



Quantum 9, Inc.
Cannabis Consulting & Technology

New York Medical Marijuana Summary January 26, 2015

Program Type: Medical, not yet active

Reciprocity: No

Self-Cultivation: No. Caregivers can pick up and deliver cannabis from cultivators for up to 5 patients.

Non-profit: Non-profit or for-profit

Dispensing structure: The New York Department of Health will license 5 organizations to cultivate and manufacture cannabis. Each organization can operate up to 4 dispensaries.

Application Fees: \$10,000 application fee and submit a check for \$200,000. The \$200,000 will be refunded if the group doesn't receive a license. The \$200,000 license will be good for 2 years.

Active Patients: N/A

Producers: 5 producers, and they are limited to producing no more than 5 strains

Production Limits: N/A

Patient Limits: A 30 day supply. Patients are prohibited from smoking cannabis. Alternate forms of consumptions such as vaporization, tinctures and infused products will be allowed.



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Qualifying Conditions: Severely debilitating or life-threatening illnesses are covered. The list of specific illnesses include cancer, HIV/AIDS, amyotrophic lateral sclerosis (ALS), Parkinson's disease, multiple sclerosis, damage to the nervous tissue of the spinal cord with objective neurological indication of intractable spasticity, epilepsy, inflammatory bowel disease (IBS), neuropathies, Huntington's disease, cachexia or wasting syndrome, severe or chronic pain, severe nausea, seizures, severe or persistent muscle spasms, and any additional diseases or conditions designated by the commissioner.

Pending legislation: The final legislation has until the end of 2015 to be finalized. Governor Cuomo has directed the state Department of Health to speed up the process for getting medical cannabis to young patients with epilepsy.

Upcoming Application Period: Once the regulations have been finalized, the application period will be announced. Looking at Q4 2015 or Q1 2016.

Average Medical Price: N/A, prices will be set by the state

Taxes: Medical marijuana would be subject to a 7% excise taxes; 22.5% of the tax revenue would go to the county where the marijuana was sold and 22.5% to the county where the marijuana was manufactured. Five percent would be directed to drug abuse prevention, counseling, and treatment, and five percent would be directed to criminal justice services.

Sources: <http://www.leafly.com/ny>; <http://www.mpp.org/states/new-york/new-yorks-compassionate-care.html>; <http://mmjbusinessdaily.com/new-york-mmj-regs-200000-licensing-fee-strain-limit/>