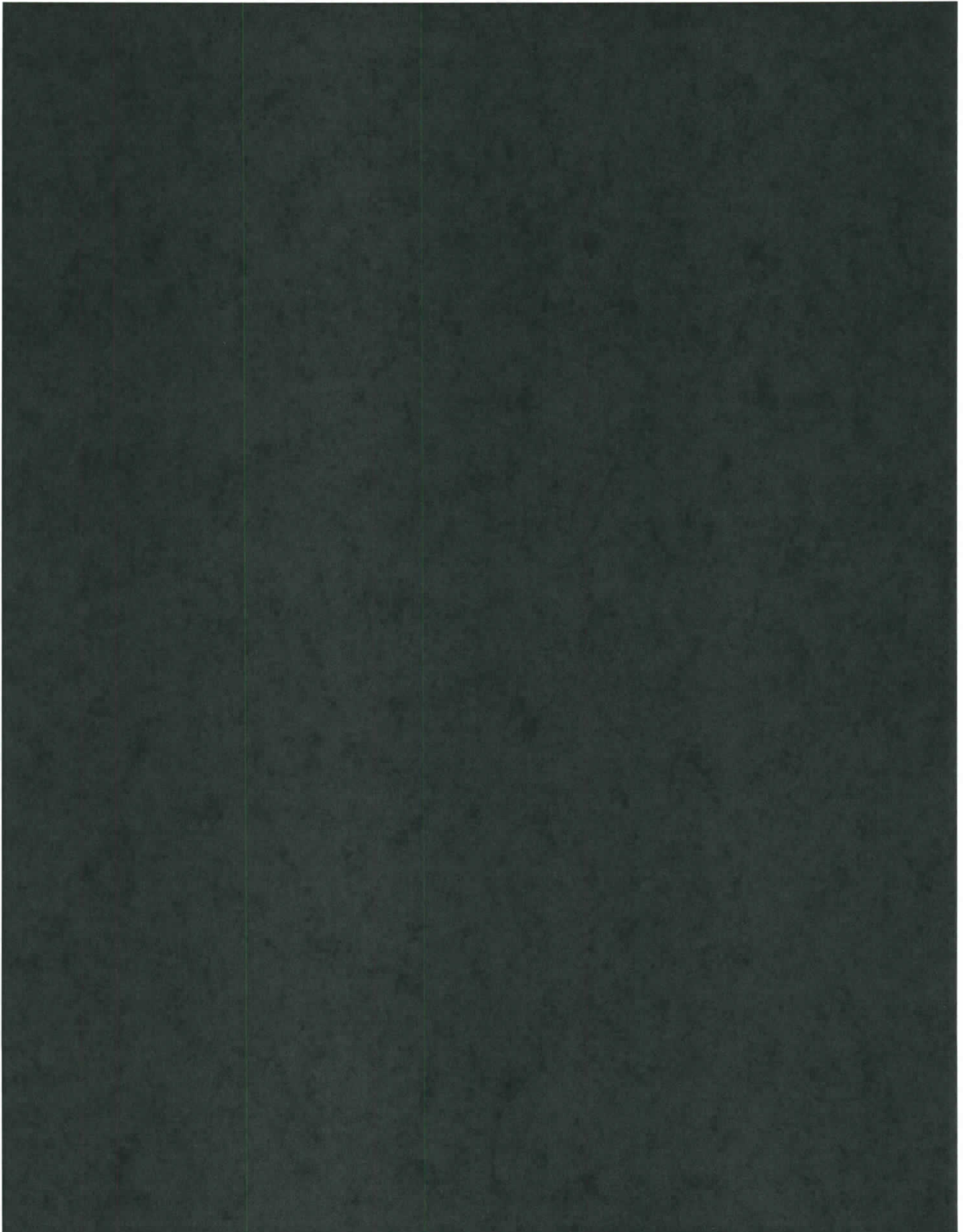


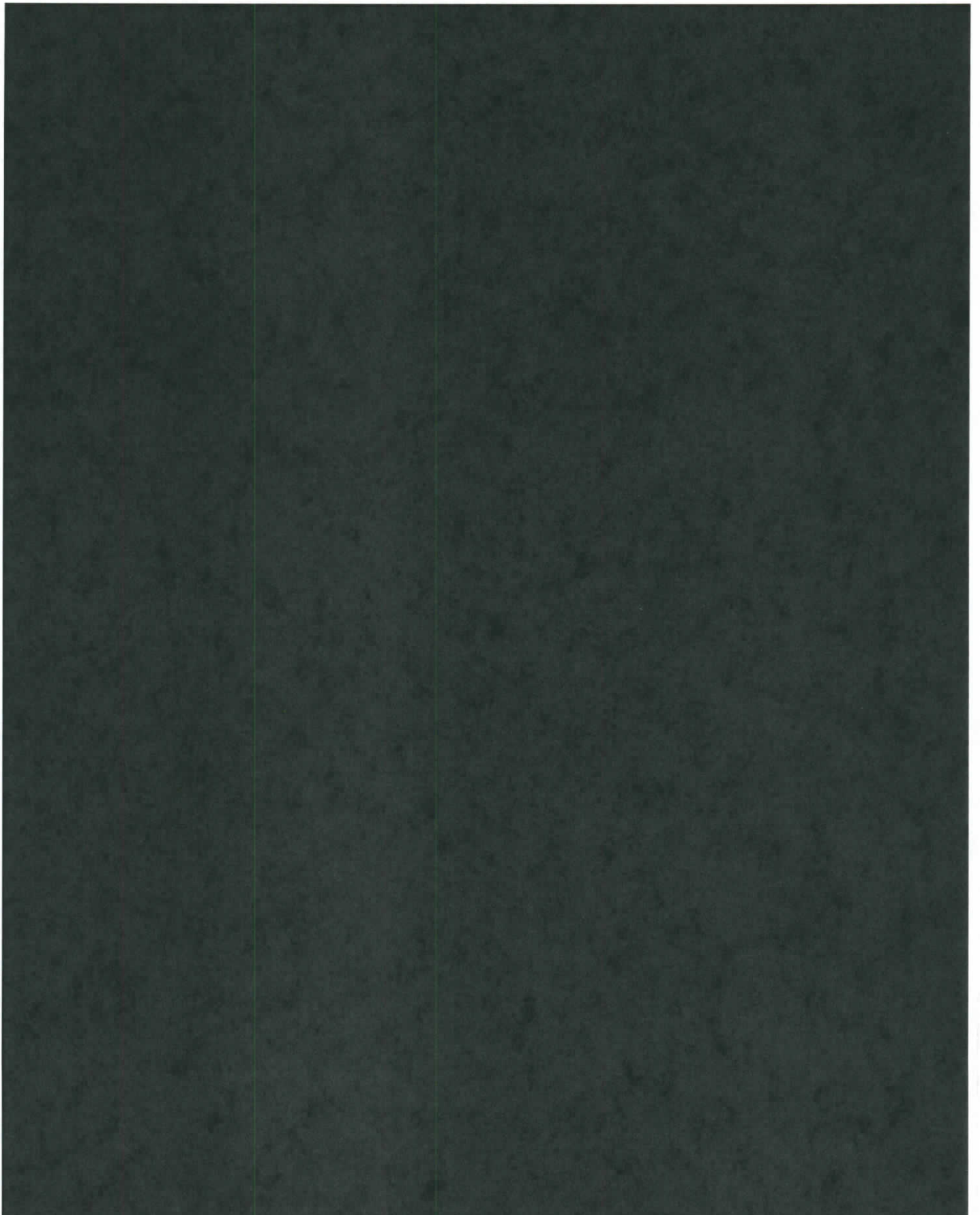
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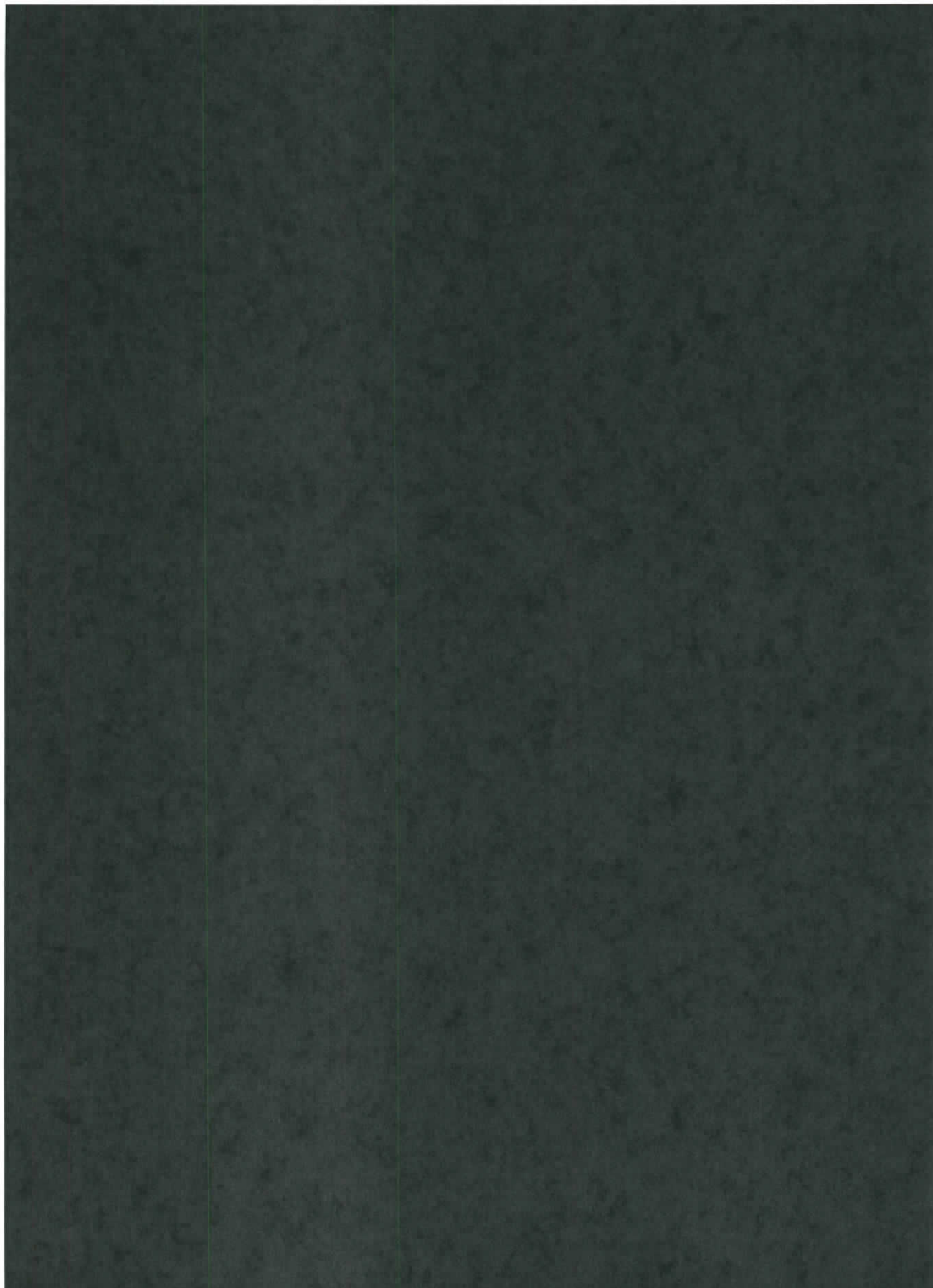
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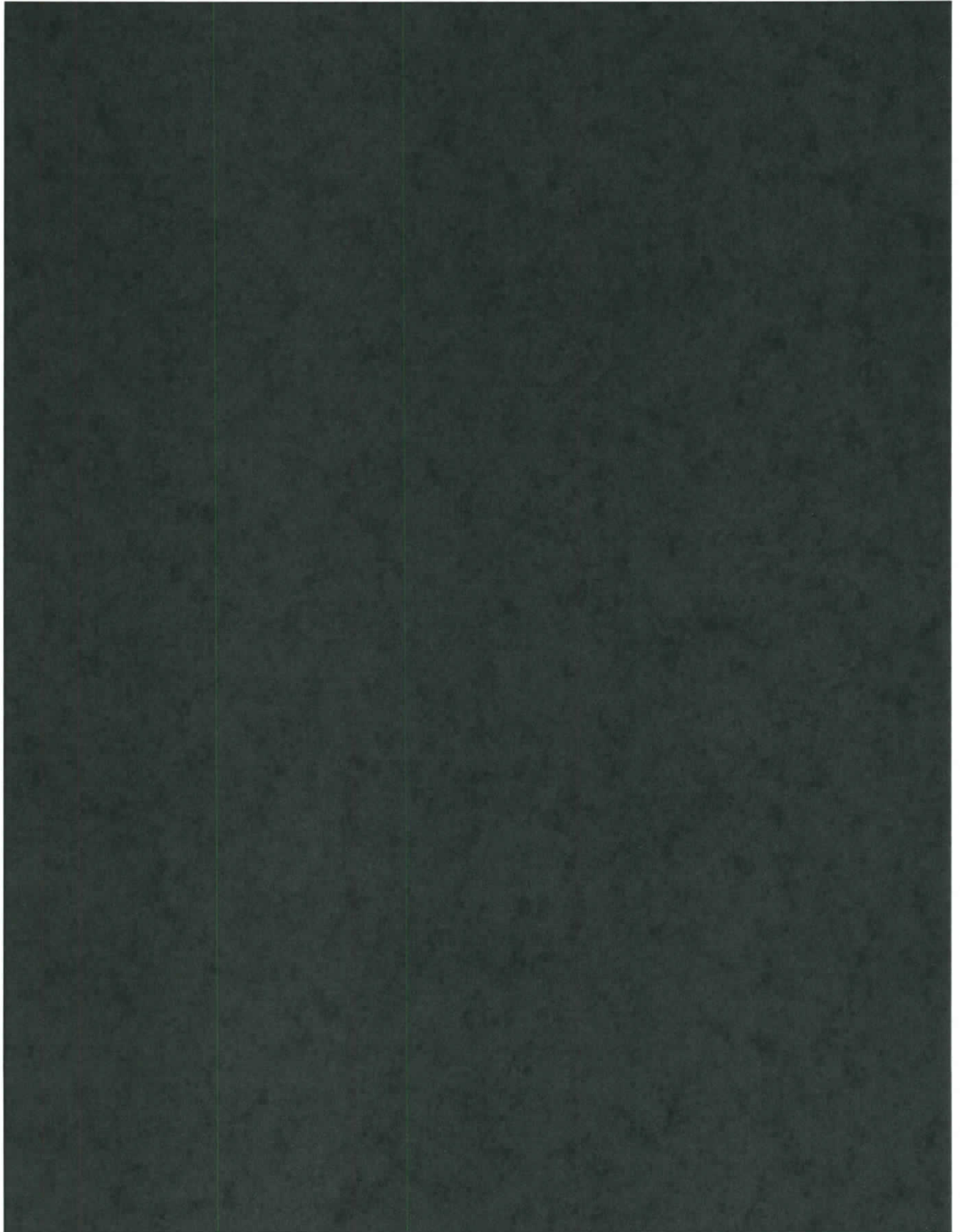




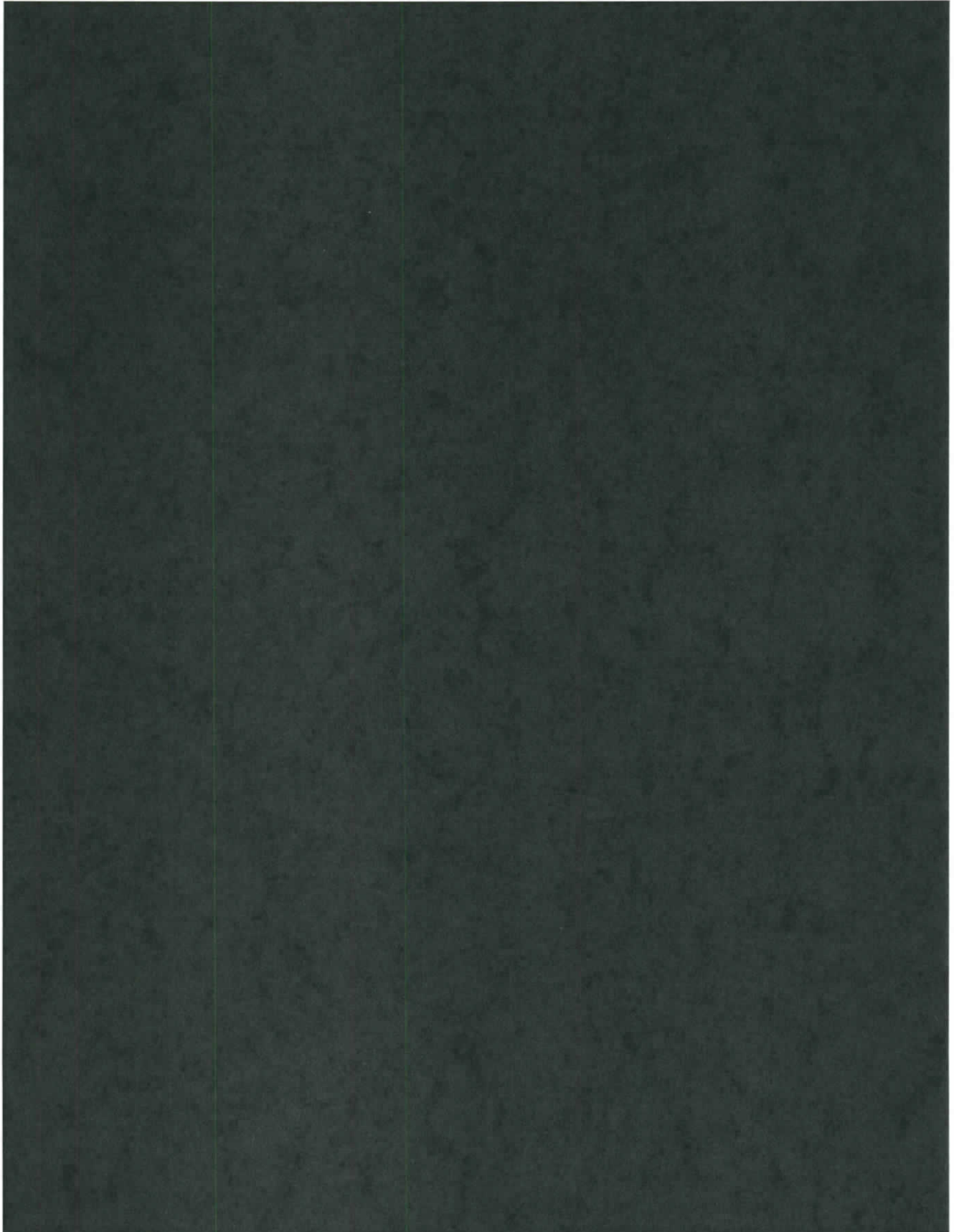
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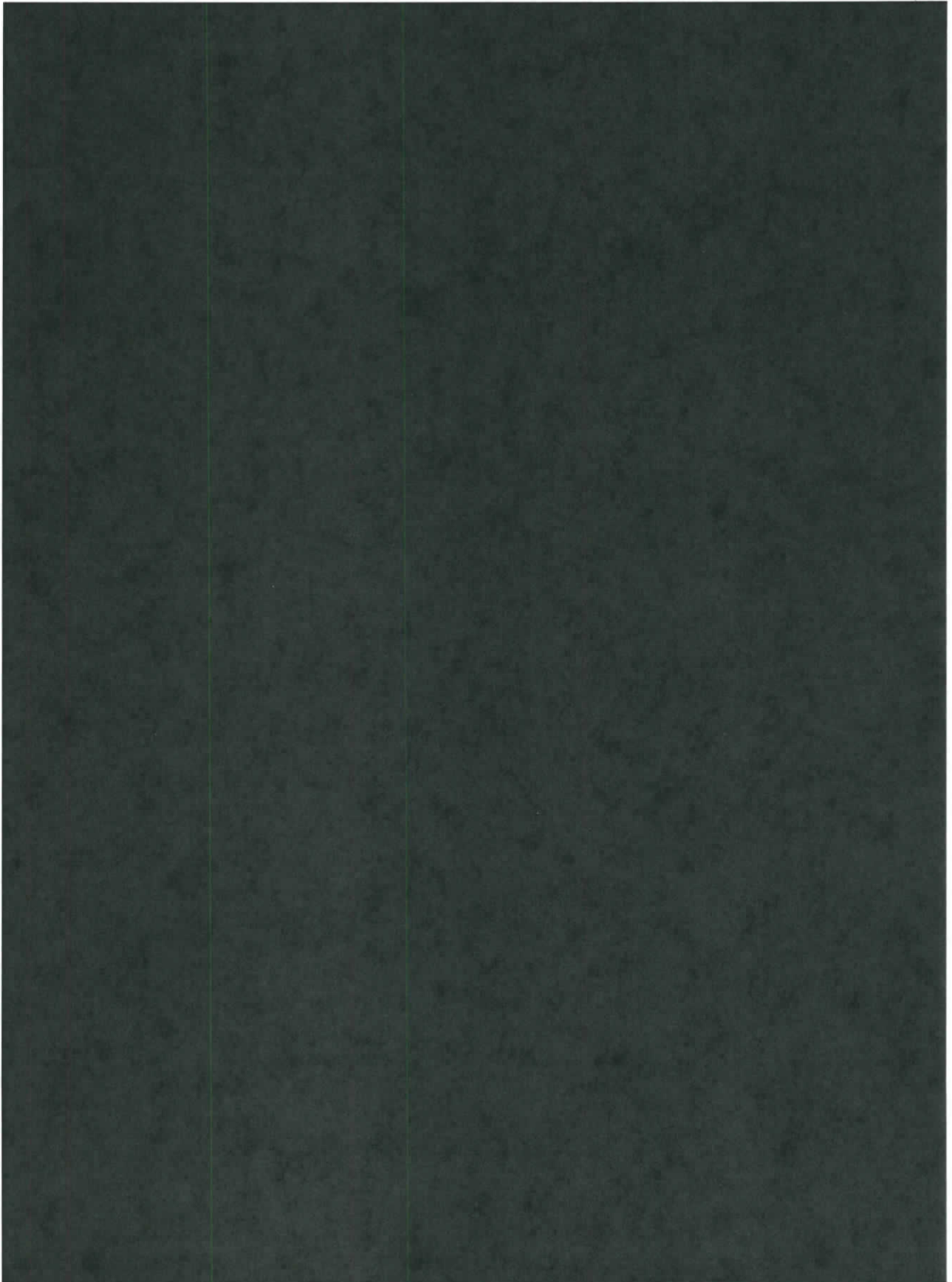
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Redacted pursuant to Fla. Stat. 815.045 and 381.83



MariJ Agricultural, Inc.

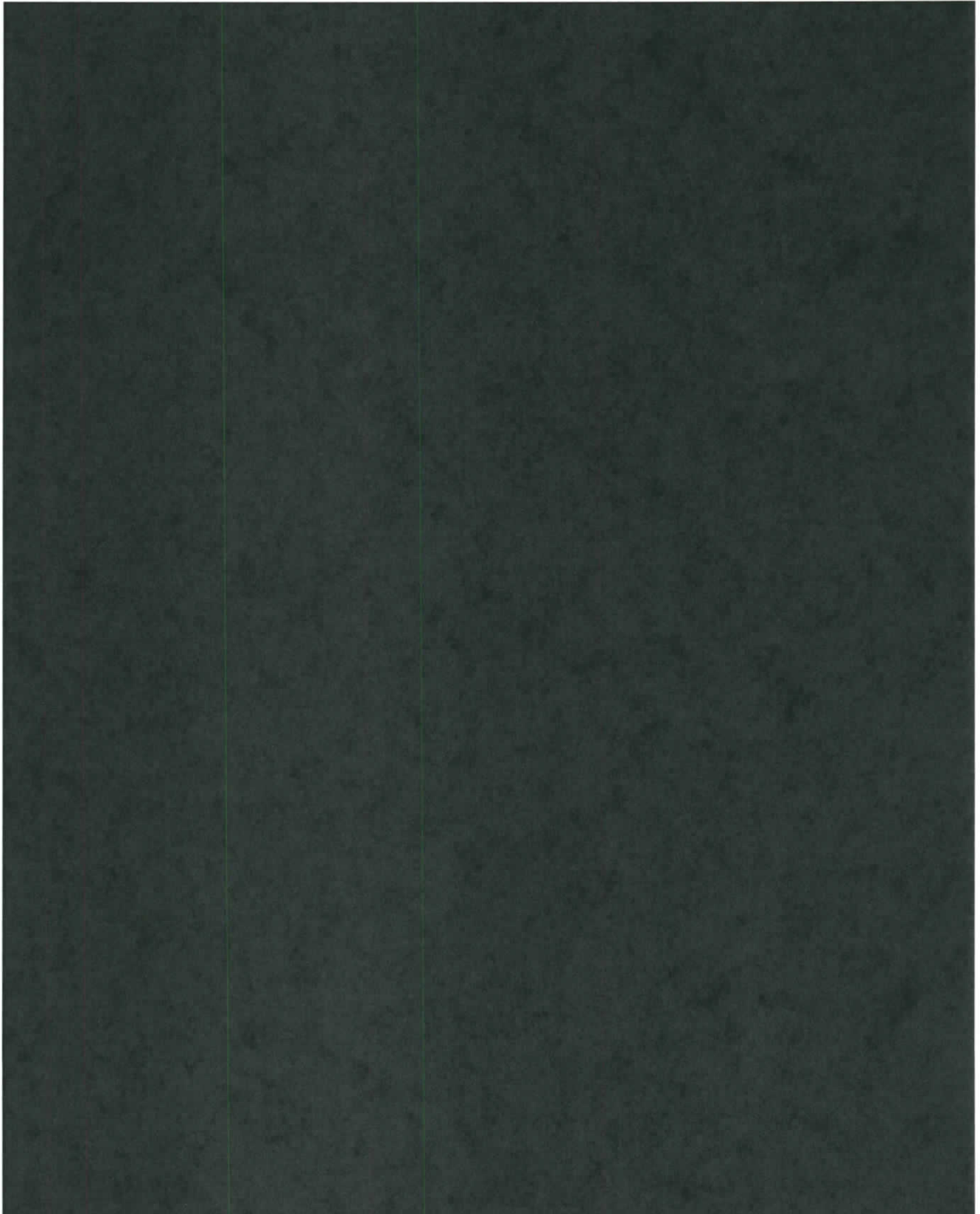
Financial Statements

June 25, 2015

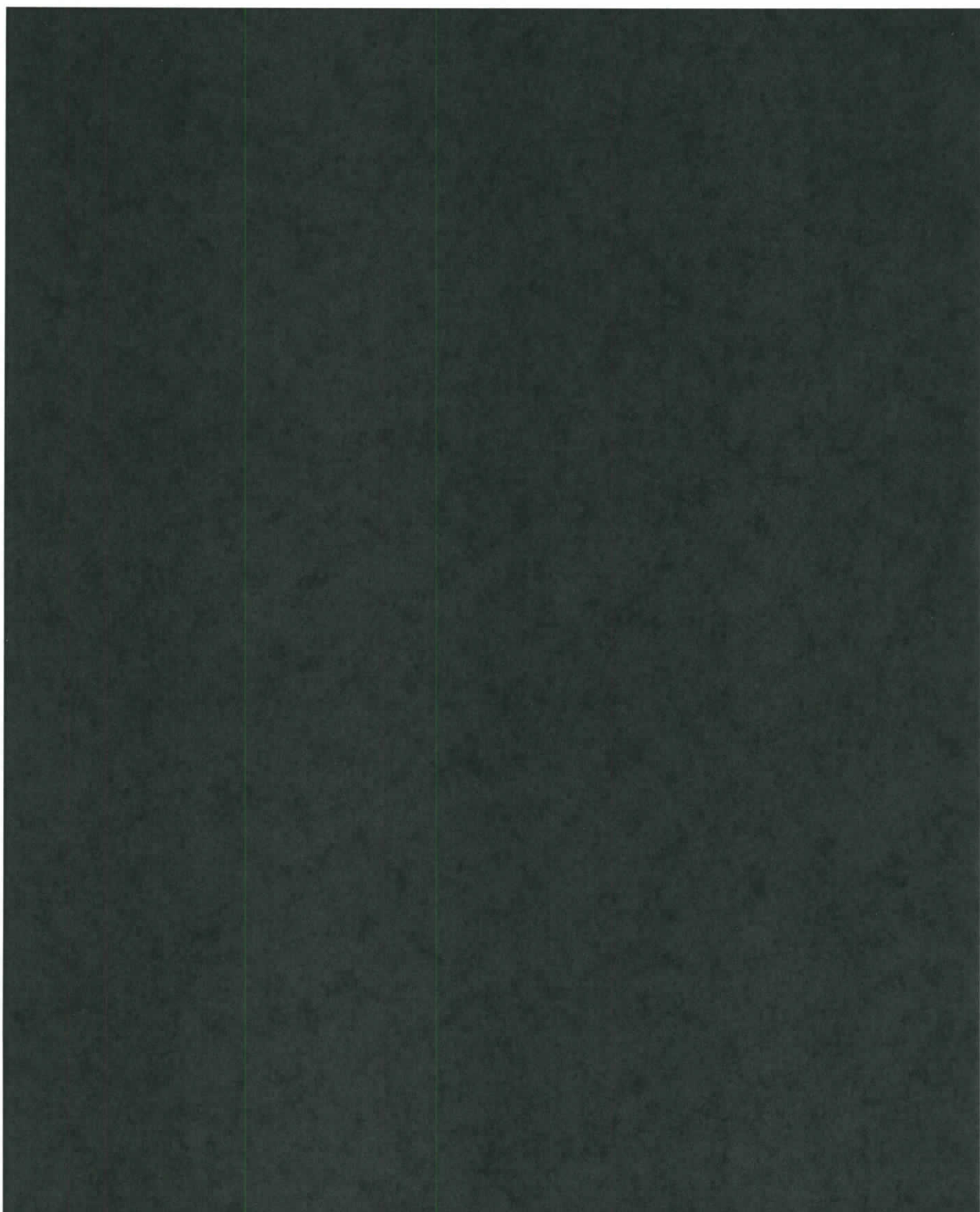
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Redacted pursuant to Fla. Stat. 815.045 and 381.83



MariJ Agricultural, Inc.

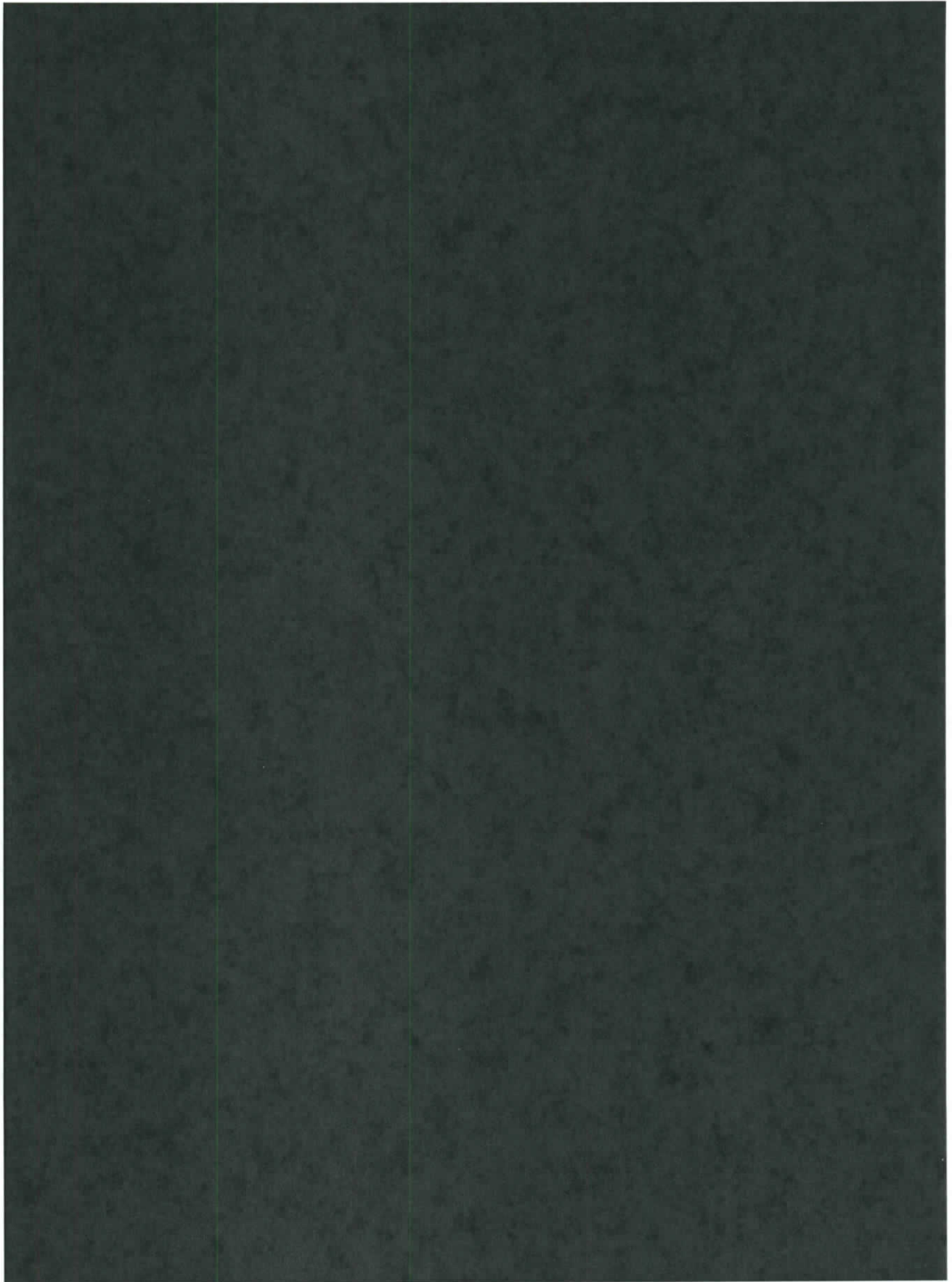
Financial Statements

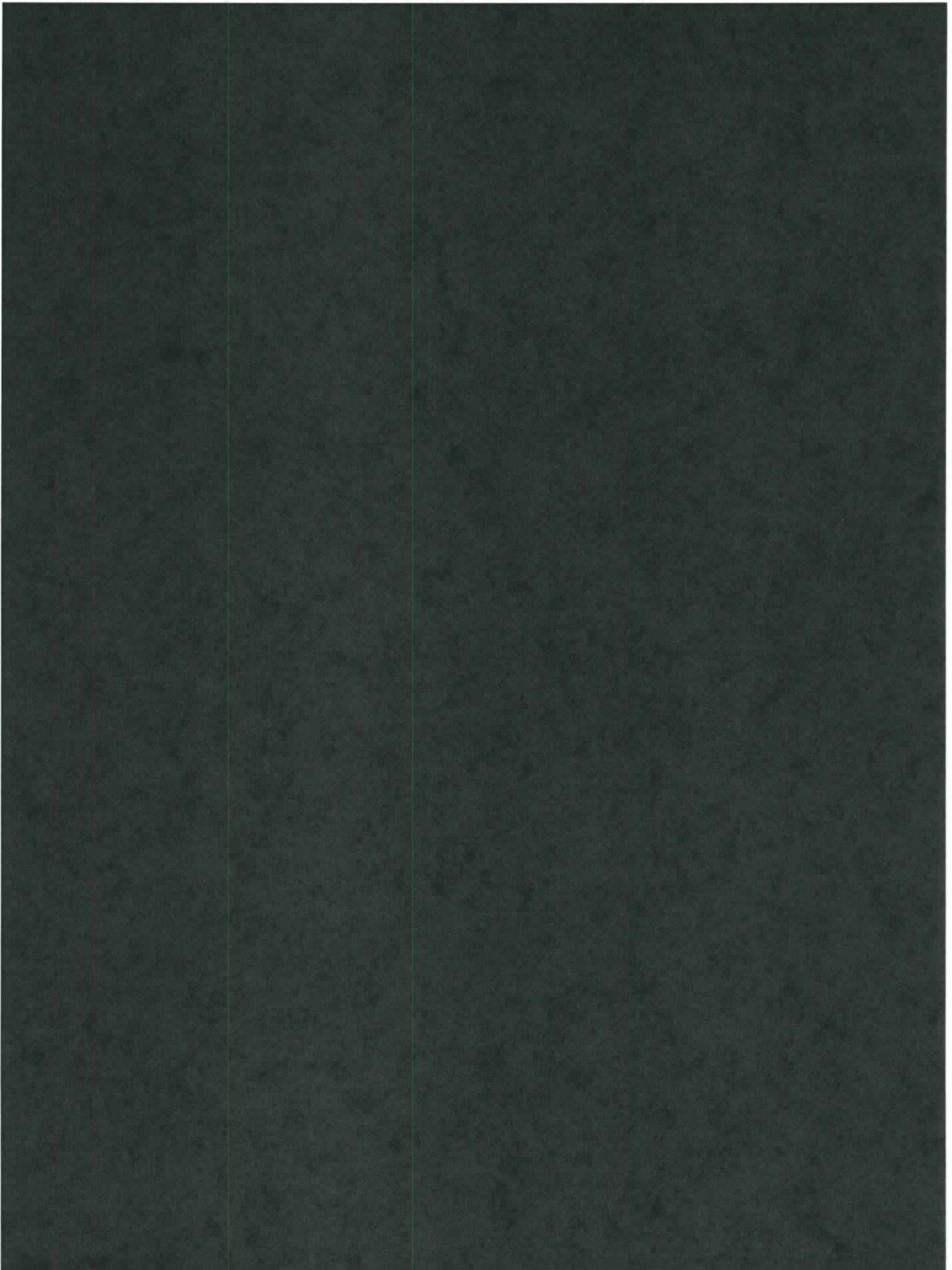
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July 8, 2015

FLORIDA DEPARTMENT OF STATE
Division of Corporations

TROPIFLORA, L.L.C.
7216 21ST STREET EAST
SARASOTA, FL 34243

Re: Document Number L02000019898

The Articles of Amendment to the Articles of Organization for TROPIFLORA, L.L.C., a Florida limited liability company, were filed on July 7, 2015.

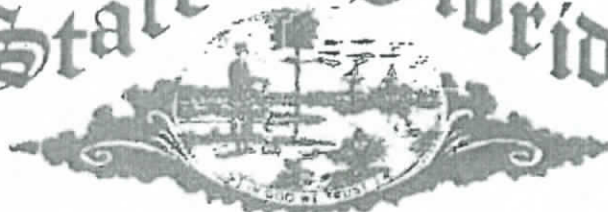
The certification you requested is enclosed. To be official, the certification for a certified copy must be attached to the original document that was electronically submitted and filed under FAX audit number H15000166082.

Should you have any questions regarding this matter, please telephone (850) 245-6051, the Registration Section.

Shelia H Young
Regulatory Specialist II
Division of Corporations

Letter Number: 115A00014188

State of Florida



Department of State

I certify from the records of this office that TROPIFLORA, L.L.C., is a limited liability company organized under the laws of the State of Florida, filed on July 29, 2002.

The document number of this company is L02000019898.

I further certify that said company has paid all fees due this office through December 31, 2014, that its most recent annual report was filed on April 28, 2014, and its status is active.

I further certify that this is an electronically transmitted certificate authorized by section 15.16, Florida Statutes and authenticated by the code, 115A00014188-070815-L02000019898-1/1, noted below.

I further certify that said limited liability company has not filed Articles of Dissolution.

Authentication Code: 115A00014188-070815-L02000019898-1/1

Given under my hand and the
Great Seal of the State of Florida,
at Tallahassee, the Capital, this the
Eighth day of July, 2015



Ken Detzner
Ken Detzner
Secretary of State

FLORIDA DEPARTMENT OF STATE
DIVISION OF CORPORATIONS



Detail by Entity Name

Florida Limited Liability Company

TROPIFLORA, L.L.C.

Filing Information

Document Number	L02000019898
FEI/EIN Number	591875808
Date Filed	07/29/2002
State	FL
Status	ACTIVE
Last Event	LC AMENDMENT
Event Date Filed	07/07/2015
Event Effective Date	NONE

Principal Address

7216 21ST STREET EAST
SARASOTA, FL 34243

Changed: 07/07/2015

Mailing Address

7216 21ST STREET EAST
SARASOTA, FL 34243

Changed: 07/07/2015

Registered Agent Name & Address

PERTILE, DEBORAH J
2810 PHILLIPPE PARKWAY
SAFETY HARBOR, FL 34695

Name Changed: 07/07/2015

Address Changed: 07/07/2015

Authorized Person(s) Detail

Name & Address

Title MGR

PERTILE, RICHARD
2810 PHILIPPE PARKWAY
SARASOTA, FL 34695

Title MGR

SANSONETTI, JOSEPH
 980 TYRONE BLVD
 ST PETERSBURG, FL 33710

Annual Reports

Report Year	Filed Date
2013	04/10/2013
2014	04/28/2014
2015	03/17/2015

Document Images

03/17/2015 -- ANNUAL REPORT	View image in PDF format
04/28/2014 -- ANNUAL REPORT	View image in PDF format
04/10/2013 -- ANNUAL REPORT	View image in PDF format
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12/22/2003 -- REINSTATEMENT	View image in PDF format
07/29/2002 -- Florida Limited Liabilites	View image in PDF format

COVER LETTER

**TO: Registration Section
Division of Corporations**

SUBJECT: Tropiflora, L.L.C.

Name of Limited Liability Company

The enclosed Articles of Amendment and fee(s) are submitted for filing.

Please return all correspondence concerning this matter to the following:

Joseph Sansonetti

Name of Person

MariJ Agricultural, Inc., a Florida corporation

Firm/Company

980 Tyrone Blvd

Address

St Petersburg, Florida 33710

City/State and Zip Code

jsansonetti@earthlink.net

E-mail address: (to be used for future annual report notification)

For further information concerning this matter, please call:

Richard Q. Lewis, III

904 825-1606

Name of Person

at ()

Area Code

Daytime Telephone Number

Enclosed is a check for the following amount:

\$25.00 Filing Fee

\$30.00 Filing Fee &
Certificate of Status

\$55.00 Filing Fee &
Certified Copy
(additional copy is enclosed)

\$60.00 Filing Fee,
Certificate of Status &
Certified Copy
(additional copy is enclosed)

MAILING ADDRESS:
Registration Section
Division of Corporations
P.O. Box 6327
Tallahassee, FL 32314

STREET/COURIER ADDRESS:
Registration Section
Division of Corporations
Clifton Building
2661 Executive Center Circle
Tallahassee, FL 32301

**ARTICLES OF AMENDMENT
TO
ARTICLES OF ORGANIZATION
OF**

Tropiflora, L.L.C.

(Name of the Limited Liability Company as it now appears on our records.)
(A Florida Limited Liability Company)

The Articles of Organization for this Limited Liability Company were filed on _____ and assigned Florida document number L02000019898.

This amendment is submitted to amend the following:

A. If amending name, enter the new name of the limited liability company here:

The new name must be distinguishable and contain the words "Limited Liability Company," the designation "LLC" or the abbreviation "L.L.C."

Enter new principal offices address, if applicable:

7216 21st Street East

(Principal office address MUST BE A STREET ADDRESS)

Sarasota, Florida 34243

Enter new mailing address, if applicable:

7216 21st Street East

(Mailing address MAY BE A POST OFFICE BOX)

Sarasota, Florida 34243

B. If amending the registered agent and/or registered office address on our records, enter the name of the new registered agent and/or the new registered office address here:

Name of New Registered Agent:

Deborah J. Pertile

New Registered Office Address:

2810 Philippe Parkway

Enter Florida street address

Safety Harbor

City

Florida 34695

Zip Code

New Registered Agent's Signature, if changing Registered Agent:

I hereby accept the appointment as registered agent and agree to act in this capacity. I further agree to comply with the provisions of all statutes relative to the proper and complete performance of my duties, and I am familiar with and accept the obligations of my position as registered agent as provided for in Chapter 605, F.S. Or, if this document is being filed to merely reflect a change in the registered office address, I hereby confirm that the limited liability company has been notified in writing of this change.


If Changing Registered Agent, Signature of New Registered Agent

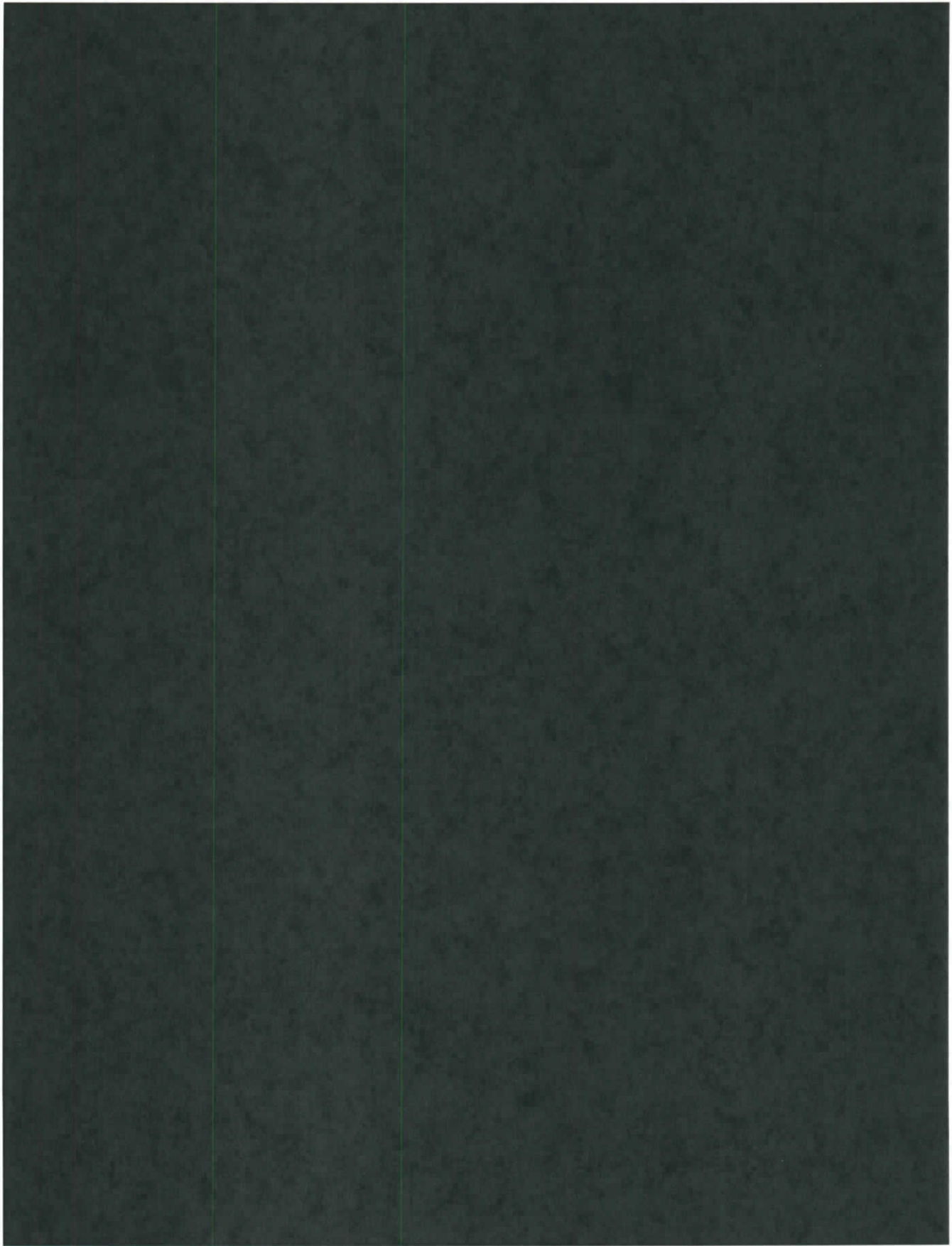
If amending Authorized Person(s) authorized to manage, enter the title, name, and address of each person being added or removed from our records:

MGR = Manager

AMBR = Authorized Member

<u>Title</u>	<u>Name</u>	<u>Address</u>	<u>Type of Action</u>
MGR	Dennis J Cathcart	3530 Tallevast Road	<input type="checkbox"/> Add
		Sarasota, Florida 34243	<input checked="" type="checkbox"/> Remove
			<input type="checkbox"/> Change
MGR	Linda Cathcart	3530 Tallevast Road	<input type="checkbox"/> Add
		Sarasota, Florida 34243	<input checked="" type="checkbox"/> Remove
			<input type="checkbox"/> Change
MGR	Richard Pertile	2810 Philippe Parkway	<input checked="" type="checkbox"/> Add
		Safety Harbor, Florida 34695	<input type="checkbox"/> Remove
			<input type="checkbox"/> Change
MGR	Joseph Sansonetti	980 Tyrone Blvd	<input checked="" type="checkbox"/> Add
		St Petersburg, Florida 33710	<input type="checkbox"/> Remove
			<input type="checkbox"/> Change
			<input type="checkbox"/> Add
			<input type="checkbox"/> Remove
			<input type="checkbox"/> Change
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			<input type="checkbox"/> Remove
			<input type="checkbox"/> Change

Redacted pursuant to Fla. Stat. 815.045 and 381.83





MELVIN, ROOKS & HOWELL
Certified Public Accountants & Consultants

1120 Zebulon Road • P.O. Box 59 • Griffin, Georgia 30224
Phone (770) 227-5008 • Fax (770) 412-1957

TOM MELVIN
JEFF ROOKS
C. RANDALL HOWELL

LEIGH WALTZ
APRIL MASON
BROOKE TARDY

July 2, 2015

RE: Sansonetti

To whom it may concern;

I have prepared the Individual income tax returns for Mr. & Mrs. Joe Sansonetti for the December 31, 2014 year end. I certify that the returns have been submitted electronically and accepted by the appropriate taxing agency.

Please give me a call at my office if you have any questions or concerns.

Sincerely,

Tom Melvin, CPA

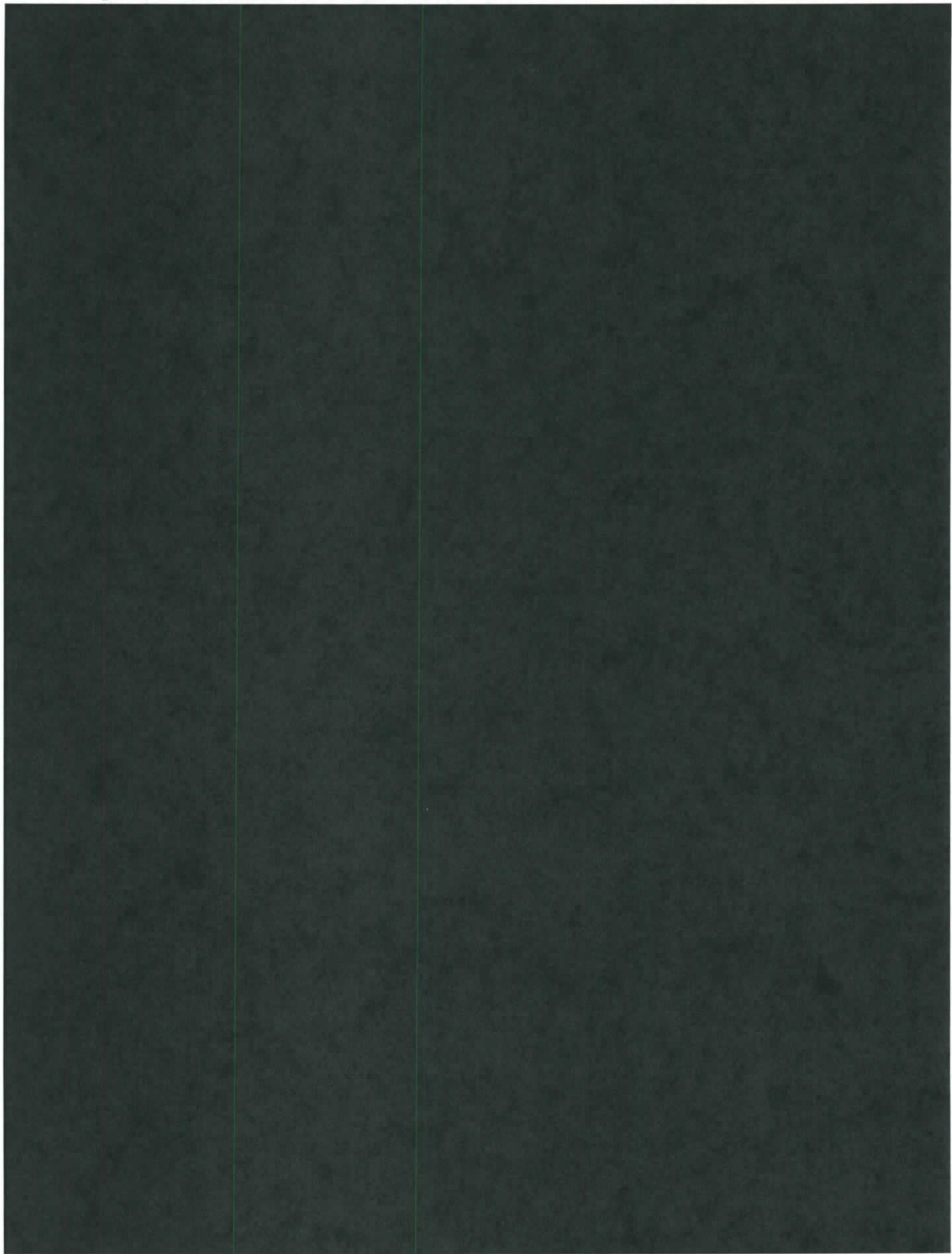
RICHARD AND DEBORAH PERTILE

STATEMENT OF FINANCIAL CONDITION

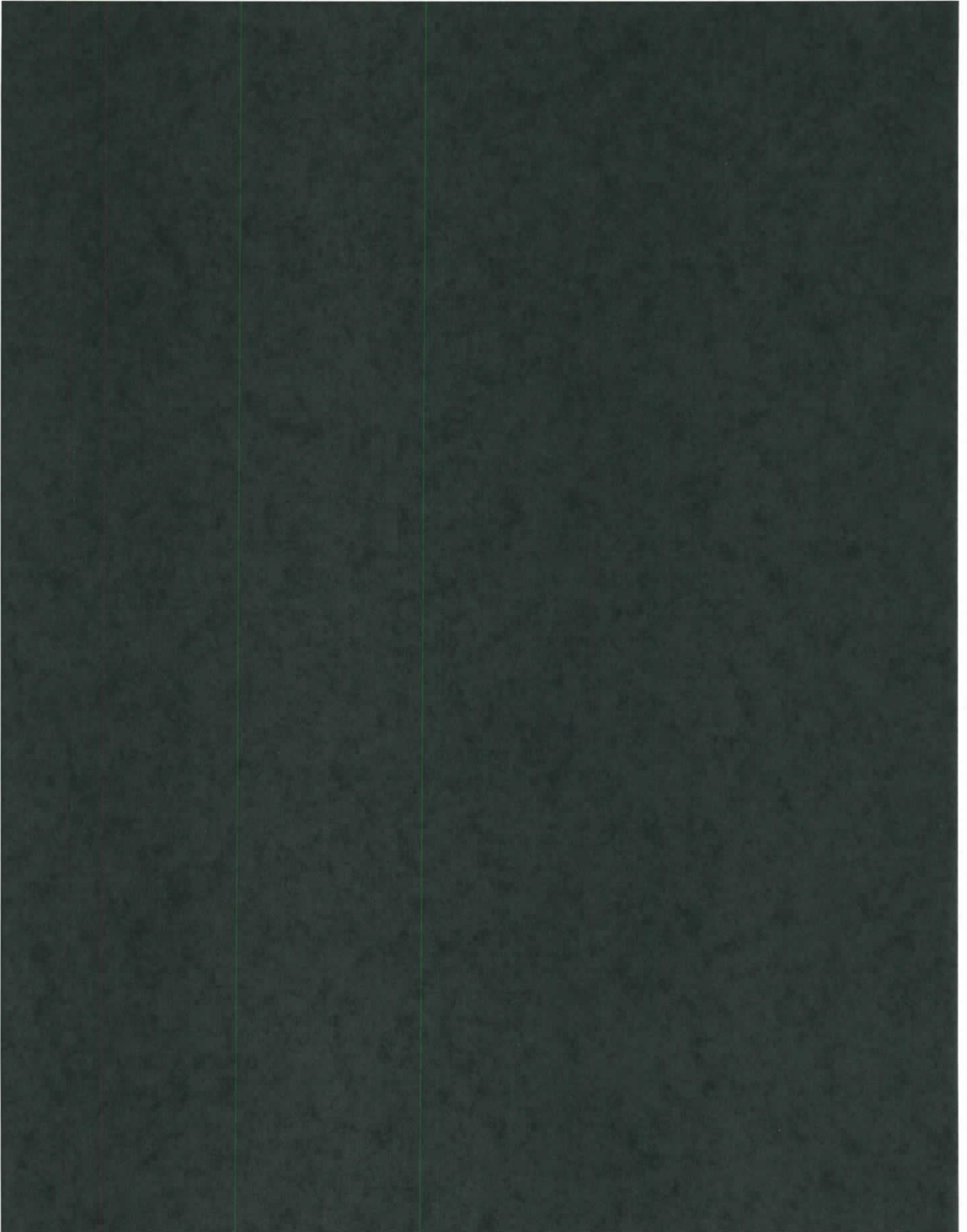
DECEMBER 31, 2014

RICHARD AND DEBORAH PERTILE
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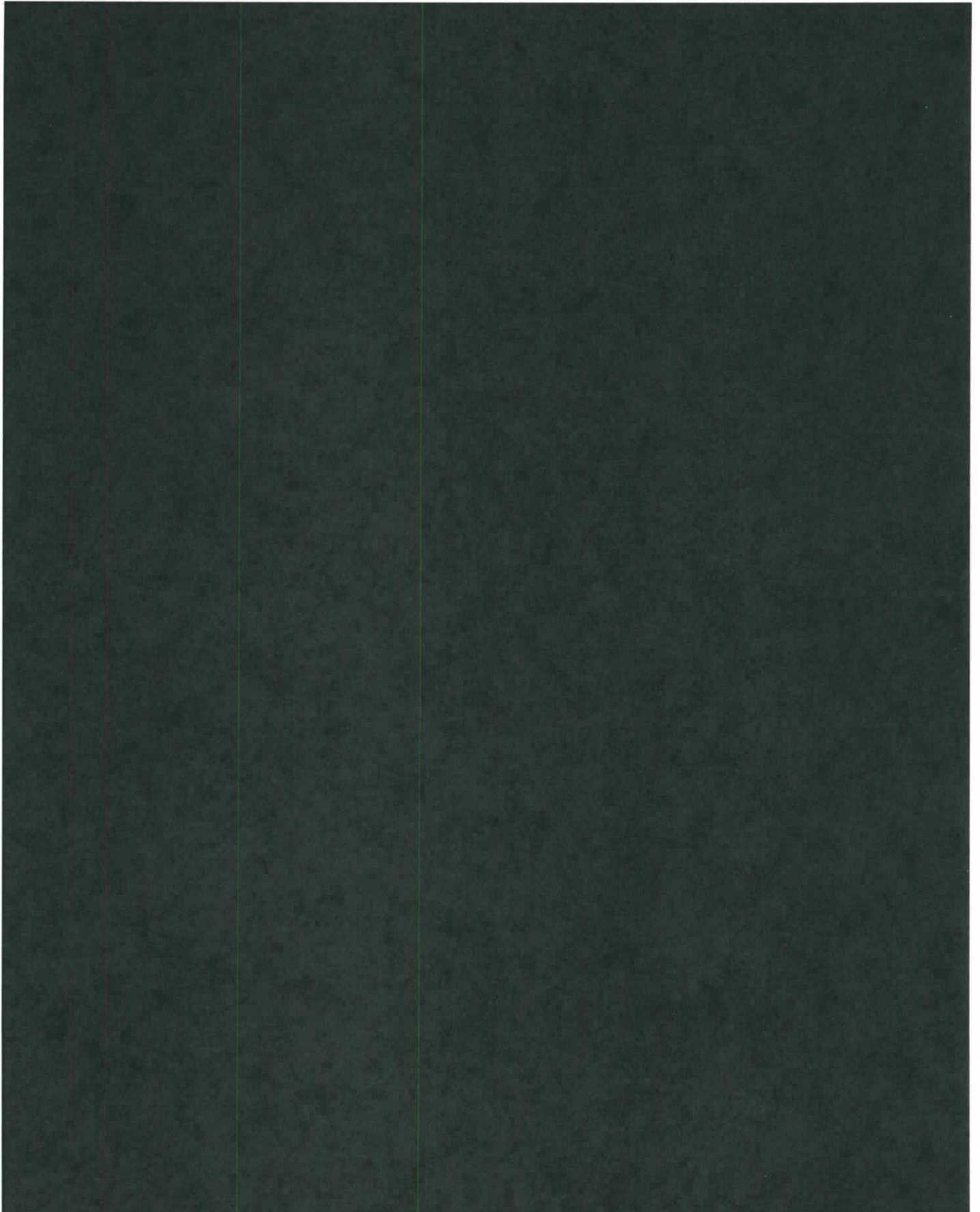
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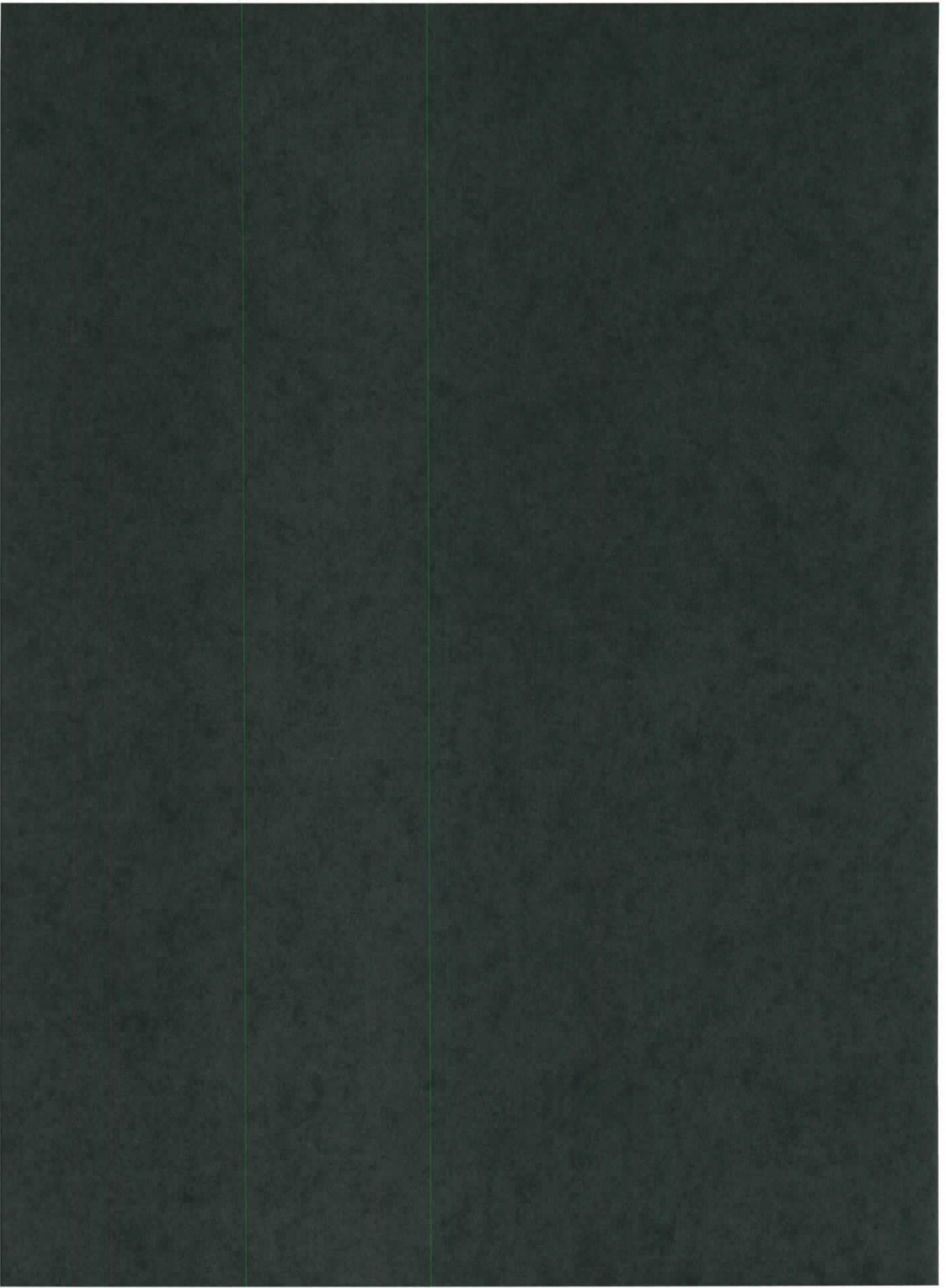
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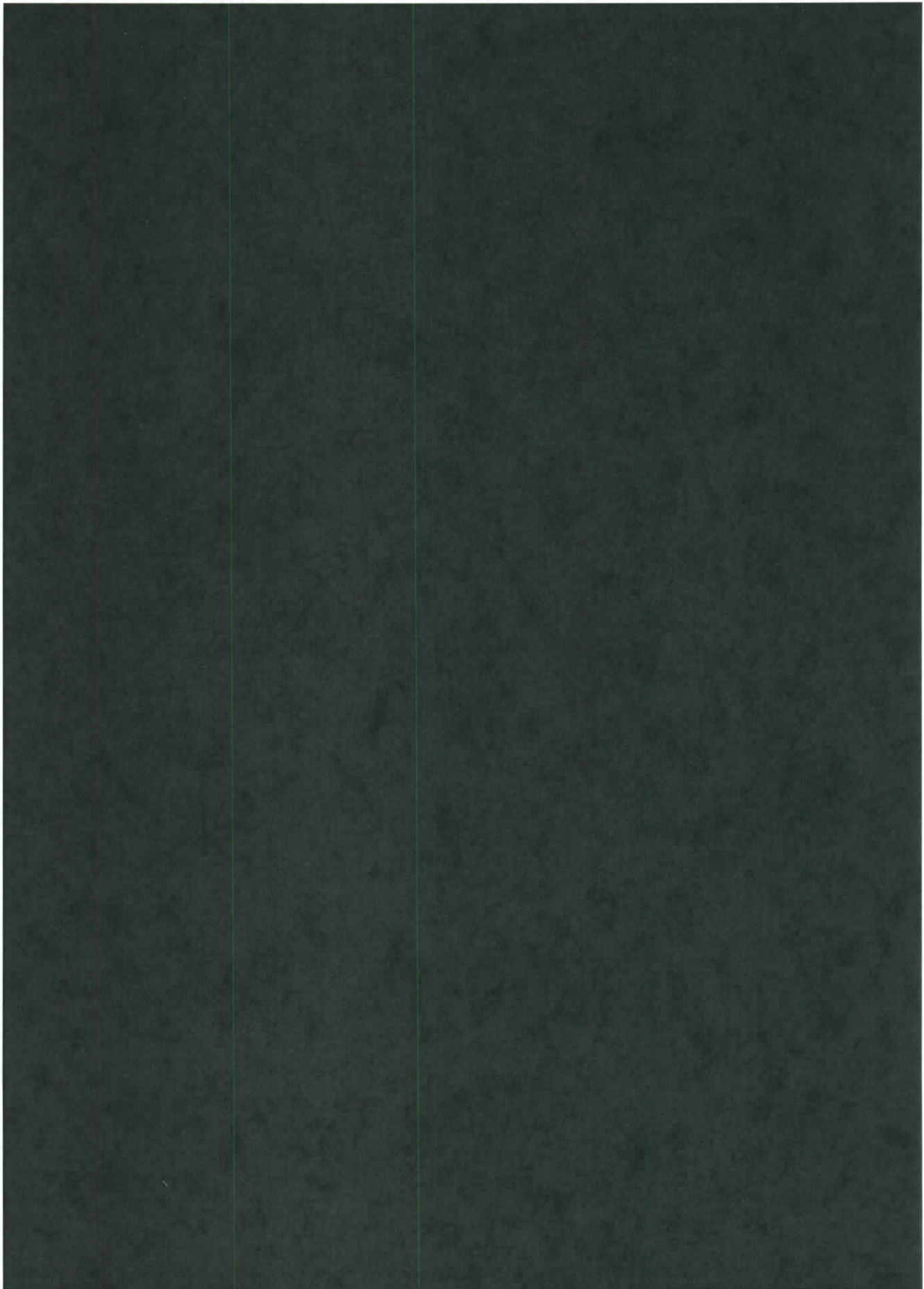


Redacted pursuant to Fla. Stat. 815.045 and 381.83



Redacted pursuant to Fla. Stat. 815.045 and 381.83







Richard Q. Lewis, III

100 Whetstone Place - Suite 200
St. Augustine, Florida 32086

904 . 825 . 4070 Fax
www.rtlaw.com

904 . 824 . 0879 . x5210
RLewis@rtlaw.com

August 12, 2015

**VIA Hand Delivery and
FedEx Delivery – Tracking No.: 7742-6499-4110**

Mr. Christian Bax, Director
Florida Department of Health
Office of Compassionate Use
4052 Bald Cypress Way, Bin #A-06
Tallahassee, Florida 32399-3265

Re: Tropiflora, L.L.C., a Florida limited liability company (“Tropiflora”) –
Application to become a licensed dispensing organization pursuant to Section
381.986, Florida Statutes.

Dear. Mr. Bax:

Our firm represents Tropiflora, which has applied with the Florida Department of Health, Office of Compassionate Use (“Department”), to become a licensed dispensing organization pursuant to Section 381.986, Florida Statutes (the “Application”). The purpose of this letter is to respond to your correspondence dated August 6, 2015, and received by Tropiflora on August 10, 2015, regarding alleged deficiencies in the submissions with the Application. Specifically, you state the Application, in its current condition, does not contain the “audited financial statements for a nursery that meets the requirements of Section 381.986(5)(b)1, Florida Statutes.” For the reasons expressed herein, we respectfully disagree and proffer that the Applicant has the financial and logistical backing of an experienced low-THC dispensing organization as well as the infrastructure of a nursery that has been in business in the state of Florida for the past 40 years.

Pursuant to Section 381.986(5)(b), Florida Statutes, an applicant for approval as a dispensing organization must be able to demonstrate:

1. The technical and technological ability to cultivate and produce low-THC cannabis. The applicant must possess a valid certificate of registration issued by the Department of Agriculture and Consumer Services pursuant to Section 581.131 that is issued for the cultivation of more than 400,000 plants, be operated by a nurseryman as defined in Section 581.011, and have been operated as a registered nursery in this state for at least 30 continuous years.
2. The ability to secure the premises, resources, and personnel necessary to operate as a dispensing organization.



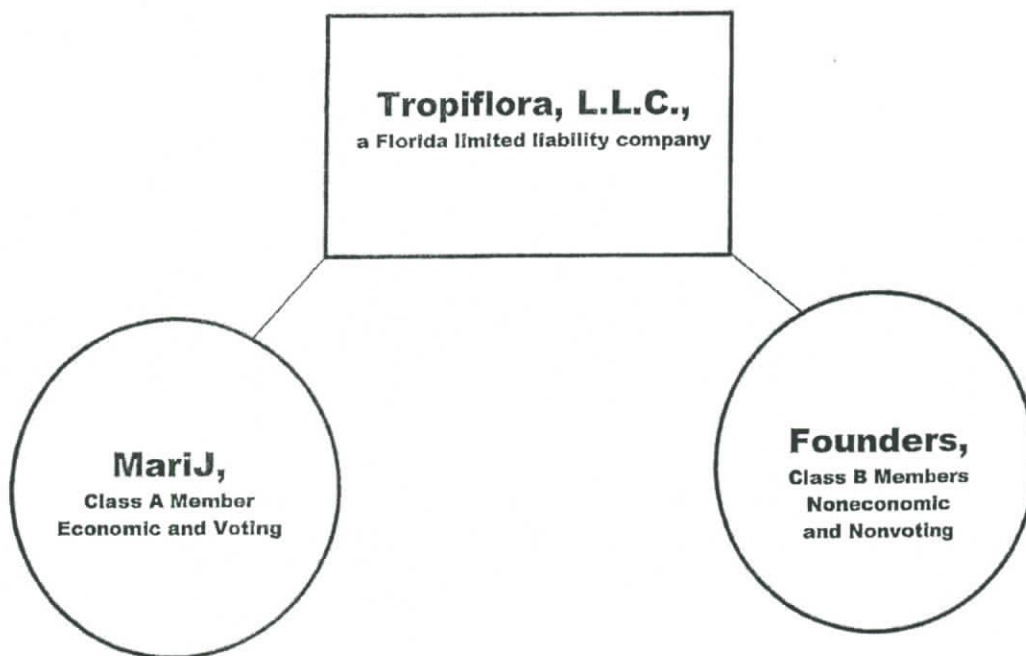
3. The ability to maintain accountability of all raw materials, finished products, and any byproducts to prevent diversion or unlawful access to or possession of these substances.
4. An infrastructure reasonably located to dispense low-THC cannabis to registered patients statewide or regionally as determined by the department.
5. The financial ability to maintain operations for the duration of the 2-year approval cycle, including the provision of certified financials to the department. Upon approval, the applicant must post a \$5 million performance bond.
6. That all owners and managers have been fingerprinted and have successfully passed a level 2 background screening pursuant to Section 435.04.
7. The employment of a medical director who is a physician licensed under Chapter 458 or Chapter 459 to supervise the activities of the dispensing organization.

Save the first aforementioned requirement, in which about 60 nurseries in the state of Florida meet as well as Tropiflora which has been continuously operating as a nursery for 40 years in Florida, there is no nursery in Florida that qualifies for the other six requirements because the production of cannabis in the state has been prohibited until this past year. Therefore, without the help of outside investors and consultants, there are no nurseries in the state with the infrastructure, personnel, security and botanical and logistical know-how to produce the previously unlawful product. As a result, Tropiflora partnered with MariJ Agricultural, Inc., a Florida corporation ("MariJ"), which is in the forefront of the cannabis industry and based in Florida.

Utilizing the new provisions and flexibility of the Florida Revised Limited Liability Company Act, the members of Tropiflora, Dennis and Linda Cathcart (the "Founders"), who owned 100% of the membership units in Tropiflora, created noneconomical and nonvoting membership interests in Tropiflora ("Class B Interests"). After this authorization of Class B Interests to the Founders, the Founders conveyed all of the economic and voting membership interests ("Class A Interests") to MariJ. After the consummation of this transaction, MariJ became the sole economic member of Tropiflora. Furthermore, MariJ has agreed to guaranty all of the operations of Tropiflora for the 2-year approval cycle. Additionally, Richard K. Pertile, the President of MariJ, and his wife, have personally pledged \$1,105,866.68 to be used by MariJ for the financial stability of Tropiflora, which is currently being held in escrow by Battaglia, Ross, Dicus & McQuaid, P.A. ("Escrow Contribution") (See Escrow Contribution confirmation attached hereto as Exhibit A). Since MariJ is the sole financial member of Tropiflora and has guaranteed the financial stability of Tropiflora through its capital contributions and Escrow Contribution, MariJ submitted its audited financials to the Department in compliance with Section 381.986(5)(b)5, Florida Statutes. Notwithstanding the transaction and financial contributions and guarantees of MariJ, Tropiflora maintained its corporate structure and its

certificate of registration issued by the Department of Agriculture and Consumer Services pursuant to s. 581.131, while the addition of MariJ satisfied the remaining six requirements that no nursery in the state could meet prior to the adoption of the Compassionate Use Act.

The current corporate structure of Tropiflora is as follows:



With the addition of MariJ, Tropiflora meets or exceeds all of the aforementioned requirements. After partnering with MariJ, Tropiflora now possesses the technical and technological ability to cultivate and produce low-THC cannabis. MariJ's patent pending business and proprietary technologies include the only pharmaceutical grade products specializing in the standardization, production and extraction of cannabinoids. Its advanced plant growth technologies save significantly on resources necessary for the production of medical grade cannabis. In essence, we provide a medical grade end product from extracts and compounds, from seed to distribution RFID CANNA-TAG references, and from packaging and processing to ensure consistency and purity. Furthermore, Tropiflora possesses a valid certificate of registration issued by the Department of Agriculture and Consumer Services pursuant to Section 581.131 issued for the cultivation of more than 400,000 plants, is operated by a nurseryman as defined in Section 581.011, and has been operated as a registered nursery in this state for 40 continuous years.

Since MariJ became a member of Tropiflora, Tropiflora has leased a discreet location to manufacture the product, has a secure logistical system of state-of-the-art tracking technology and armored vehicles, and has the personnel with experience handling this highly regulated

August 12, 2015

Page 4

product. Dennis Cathcart, the Founder, has agreed to act as Nurseryman, as defined by Florida statute, and MariJ has a medical director on staff. Most importantly, MariJ has infused Tropiflora with capital and has guaranteed operations during the 2-year approval cycle.

Since MariJ is completely and solely the financial arm of Tropiflora as the only voting and economic member of the Applicant and has guaranteed the financial stability of the Applicant through its capital contributions and the Escrow Contribution, the audited financial statements of MariJ were used to satisfy the requirements of Section 381.986(5)(b)5, Florida Statutes. Notwithstanding the foregoing, Tropiflora is an entity of going concern, continues to operate and maintains its license with the Department of Agriculture. The partnership of the Founders with MariJ was solely to comply with the other six requirements of the Compassionate Use Act like the other applicants in the state must do since the law just came into effect.

I trust this information will be helpful in the application process. Do not hesitate to contact my office directly, should you require any further information.

Sincerely yours,



Richard Q. Lewis, III

Battaglia, Ross, Dicus & McQuaid, P.A.

*Anthony S. Battaglia (1927-2014)
Howard P. Ross +
Aubrey O. Dicus, Jr.
Sean K. McQuaid*

*Attorneys at Law
Wells Fargo Building
980 Tyrone Blvd. N.
St. Petersburg, FL 33710
Phone: 727-381-2300 Fax: 727-343-4059
www.stpetelawgroup.com*

*William A. Backer
Caitlin C. Docherty
Rachel L. Drude ++*

+ *Board Certified Civil Trial and Business Litigation Lawyer*
++ *L.L.M. Estate Planning*

July 7, 2015

MariJ Agricultural, Inc.
13575 58th Street N., Suite 138
Clearwater, FL 33760

Gentlemen:

We are serving as an Escrow Agent for Richard K. Pertile and Deborah J. Pertile and in that capacity we are holding \$1,105,866.68 in our trust account for their benefit.

Very

Very truly yours,
BATTAGLIA, ROSS, DICUS & MCQUAID, P.A.



Howard P. Ross, B.C.S., Esq.
Florida Bar Certified in
Business Litigation and Civil Trial

HPR

cc: Richard K. and Deborah J. Pertile

150015/570507

