

June 12, 2019


Mike Strain DVM
Commissioner of Agriculture and Forestry
5825 Florida Blvd
Baton Rouge, LA 70806


Re: Southern University Medical Marijuana Program

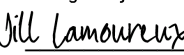
Dear Commissioner Strain:

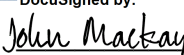
Along with this correspondence, please find a copy of a letter submitted to Southern University regarding the Therapeutic Cannabis program at the university. The undersigned industry experts have grave concerns about the program and the award process. We urge the Department of Agriculture and Forestry as the oversight agency to investigate the award process and the current situation at Southern University. As required by Act No. 261, the Department is required to "...develop the rules and regulations regarding the production of prescribed therapeutic marijuana and the facility producing therapeutic marijuana. The rules and regulations shall include but not be limited to the procedures for application, qualifications, eligibility, background checks, and standards for suitability for a license and penalties for violations of the rules and regulations." We are concerned that what has transpired at Southern University may not be in-line with the standards put forth by the Department and is definitely not in the best interest of citizens of Louisiana. We appreciate your attention to this matter and welcome the opportunity to discuss any of the issues mentioned in the attached letter with you and your team.

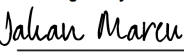
Sincerely,

DocuSigned by:

Steve Sibley, MD
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DocuSigned by:

Eugene Monroe
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Jill Lamoureux
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John Mackay, PhD
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Daniel Rogers
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Matthew Bickel
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cc: John Bel Edwards, Governor
Ann Smith, Chairwoman of Southern University Board
Senator Fred H. Mills, Jr., District - 22

June 12, 2019

Domoine Rutledge, Chairman of Southern University Board
Post Office Box 10878
Southern University
Baton Rouge, LA 70813

Re: Southern University Medical Marijuana Program

Chairman Rutledge,

The signatories below write to express our concerns with the nascent Therapeutic Cannabis Program at Southern University (SU). As you surely know by now, no members of the Advanced Biomedics (“Advanced” or the “Company”) “team” that Carrol Castille and Chad Bodin presented to the school were ever hired. More specifically, we are sending this letter to notify you, the entire Board of Supervisors, the System President, public officials and concerned citizens that, based on the information available to us, our strong opinion is that Advanced, through its controlling/majority owner(s) has misinformed and misled the Board of Southern University, as well as Advanced’s minority owners, in order to secure the medical cannabis production contract, all while knowing that, without the expert team they presented, they would have no ability, capacity or even intention to deliver the medicines they were engaged to grow, extract and sell.

Several individuals, including retired NFL football player Eugene Monroe and Dr. Susan Sisley, were listed in the application of Advanced in an effort to project experience and expertise by a “team” that otherwise had exactly none of either within the legal Cannabis industry. Dr. Sisley is one of a relative few experts in the field of medical marijuana and America’s leading researcher on the beneficial effects of Cannabis in treating patients suffering from PTSD. She was listed in Advanced’s application as its Medical Director. Even after the award was issued, Advanced consistently touted her to the SU Board on numerous occasions as filling that role. In reality, while Dr. Sisley consented to being listed in the application based on Advanced representations that it would promptly engage her as its Medical Director if its bid was successful, that never happened. She was never engaged as Advanced’s Medical Director and, to the contrary, has been ignored by Advanced’s leadership for weeks at a time while she was trying in vain to get them to sign her contract. Eugene Monroe was brought to the team to bring not only his cannabis expertise but to fulfill Southern’s demand for greater minority ownership. The Company was particularly interested in Mr. Monroe’s involvement at Green Thumb Industries which now owns and operates 85 retail dispensaries and 12 cultivation and production facilities across the United States. Advanced used Eugene and Susan’s relationship (friends, the board of Doctors for Cannabis Regulation, amongst a number of projects) to add valuable minority ownership in the midnight hour of the RFP process. Upon his arrival in Louisiana, Advanced promised Mr. Monroe a three percent (3%) ownership stake in Advanced. This number rose to four percent (4%) overnight, just because SU’s Board was not yet satisfied with the minority ownership percentage.

Furthermore, for months now, the Company has failed to deliver to its minority owners an operating agreement or any other supportive documents regarding the business or its activity, despite repeated

requests.¹ The minority ownership of Advanced has been left in the dark from the beginning, and the four SU graduates engaged by Advanced in connection with the application were bought out and removed from the ownership team post-award.

The other purported team members were similarly situated. The undersigned experts helped develop a dynamic, progressive and winning proposal that would serve the Louisiana veteran, civilian, and disadvantaged student communities and help establish SU's capacity in the field of Therapeutic Cannabis in good faith. Advanced's application, had it been followed, would have resulted in extremely high-quality medicine and would have provided cutting edge extraction and pharmaceutical facilities to the State. Our expert team was prepared to train young scientists, go after grants and patents, recruit top-flight talent to the University and promote student entrepreneurship.

One overarching problem is that this "dream team" of scientists and management that was presented to the SU Board was never engaged by the Company's ownership to execute the plan. None of that promise was ever realized, and without the right team, it never will be. The heart of our concern is that the entire process lacks integrity. In the end, the business willing to pay Southern University the most money is in control of the license. Southern has been paid over 2 million dollars before a single gram of cannabis has been grown. This may be precisely what happened, as our understanding is that control of the majority ownership interest was, in fact, transferred after the award. Whoever purchased the majority/controlling interest in Advanced never had to go through the application process and be vetted as every other applicant did. What's especially insulting is that the white-owned Company blatantly used Eugene Monroe, an iconic black figure in the professional sports and cannabis worlds as the lynchpin to secure the contract with SU.

It appears to us that Advanced may have simply used all of these dedicated scientists and other administrative professionals to develop a proposal that would mislead SU in order to win the license and manipulate the system to enrich the owners of the Company. The minority ownership is unaware of the sale price of the ownership stake and was not expressly offered the opportunity to match or beat any offers as was required by the original Operating Agreement submitted to SU. Multiple members of the minority ownership team have access to extensive capital and cannabis experience operating as business owners, investors, operators, board members, and medical directors. Had we been given the opportunity, we could have financed this project in-line with our original vision.

Since Advanced received pivotal points for staff, ownership, and experience that they demonstrably never actually possessed, the contract was, in our opinion, awarded erroneously. But the worst offense and the unforgivable result of this apparently deceptive effort was to callously and shamefully deprive the patients of Louisiana who so desperately needed their cannabis medicines during the end of 2017, the entirety of 2018, and well into 2019.. In fact, if the process at SU is compared to anywhere else in or outside of Louisiana, then it's likely to be yet another year or more before these critical medicines are produced. As a result, patients have suffered unnecessarily, while the controlling owners of Advance have been enriched. It is truly appalling that this was allowed to happen, that this process stalled so severely at SU, that the unjustly awarded contract was then allowed to be sold and that as a result, Louisiana's suffering patients and veterans were sold out. Years after the legislation was passed, Louisiana citizens still don't have the help they were promised and that is just plain wrong.

Thus, we urge the Department of Agriculture to investigate SU's license, including whether Advanced ever intended to engage the experienced professionals portrayed to develop them. Again, this means that many of the points awarded to Advanced were awarded erroneously, unjustly and in error. We urge SU to reevaluate their contract with Advanced as no progress has been made to execute on the promises made by

¹ Only within 2019 has the Company for the first time provided its operating agreement and a limited amount of financial information, but only after Mr. Monroe's legal counsel demanded the same under statutory authority.

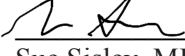
the Company. Another glaring injustice is the role of Dr. Chanda Macias who was apparently serving as an informal advisor to SU, but then also engaging in self-help to ensure her own place in the program without ever surviving the application process herself. By her own admission, she failed to get her own company's application timely filed and submitted to SU by the deadline on June 30, 2017. She was then rewarded with the contract. How does that make sense? How is it fair? It is further evidence that SU has been negligent in their management of this award – they did not hold Advanced to the timeline proposed in any meaningful way, and they never verified any of the contracts with any of the experts that the Company claimed were a part of their so-called team. They forfeited any meaningful measure of responsibility throughout the entire process.

One final aspect of the SU approach to this singular opportunity was so offensive that we cannot close without mention of it. The fact is that SU garnered much unwarranted initial excitement and respect among applicants and stakeholders for the way they structured their RFA (Request for Applications). On paper, it purported to favor “in-state” applicants, alumni and minorities. We had no reason to doubt the University’s sincerity because, as an HBCU entering a dynamic, yet exclusive industry plagued by racial homogeneity, the state-mandated two-supplier system guaranteed a robust opportunity for SU to train future industry leaders and help boost inclusion. Staring at anemic numbers nationwide, this presented a golden and unique opportunity for SU to help move the needle from <5% black ownership to something more representative and respectable. With the opening and opportunity there, we couldn’t imagine any sane or defensible reason not to occupy or seize it. But then they didn’t. In fact, the reverse happened. Advanced paid attention to what SU was signaling and recruited black owners like Eugene Monroe but then used them in the most dishonorable, despicable and brazen of ways. Apparently focused almost exclusively on the money, SU turned a blind eye and barely exercised any due diligence while the minority owners were being marginalized, ignored or discarded entirely. Thus, only one remains, Eugene Monroe, and he has been written out of the script and kept in the dark so completely that he hardly feels like he’s even part of the team anymore. Advanced Biomedics used Eugene Monroe for his network, including engaged Matthew Bickel, who is both Eugene’s best friend and a cannabis cultivation specialist. It didn’t have to be this way, and it was entirely avoidable if SU had undertaken appropriate due diligence, such as by requesting to review contracts or taking meetings with key staff or ownership or by setting benchmarks or hard performance deadlines. Now, the state unnecessarily has two out-of-state operators, and the only HBCU in the business opted to do business with a woefully insincere team with no meaningful minority inclusion. That is an inescapable and intolerable truth of what is transpiring at Southern.

We appeal to all interested parties to ensure that the program presented to SU is realized – by Advanced or whichever team may eventually have to be selected to step in to replace them. Ilera Healthcare is, in our opinion, an under-qualified operator which, as we anticipated, has wound up being incapable of delivering the necessary capital needed to produce the cannabis medicines and programs that were promised. As such, we understand they have enlisted the help of yet another out-of-state entity which again will have avoided the burden, risk, scrutiny and expense common to all other legitimate bidders and whose only apparent function is to furnish funds that the Company previously publicly pledged to have had. In our experience, the entire statewide program will surely require far more operators to be successful than the two that were selected by the named Universities. The entire SU component of the medical cannabis program was, without question, built on a foundation of deception and greed and should be thoroughly reviewed, dismantled and re-built in a way that actually *can* succeed and that truly delivers on the promises made to patients and SU’s stakeholders.

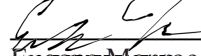
Sincerely,

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Sue Sisley, MD

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Eugene M. Moore

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Jill Lamoureux

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John Mackay, PhD

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John Marcu, PhD

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Matthew Bickel

cc: John Bel Edwards, Governor
Mike Strain DVM, Commissioner of Agriculture and Forestry
Senator Fred H. Mills, Jr., District - 22