



**SENT VIA EMAIL, CERTIFIED MAIL, RETURN RECEIPT REQUESTED AND
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DATE OF MAILING: April 10, 2019

Steve White
627 S. 48th St., Suite 100
Tempe, AZ 85281

RE: SMPB Retail, Inc. dba Harvest of Reading
Harvest of Southeast PA, LLC
Harvest of Northeast PA, LLC
Harvest of South Central PA, LLC
Harvest of North Central PA, LLC
Harvest of Southwest PA, LLC
Harvest of Northwest PA, LLC

Dear Mr. White:

The Pennsylvania Department of Health, Office of Medical Marijuana (Department) is solely contacting you, the primary contact, regarding the Medical Marijuana Dispensaries referenced above.

The Department is aware of an article published yesterday on www.businesswire.com entitled “Harvest Health & Recreation Extends Breadth & Depth of Dominant U.S. Footprint with Acquisitions in Four East Cost States.”¹ The article represents that Harvest Health & Recreation, Inc., identified simply as “Harvest,” intends to acquire CannaPharmacy, Inc. and that the acquisition includes “[o]ne 46,800 square foot cultivation facility” located in “a former Pepsi bottling plant employing local Pennsylvanians.” The current permittee of the identified cultivation facility is Franklin Labs, LLC. As you are aware, permits are nontransferable under Section 603(b) of the Medical Marijuana Act, 35 P.S. § 10231.603(b). Accordingly, even after completion of the acquisition, Franklin Labs, LLC will retain ownership of the permit and Harvest Health & Recreation, Inc. may not represent that it owns the permit issued to Franklin Labs, LLC.

The article further represents that, in Pennsylvania, “Harvest currently has seven state licenses allowing up to 21 retail stores throughout the state.” This is a blatant misrepresentation of Harvest Health and Recreation’s status in Pennsylvania. Harvest Health & Recreation, Inc. did not apply for, or receive, *any* permits in Pennsylvania. Rather, in Phase 1, SMPB Retail, Inc. dba Harvest of Reading applied for, and was issued, a dispensary permit. In Phase 2, the following entities applied for, and were issued, dispensary permits: Harvest of Southeast PA, LLC, Harvest of Northeast PA, LLC, Harvest of South Central PA, LLC, Harvest of North Central PA, LLC, Harvest of Southwest PA, LLC, and Harvest of Northwest PA, LLC.

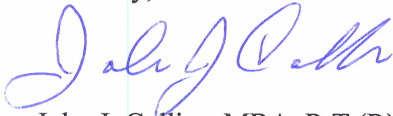
¹ This article was additionally referenced and quoted in an article entitled: “Big Marijuana: Arizona company set to become Pennsylvania’s largest cannabis chain after new deal” published on www.philly.com on the same date.

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Because each business is recognized as a separate legal entity under law,² the Department expects each to operate as independent entities as represented in the permit applications. Any continued misrepresentation that these entities are one in the same will be construed as a falsification of the permit applications and will result in the Office taking action against each entity, including possible revocation of permits, under 28 Pa. Code § 1141.47.

Sincerely,



John J. Collins, MBA, R.T.(R)(N), CNMT
Director

cc: ahowe@harvestinc.com

² Pursuant to the Act, “[t]he department may not issue more than five individual dispensary permits to one person.” 35 P.S. § 10231.616(3). The Statutory Construction Act of 1972 defines “person” as follows: “Includes a corporation, partnership, limited liability company, business trust, other association, government entity (other than the Commonwealth), estate, trust, foundation or natural person.” 1 Pa.C.S.A. § 1991.