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April 22, 2013

William M. Rubenstein, Commissioner
State of Connecticut
Department of Consumer Protection
165 Capitol Avenue
Room 103
Hartford, CT 06106

RE: Proposed Regulation
Concerning Palliative Use of Marijuana

Dear Commissioner Rubenstein:

My name is Rod Deraney, D.C. I would first like to thank you for having the vision to regulate the medical use of cannabis. Opening up this industry in the state of Connecticut will help so many people suffering from medical conditions for which this product has been demonstrated to be of some therapeutic value. By permitting 3 producers to establish their facilities in this state, you will be better able to ensure that proper quality control and distribution mechanisms are observed and, hopefully, establish deterrents and proper sanctions to discourage the type of black market activity which has sprung up in states without proper regulatory oversight. An added positive effect for the state is the added boost in tax revenue and jobs that will be created here in Connecticut. Given the recent legislation and the proposed regulations in their current draft form, it is likely that the program in Connecticut will serve as a model for how other states should proceed with this industry. My business partners and I are anxious to submit a proposal to establish a state-of-the-art facility for cannabis production and distribution. In connection with our current efforts to refine our product delivery business model, we have reviewed the proposed regulation and we respectfully submit the following comments:

- Any pricing policies, limits or restrictions must take into account the producer's need to make a "market competitive" product available.
- The state needs to consider extending favorable taxation methods and incentives to ensure the producers who will be forced to sell their products at a competitive low pricing scale to thrive and mitigate against defeat and black market efforts, can operate profitably in an operationally efficient manner. This may require input from the Department of Revenue Services and a meeting with the industry leaders to ensure a proper regulatory framework from a taxation perspective is established. This will avoid unnecessary "rate setting" proceedings and conflicts.
- Regulations or criminal enforcement methods should be identified to prevent black market activity. The mechanisms currently utilized by the DEA, DCP, pharmacies and distributors with

regard to tracking controlled substances and related prescriptive activity should be utilized to protect patients, providers, producers and distributors.

- The regulations with regard to the issuance, discipline, suspension and termination of the producer license are confusing, vague, inconsistent and not in keeping with the notions of due process and the minimum standards for due process protected by the Connecticut Uniform Administrative Procedures Act, Connecticut General Statutes Sec. 4-166 et seq. While it appears that the proposed regulation suggests that the producers will have a right to a hearing under the procedures established under the UAPA, 4-182, this is not adequately addressed in the current version of the regulations. I am concerned that if the hearing rights are not clearly set forth in the enabling statute and regulations, any perceived compliance violation by a producer may result in protracted litigation and conflict which would be detrimental to the intent of the statute which is to ensure medicinal cannabis is available for use by patients when ordered by their treating physician. Thus, more specific provisions in the statute and regulation describing the hearing rights and procedures for compliance, addressing violations, corrective action, and the suspension, modification, discipline and/or termination of the producer license should be added. This request is reasonable given the effort and investment by the producers in this state and the \$2Million bond requirement. It will ensure equal treatment, for example, that the producer's right not to be deprived of a license without due process will be respected through the type of UAPA process made available to other regulated industries such as the pharmacies, hospitals, pharmaceutical companies, utility companies and banks.

I would be pleased to assist with the revisions of the statute and regulations to accomplish the refinements I have suggested above. Please do not hesitate to call upon me. Best wishes.

Sincerely,

A handwritten signature in black ink, appearing to read "Rod Deraney", with a stylized flourish at the end.

Dr. Rod Deraney, D.C., C.C.E.P., C.C.S.P.