

STATE OF FLORIDA  
DEPARTMENT OF HEALTH

16 APR 25 PM 12:16

JOHNNY G. TREADWELL and  
SHARON TREADWELL d/b/a  
TREADWELL NURSERY,

OFFICE OF THE CLERK

Petitioner,

v.

FLORIDA DEPARTMENT OF HEALTH,

Respondent.

PETITION FOR FORMAL ADMINISTRATIVE PROCEEDINGS

Pursuant to Sections 120.569 and 381.986, *Florida Statutes*, and Chapter 28-106, *Florida Administrative Code*, Petitioner, Johnny G. Treadwell and Sharon Treadwell d/b/a Treadwell Nursery ("Treadwell Nursery"), hereby requests formal administrative proceedings to challenge the intended decisions of Respondent, Florida Department of Health ("DOH"), to: (i) grant the application submitted by Knox Nursery, LLC ("Knox") to become a Low-THC Cannabis Dispensing Organization for the Central Region, and to approve Knox Nursery, Inc., as the dispensing organization for the Central Region; (ii) grant the application submitted by San Felasco Nurseries, Inc. d/b/a Grandiflora ("San Felasco") to become a Low-THC Cannabis Dispensing Organization for the Northeast Region, and to approve San Felasco, as a dispensing organization for the Northeast Region; and (iii) deny the application submitted by Treadwell Nursery to become a Low-THC Cannabis Dispensing Organization.

In support of its petition, Treadwell Nursery states:

1. Rule 28-106.201(2)(a), Florida Administrative Code. The name and address of each agency affected and each agency's file or identification number, if known. The state

agency affected by this proceeding is DOH, 2585 Merchants Row Boulevard, Bin #A, Tallahassee, FL 32399-3265.

2. **Rule 28-106.201(2)(b), Florida Administrative Code. The name, address, any e-mail address, any facsimile number, and telephone number of the petitioner, if the petitioner is not represented by an attorney or a qualified representative; the name, address, and telephone number of the petitioner's representative, if any, which shall be the address for service purposes during the course of the proceeding.** Petitioner is Johnny G. Treadwell and Sharon Treadwell d/b/a Treadwell Nursery. Treadwell Nursery's business address is 25548 Highway 44A, Eustis, Florida 32736, and its mailing address is P.O. Box 194, Sorrento, Florida 32776. For the purposes of this proceeding, its email address, mailing address, and telephone number are those of its undersigned counsel, Derek E. Bruce, Esq. ([dbruce@gunster.com](mailto:dbruce@gunster.com)) and Hector A. "Tico" Perez, Esq. ([tperez@gunster.com](mailto:tperez@gunster.com)), Gunster, Yoakley & Stewart, P.A., 200 S. Orange Ave., Suite 1400, Orlando, Florida 32801, telephone (407) 648-5077.

3. **Rule 28-106.201(2)(b), Florida Administrative Code. An explanation of how the petitioner's substantial interests will be affected by the agency determination.** An explanation of how Treadwell Nursery's substantial interests will be affected by the DOH determinations that are the subject of this Petition and pertinent background information is as follows:

a. Pursuant to the Compassionate Medical Cannabis Act of 2014 (the "Medical Cannabis Act"), codified at Section 381.986, *Florida Statutes*, DOH was required, by January 1, 2015, to:

Authorize the establishment of five dispensing organizations to ensure reasonable statewide accessibility and availability as necessary for patients registered in the compassionate use registry and who are ordered low-THC cannabis under this section, one in each of the following regions: northwest Florida, northeast Florida, central Florida, southeast Florida, and southwest Florida. The department shall develop an application form and impose an initial application and biennial renewal fee that is sufficient to cover the costs of administering this section.

Sec. 381.986(5)(b), *Florida Statutes*.

b. In furtherance of its statutory mandate under the Medical Cannabis Act, DOH adopted rules now set forth in Chapter 64-4, *Florida Administrative Code* (the "Medical Cannabis Rule"), pursuant to which DOH, among other things, adopted and incorporated by reference:

- i. an application form for submission by entities seeking to become a "dispensing organization" ("DO") as that phrase is defined in Section 381.986(1)(a), *Florida Statutes* (the "Application"); and
- ii. a "Scorecard for Low-THC Cannabis Dispensing Organization Selection" to be used by persons charged with the responsibility for reviewing submitted Applications.

c. The Medical Cannabis Rule provides that the following persons were to review Applications submitted by entities seeking to become a DO (collectively, the "Reviewers"):

- i. Director of the Office of Compassionate Use;
- ii. A member of the Drug Policy Advisory Council appointed by the State Surgeon General; and
- iii. A Certified Public Accountant appointed by the State Surgeon General.

d. Applications seeking approval by DOH to become the DO in the Central Florida Region (as defined in Rule 64-4.001(9)(c), *Florida Administrative Code*, and hereinafter the "Central Region") were submitted by the following (collectively the "Applicants"):

- i. Treadwell Nursery
- ii. Knox
- iii. Deleon's Bromeliads, Inc.
- iv. Dewar Nurseries, Inc.
- v. Razbuton, Inc.

- vi. Redland Nursery, Inc.
- vii. Spring Oaks Greenhouses, Inc.
- viii. McCrory's Sunny Hill Nursery, LLC

e. Treadwell Nursery's Application was timely submitted and met the mandatory requirements of Section 381.986, *Florida Statutes* and Chapter 64-4, *Florida Administrative Code*. Treadwell Nursery was – and remains – available to implement DO activities and is prepared to timely commence such operations upon receipt of approval from DOH.

f. Knox's Application should have been rejected by DOH because, upon information and belief, Knox is not an entity authorized to transact business in the State of Florida. Knox Inc. and Knox Nursery, Inc. are entities identified in the records of the Florida Secretary of State as active corporations. However, a search of the Florida Secretary of State records reveals that there is no entity known as "Knox Nursery, LLC" that is authorized to transact business in the State of Florida.

g. Knox Nursery, Inc. did not submit an Application, timely or otherwise, to DOH and, therefore, cannot be approved as a DO.

h. Pursuant to Section 381.986(5)(b), *Florida Statutes*, the Applicants were required to demonstrate:

- i. 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 s. 581.131 that is issued for the cultivation of more than 400,000 plants, be operated by a nurseryman as defined in s. 581.011, and have been operated as a registered nursery in this state for at least 30 continuous years.
- ii. The ability to secure the premises, resource, and personnel necessary to operate as a dispensing organization.
- iii. The ability to maintain accountability of all raw materials, finished products, and any by products to prevent diversion or unlawful access to or possession of these substances.

- iv. An infrastructure reasonably located to dispense low-THC cannabis to registered patients statewide or regionally as determined by the department.
- v. 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.
- vi. That all owners and managers have been fingerprinted and have successfully passed a level 2 background screening pursuant to s. 435.04.
- vii. 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.

Section 381.986 (5)(b), *Florida Statutes*.

- i. Knox failed to provide all information required to be included in its Application.

For example, and without limitation, Knox's Application was deficient in the following respects:

- i. Rule 64-4.002, *Florida Administrative Code*, provides that a completed application must include, "An explanation or written documentation, as applicable, showing how the Applicant meets the statutory criteria listed in Section 381.986(5)(b) , F.S." Knox failed to provide an explanation or documentation showing how Knox meets the statutory criteria in the cited statute. In the section of Knox's application titled, "Part II.A. Certification and Background Checks" Knox states, "Knox Nursery, LLC meets all requirements for an Applicant to receive approval to operate a Low-THC Dispensing Organization in the State of Florida" but that statement does provide "[a]n explanation or written documentation . . . showing how [Knox] meets the statutory criteria listed in Section 381.986(5)(b), F.S.
- ii. Rule 64-4.002(b), *Florida Administrative Code*, provides that the Applicant must provide, "Written documentation demonstrating that the applicant possesses 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, is operated by a nurseryman as defined in Section 581.011, and has operated as a registered nursery in this state for at least 30 continuous years." Knox provided no such documentation in its Application, nor, upon information and belief, did Knox provide such documentation in response to a DOH Request Letter.

- iii. Knox identified as its Director of Security an individual who had not completed a level 2 background review prior to Knox's submission of its Application, as required.
- iv. Knox identified as its Medical Director a person who had not completed required medical education prior to Knox's submission of its Application, as required.
- v. The Knox Application failed to include evidence of proper zoning approval for Knox to engage in all activities in which Knox would be required to engage in order to serve as the DO for the Central Region, as required.

j. Due to those deficiencies and other deficiencies in the Knox Application, Knox did not meet the mandatory requirements of Section 381.986, *Florida Statutes* and Chapter 64-4, *Florida Administrative Code* and, therefore, DOH was required to deny Knox's Application. Upon information and belief, DOH denied the Applications of other Applicants based upon deficiencies in those Applications, as well as the applications of applicants in other regions of Florida based upon Application deficiencies.

k. The Reviewers reviewed the Applications submitted by the Applicants and assigned scores to components of each Application pursuant to the Scorecard. DOH has posted on its website the Scorecards completed by each reviewer for each Applicant.

l. The scores assigned to each of the Applications submitted by the Applicants were to be weighted and tallied to determine a total score for each Applicant.

m. DOH has not revealed all relevant components of the required scoring methodology. For example, and without limitation, DOH has not revealed the methodology employed by DOH to assign weights to scores for Application components, or to calculate the total scores for each Application reviewed by the Reviewers.

n. A review of the Scorecards completed by the Reviewers for the Central Region Applications reveals clearly erroneously assigned scores, and scores that were assigned in an

arbitrary and capricious manner. For example, and without limitation, DOH assigned scores that could only be assigned if required documentation had been submitted even when that documentation was not submitted by Knox and other Applicants.<sup>1</sup>

o. Correction of the clearly erroneous scoring errors would result in DOH being required to select Treadwell Nursery as a DO for the Central Region.

p. Despite the quality of Treadwell Nursery's Application relative to the Applications submitted by other Applicants, DOH: (i) has notified Treadwell Nursery that DOH intends to deny Treadwell Nursery Application; and (ii) grant the Application submitted by Knox and approve Knox Inc. as the DO for the Central Region. See, copies of November 23, 2015, letters from DOH to Treadwell Nursery (the "DOH/Treadwell Nursery's Denial Letter") and Knox (the "DOH/Knox Approval Letter"), attached as Composite Exhibit A.

q. Pursuant to Rule 64-4.002(5)(e), *Florida Administrative Code*, Knox was required to post a \$5 million performance bond with DOH by 5:00 p.m. on December 9, 2015. See, also, the DOH/Knox Approval Letter.

r. On information and belief, Knox failed to timely post the required performance bond. Therefore, DOH is required to revoke its intended approval of Knox 's Application as the DO for the Central Region. See, Rules 64-4.002(5)(e) 3, 64-4.002(5)(e)4 and 64- 4.002(5)(f), *Florida Administrative Code*.

s. On March 25, 2016, Governor Scott approved HB 307 – adopted by the Florida Legislature during its 2016 Legislative Session – by signing it into law. The law became

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<sup>1</sup> It is noteworthy that DOH held Negotiated Rulemaking Sessions in February 20 15 and that a representative of Knox served as one of twelve members of a Negotiated Rules Committee ("NRC"), as did another individual who was included in Knox's application. These NRC members were selected by DOH to participate in the process and were present throughout two days of meetings as the NRC debated and discussed the various aspects of the rule including the scorecards that would be used for the competitive selection process.

effective immediately and, among other things, amends the Medical Cannabis Act of 2014 (a) to allow DOH to approve three additional DOs when a certain number of active registrations in the compassionate use registry has been reached; and (b) provides, in pertinent part:

- (1) Notwithstanding s. 381.986(5)(b), *Florida Statutes*, a dispensing organization that receives notice from the Department of Health that it is approved as a region's dispensing organization, posts a \$5 million performance bond in compliance with rule 64-4.002(5)(e), *Florida Administrative Code*, meets the requirements of and requests cultivation authorization pursuant to rule 64-4.005(2), *Florida Administrative Code*, and expends at least \$100,000 to fulfill its legal obligations as a dispensing organization; or any applicant that received the highest aggregate score through the department's evaluation process, notwithstanding any prior determination by the department that the applicant failed to meet the requirements of s. 381.986, *Florida Statutes*, must be granted cultivation authorization by the department and is approved to operate as a dispensing organization for the full term of its original approval and all subsequent renewals pursuant to s. 381.986, *Florida Statutes*. **Any applicant that qualifies under this subsection which has not previously been approved as a dispensing organization by the department must be given approval as a dispensing organization by the department within 10 days after the effective date of this act,** and within 10 days after receiving such approval must comply with the bond requirement in rule 64-4.002(5)(e), *Florida Administrative Code*, and must comply with all other applicable requirements of chapter 64-4, *Florida Administrative Code*.

(Emphasis added).

t. DOH informed San Felasco on April 4, 2016 that it was granting its application to become a Low-THC Cannabis Dispensing Organization for the Northeast Region. See, the copy of April 4, 2016, letter from DOH to San Felasco (the "DOH/ San Felasco Approval Letter"), attached as Exhibit B.

u. DOH did not specify the process through which it went in qualifying San Felasco as a DO.



v. DOH did not articulate the basis on which the Northeast Region was chosen for a second DO before any other region of the state, including the Central Region.

w. DOH did not articulate the criteria on which it relied in approving San Felasco's application and refusing to approve Treadwell Nursery's application, notwithstanding the fact that Treadwell Nursery's scores in the evaluation process were higher than San Felasco.

x. Further, Treadwell Nursery is an applicant that otherwise qualifies under the highlighted language in subsection (1) in paragraph v., above, which has not previously been approved as a dispensing organization by DOH. As a result, DOH was required to approve Treadwell Nursery as a dispensing organization within 10 days after HB 307 was signed into law on March 25, 2016.

y. DOH did not approve Treadwell Nursery as a dispensing organization within 10 days after HB 307 was signed into law on March 25, 2016 as required by subsection (1) in paragraph v., above.

z. Treadwell Nursery's substantial interests will be affected by this proceeding because Treadwell Nursery is an Applicant seeking approval as a DO, and this proceeding will determine whether Treadwell Nursery will receive that approval.

4. **Rule 28-106.201(2)(c), Florida Administrative Code. A statement of when and how the petitioner received notice of the agency decision.** Treadwell Nursery received notice of the DOH decisions that are the subject of its challenge upon its receipt on November 23, 2015, of the DOH/Treadwell Nursery Denial Letter, and its review of the DOH/Knox and DOH/San Felasco Approval Letters, dated November 23, 2015 and April 4, 2016, respectively. Each of these letters is posted on the DOH website.

5. Rule 28-106.201(2)(d), Florida Administrative Code. A statement of all disputed issues of material fact. Disputed issues of material fact include, without limitation, and subject to receipt of documents responsive to public records requests and discovery:

a. Whether the facts set forth in Paragraph 3 of this Petition demonstrate that DOH 's intended decisions to approve Knox's and San Felasco's Applications and to approve them both as dispensing organizations should be overturned.

b. Whether DOH 's intended decision to deny Treadwell Nursery Application should be reversed, and Treadwell Nursery Application should be approved.

c. Whether Knox timely submitted its Application.

d. Whether the Application Knox submitted was incomplete or deficient, and should therefore have been denied.

e. Whether Knox must be rejected as an Applicant because it is not an entity authorized to transact business in the State of Florida.

f. Whether the Reviewers assigned scores to the Applications submitted by the Applicants in a manner that was clearly erroneous, arbitrary or capricious.

g. Whether Knox failed to timely file a \$5 million performance bond with DOH as required by Section 381.986(5)(b)5, *Florida Statutes*, and Rule 64-4.002(5)(e), *Florida Administrative Code*.

h. Whether DOH must revoke its intended approval of the Knox and/or San Felasco Applications and select Treadwell Nursery as a DO.

i. Whether the methodology applied by DOH to score Applications was clearly erroneous, arbitrary, capricious, or failed to comply with applicable statutes and rules.

j. Whether DOH was required to articulate and follow a process in determining which applications to approve as additional DO's under the 2016 changes to the Medical Cannabis Act.

k. Whether DOH was required to approve Treadwell Nursery as a dispensing organization within 10 days after HB 307 was signed into law on March 25, 2016.

6. **Rule 28-106.201(2)(e), Florida Administrative Code. A concise statement of the ultimate facts alleged, including the specific facts the petitioner contends warrant reversal or modification of the agency's proposed action.** As a matter of ultimate fact and law, for the reasons set forth in Paragraph 3 of this Petition, DOH's intended decisions to approve Knox's and San Felasco's Applications and to deny Treadwell Nursery's Application should be reversed, and Treadwell Nursery Application should be approved.

7. **Rule 28-106.201(2)(f), Florida Administrative Code. A statement of the specific rules or statutes the petitioner contends require reversal or modification of the agency's proposed action, including an explanation of how the alleged facts relate to the specific rules or statutes.** For the reasons set forth in Paragraph 3 of this Petition, applicable statutes and rules that require reversal of the DOH decisions at issue in this proceeding include:

- a. Section 381.986, *Florida Statutes*;
- b. Sections 120.569, 120.57, *Florida Statutes*;
- c. Rule Chapter 64-4, *Florida Administrative Code*; and
- d. All statutes and rules cited in this Petition.

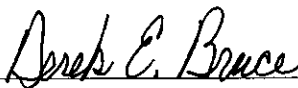
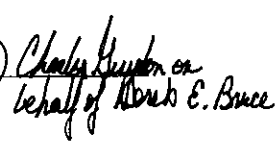
8. **Rule 28-106.201(2)(g), Florida Administrative Code. A statement of the relief sought by the petitioner, stating precisely the action petitioner wishes the agency to take with respect to the agency's proposed action.** Treadwell Nursery requests that:

- a. This Petition be referred to the Division of Administrative Hearings for the assignment of an administrative law judge to conduct formal administrative proceedings;
- b. Recommended and Final Orders be entered approving Treadwell Nursery Application for approval as a DO; and
- c. Such other relief be granted, including an award of costs and attorney fees, as available under law.

**Reservation of Right to Amend**

Treadwell Nursery reserves its right to amend this Petition following its receipt and review of additional documents and information that will be received through public records requests and discovery conducted in this proceeding and those materials are analyzed.

Respectfully submitted,

 (ccg)  on behalf of Derek E. Bruce  
**DEREK E. BRUCE**  
Florida Bar No. 01487117  
**HECTOR A. "TICO" PEREZ**  
Florida Bar No. 0616362  
GUNSTER, YOAKLEY & STEWART, P.A.  
200 South Orange Avenue, Suite 1400  
Orlando, FL 32801  
Telephone: 407-648-5077  
Facsimile: 407-849-1233  
*Attorneys for Johnny G. Treadwell and Sharon  
Treadwell d/b/a Treadwell Nursery*

**CERTIFICATE OF SERVICE**

I HEREBY CERTIFY that original and one copy of the foregoing has been furnished by Hand Delivery to the Agency Clerk, Office of General Counsel Florida Department of Health, 2585 Merchant's Row Boulevard, Suite 110, Tallahassee, Florida 32399, and a true and correct copy by hand delivery to Nichole Geary, Esq., General Counsel, Florida Department of Health at the same address this 25<sup>th</sup> day of April, 2016.

Derek E. Bruce (Charles Austin on  
Derek E. Bruce, Esq. behalf of Derek E  
Bruce)

WPB\_ACTIVE 7131816.2

# **Composite Exhibit A**

**Mission:**

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



**Rick Scott**  
Governor

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

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

November 23<sup>rd</sup>, 2015

Treadwell Nursery  
Post Office Box 194  
Sorrento, FL 32776

Re: Low-THC Cannabis Dispensing Organization Application

Dear Applicant:

Treadwell Nursery's Application to become a Low-THC Cannabis Dispensing Organization for the Central region has been substantively reviewed, evaluated, and scored by a panel of evaluators according to the requirements of Section 381.986, Florida Statutes and Chapter 64-4, of the Florida Administrative Code. As Treadwell Nursery was not the highest scored applicant in the Central region, your application for the Central region is denied.

Sincerely,

A handwritten signature in black ink, appearing to read "C. Philip".

Dr. Celeste Philip  
Deputy Secretary for Health

CB/cc

Cc: Office of the General Counsel

**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: fhdoh  
FLICKR: HealthyFla  
PINTEREST: HealthyFla

Treadwell Nursery  
November 23<sup>rd</sup>, 2015

**NOTICE OF RIGHTS**

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.



**Mission:**

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**Rick Scott**  
Governor

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

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

November 23<sup>rd</sup>, 2015

Knox Nursery, Inc.  
940 Avalon Road  
Winter Garden, FL 34787-9701

Re: Low-THC Cannabis Dispensing Organization Application

Dear Applicant:

I am pleased to inform you that Knox Nursery, Inc.'s Application to become a Low-THC Cannabis Dispensing Organization for the Central region has been substantively reviewed, evaluated, and scored by a panel of evaluators according to the requirements of Section 381.986, Florida Statutes and Chapter 64-4, of the Florida Administrative Code. As your application received the highest score for the Central region, your application is granted. Knox Nursery, Inc. is approved as the dispensing organization for the Central region of Florida.

Knox Nursery, Inc. has 10 business days to post a \$5 million performance bond in accordance with Rule 64-4.002(5)(e), of the Florida Administrative Code. The original bond, payable to the Florida Department of Health, must be received by the Department no later than 5:00 PM EST on December 9<sup>th</sup>, 2015. If the performance bond is canceled and Knox Nursery, Inc. fails to file a new bond with the Department in the required amount on or before the effective date of cancellation, Knox Nursery, Inc.'s approval shall be revoked.

Knox Nursery, Inc. must notify the Department that it is prepared to be inspected and seek authorization to begin cultivation, processing, and dispensing. The following deadlines, as outlined in Rule 64-4.005, of the Florida Administrative Code, apply.

Cultivation

Knox Nursery, Inc. has 75 days from this approval to request Cultivation Authorization. No less than 30 calendar days prior to the initial cultivation of low-THC cannabis Knox Nursery, Inc. shall notify the Department that it is ready to begin cultivation, is in compliance with Section 381.986, F.S., and Chapter 64-4, of the Florida Administrative Code, and is seeking Cultivation Authorization. Failure to meet the deadline to seek Cultivation Authority may result in the revocation of the Department's approval. Please note, no low-THC cannabis plant source material may be present in any Dispensing Organization facility prior to Cultivation Authorization.

**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: fdoh  
FLICKR: HealthyFla  
PINTEREST: HealthyFla

Knox Nursery, Inc.  
November 23<sup>rd</sup>, 2015

Processing

No less than 10 calendar days prior to the initial processing of low-THC cannabis, Knox Nursery, Inc. must notify the Department that it is ready to begin processing, is in compliance with Section 381.986, F.S., and Chapter 64-4, of the Florida Administrative Code, and is seeking Processing Authorization.

Dispensing

Knox Nursery, Inc. must begin dispensing derivative product within 210 calendar days of being granted cultivation authorization. No less than 10 calendar days prior to the initial dispensing of derivative product, Knox Nursery, Inc. must notify the Department that it is ready to begin dispensing, is in compliance with Section 381.986, F.S., and Chapter 64-4, of the Florida Administrative Code, and is seeking Dispensing Authorization. Failure to meet the deadline to begin dispensing may result in the revocation of the Department's approval.

Finally, submission of an application for Dispensing Organization approval constitutes permission for entry by the Department at any reasonable time, into any Dispensing Organization facility to inspect any portion of the facility; review the records required pursuant to Section 381.986, F.S., or Chapter 64-4, of the Florida Administrative Code; and identify samples of any low-THC cannabis or Derivative Product for laboratory analysis, the results of which shall be forwarded to the Department.

Once again, congratulations on receiving approval to become the Low-THC Dispensing Organization for Central region. Should you have any questions about this approval, please contact the Florida Department of Health, Office of Compassionate Use.

Sincerely,

A handwritten signature in black ink, appearing to be "Dr. Celeste Philip", with a long horizontal line extending to the right.

Dr. Celeste Philip  
Deputy Secretary for Health

CB/cc

Cc: Office of the General Counsel

Knox Nursery, Inc.  
November 23<sup>rd</sup>, 2015

**NOTICE OF RIGHTS**

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.

## **Exhibit B**

**Mission:**

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

HEALTH

**Rick Scott**  
Governor

**Celeste Philip, MD, MPH**  
Interim State Surgeon General

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

April 4, 2016

San Felasco Nurseries, Inc., d/b/a/ Grandiflora  
7315 NW 126<sup>th</sup> Street  
Gainesville, Florida 32653

Re: Low-THC Cannabis Dispensing Organization Application

Dear Applicant:

I am pleased to inform you that San Felasco Nurseries, Inc., d/b/a/ Grandiflora (San Felasco) is approved as a dispensing organization for the Northeast region of Florida, pursuant to chapter 2016-123, § 3, Laws of Florida.

San Felasco has 10 business days to post a \$5 million performance bond in accordance with Rule 64-4.002(5)(e), of the Florida Administrative Code. The original bond, payable to the Florida Department of Health, must be received by the Department no later than 5:00 PM EST on April 18, 2016. If the performance bond is canceled and San Felasco fails to file a new bond with the Department in the required amount on or before the effective date of cancellation, San Felasco's approval shall be revoked.

San Felasco must notify the Department that it is prepared to be inspected and seek authorization to begin cultivation, processing, and dispensing. The following deadlines, as outlined in Rule 64-4.005, of the Florida Administrative Code, apply.

Cultivation

San Felasco has 75 days from this approval to request Cultivation Authorization. No less than 30 calendar days prior to the initial cultivation of cannabis San Felasco shall notify the Department that it is ready to begin cultivation, is in compliance with Section 381.986, F.S., and Chapter 64-4, of the Florida Administrative Code, and is seeking Cultivation Authorization. Failure to meet the deadline to seek Cultivation Authority may result in the revocation of the Department's approval. Please note, no cannabis plant source material may be present in any Dispensing Organization facility prior to Cultivation Authorization.

Processing

No less than 10 calendar days prior to the initial processing of cannabis, San Felasco must notify the Department that it is ready to begin processing, is in compliance with Section 381.986, F.S., and Chapter 64-4, of the Florida Administrative Code, and is seeking Processing Authorization.

**Florida Department of Health**

Office of Compassionate Use  
4052 Bald Cypress Way, Bin A-06 • Tallahassee, FL 32399-1703  
PHONE: (850) 245-4444 • FAX (850) 245-4748

**www.FloridaHealth.gov**

TWITTER: HealthyFLA  
FACEBOOK: FLDepartmentofHealth  
YOUTUBE: fdoh  
FLICKR: HealthyFla  
PINTEREST: HealthyFla

San Felasco Nurseries, Inc.  
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April 4, 2016

Dispensing

San Felasco must begin dispensing derivative product within 210 calendar days of being granted cultivation authorization. No less than 10 calendar days prior to the initial dispensing of derivative product, San Felasco must notify the Department that it is ready to begin dispensing, is in compliance with Section 381.986, F.S., and Chapter 64-4, of the Florida Administrative Code, and is seeking Dispensing Authorization. Failure to meet the deadline to begin dispensing may result in the revocation of the Department's approval.

Finally, submission of an application for Dispensing Organization approval constitutes permission for entry by the Department at any reasonable time, into any Dispensing Organization facility to inspect any portion of the facility; review the records required pursuant to Section 381.986, F.S., or Chapter 64-4, of the Florida Administrative Code; and identify samples of any cannabis or Derivative Product for laboratory analysis, the results of which shall be forwarded to the Department.

Once again, congratulations on receiving approval to become a dispensing organization for the Northeast region. Should you have any questions about this approval, please contact the Florida Department of Health, Office of Compassionate Use.

Sincerely,  


<sup>PL 507</sup>  
Anna Likos, MD, MPH  
Acting Deputy Secretary for Health

CB/cc  
cc: Office of the General Counsel

**NOTICE OF RIGHTS**

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.