

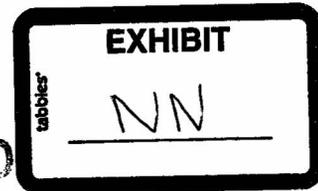
Department of Consumer Protection

William M. Rubenstein, Commissioner  
Room 103, State Office Building  
165 Capitol Avenue  
Hartford, Connecticut 06106

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APR 20 2013

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OFFICE OF THE COMMISSIONER



Mr. Rubenstein,

I am a lifelong Connecticut resident and a prospective Producer and Dispensary operator looking to open in the State and have been actively working on the associated business plans for over a year now. As a representative of Delta 9 THC Labs, Inc. I have several concerns I would like to share with your group concerning the regulations relating to the legalization of Medicinal Marijuana. We did have representation at the Public Hearing this past week, however, the space was insufficient for the size of that audience and we were relegated to a 3<sup>rd</sup> room where the better part of an hour was spent trying to get audio working to no avail. In any case, please find my comments below and I look forward to any consideration given to changing the regulations to address them;

Page 31, Section 7; **“(7) The establishment and maintenance of an escrow account in a financial institution in Connecticut, upon terms approved by the commissioner, in the amount of two million dollars (\$2,000,000)”**

We have noted and appreciate the ability to retract some of these funds as milestones are met; however, we still feel that the \$2 million is arbitrary and an undue burden on the business and its investors. During our research we have not seen any other State operate with this requirement and we assume the intent was both to limit the number of applicants and provide a penalty for non-production, it may be largely negated since it appears the Producer maximum of 10 has been removed. By simply licensing all qualified applicants, there should be more than sufficient supplies to ensure patients are able to obtain product even if a few Producers are unsuccessful for whatever reason which could include Federal Law Enforcement (outside of Producers control).

Page 37, Section 12; **“(12) The non-refundable application fee for a producer license shall be twentyfive thousand dollars (\$25,000).”**

We do not disagree with the fee, however, we do disagree that it is non-refundable. If we meet all the requirements the State has set forth and are still denied application without refund, we see this as a potential litigation item. Further, if we are able to appeal and go to hearing and address any shortcomings in the original application, we would expect the decision to be overturned and approved. We can think of no reason why these funds should be non-refundable other than to limit the number of applications you receive simply due to lack of funds and the risk involved.

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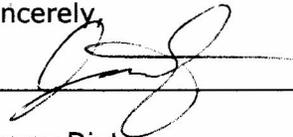
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Other issues not covered by the written regulations;

- 1) Obtaining seed or clones for cultivation - We have not found that any States address this important item yet there is no way to produce without seed or clones. Interstate commerce is against applicable laws at both State and Federal levels, so we would like to see guidance on how the State would like us to obtain seed or clones.
- 2) Out of State companies expanding into Connecticut - We are heavily involved with the Connecticut Cannabis Business Alliance and aware of several established companies from other States looking to establish a presence in Connecticut for the purposes of Producing and Dispensing Medical Marijuana. This invites Interstate Commerce and we feel is not in the spirit of the law. We would like to see precedence given to local Connecticut start-up companies, not the already established big players expanding into Connecticut from out of State. There are more than enough potential local would-be Producers and Dispensaries with sufficient knowledge and expertise without opening the field to out of State entities.
- 3) Removal of Producer maximum limit of 10 - We did not see the language regarding the maximum of 10 Producers and if it has in fact been removed then we thank you for making this change. Please consider the advantages of free-market capitalism and let the market work without artificial constraints. Some Producers and Dispensaries will fail, and some will succeed, but let the market decide. Regardless Patients will always be able to obtain product.

Sincerely,



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James Dietz  
Delta 9 THC Labs, Inc.  
04/26/2013

