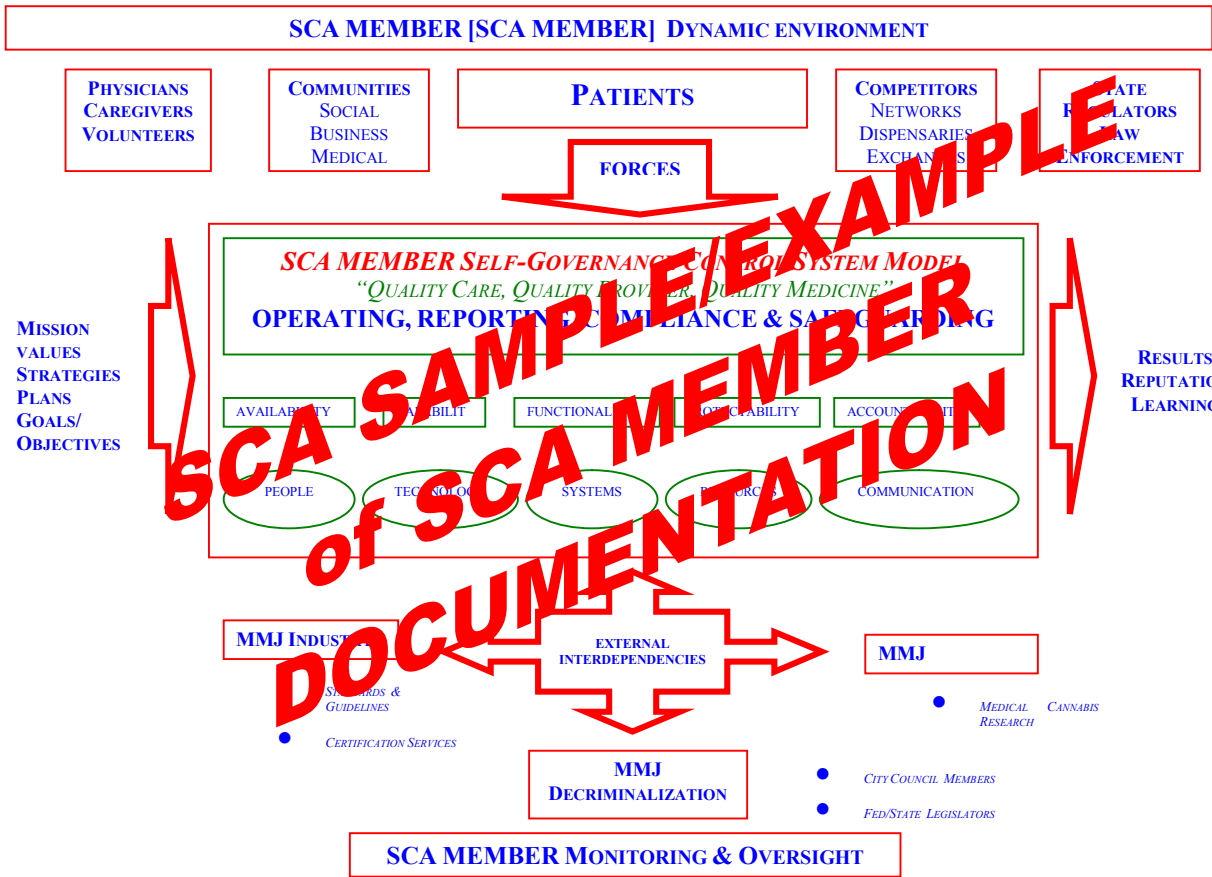
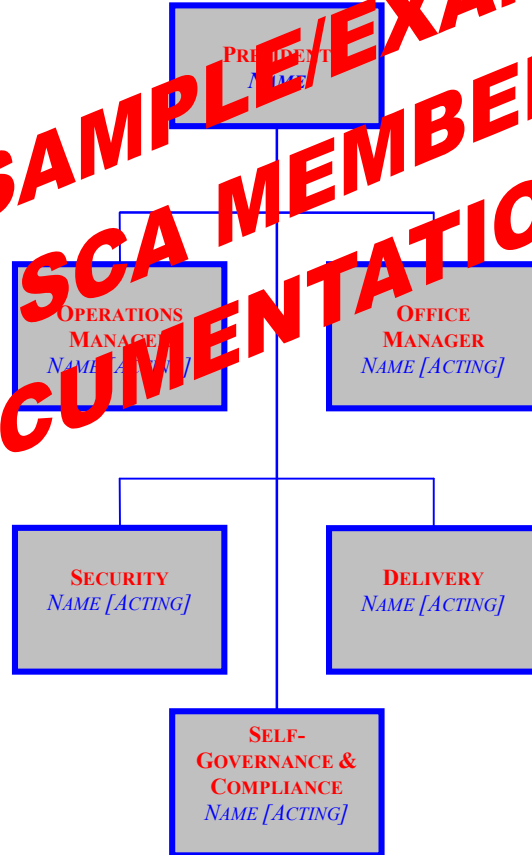


SCA MEMBER SELF-GOVERNANCE CONTROL SYSTEM MODEL DIAGRAM

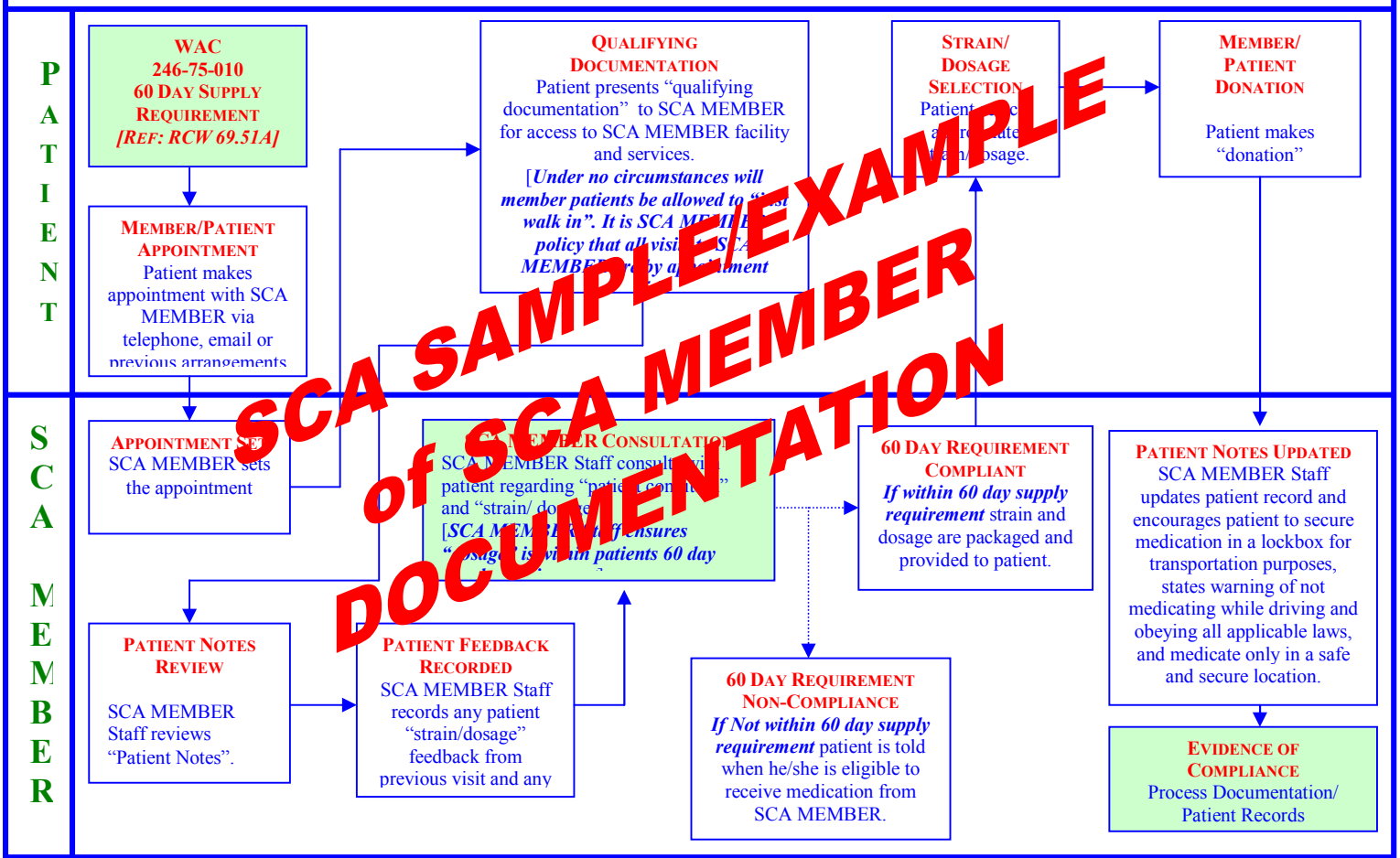


SCA MEMBER [SCA MEMBER]
ORGANIZATION CHART

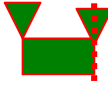

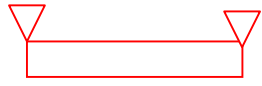
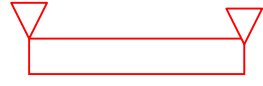
SCA SAMPLE/EXAMPLE
of SCA MEMBER
DOCUMENTATION



SCA MEMBER [SCA MEMBER] PATIENT MEMBER ACCESS /APPOINTMENT PROCESS



**SCA MEMBER [SCA MEMBER]
ANNUAL SELF-REVIEW PLAN [2011]**

MILESTONE	1 ST QTR	2 ND QTR	3 RD QTR	4 TH QTR
<p>1ST QTR SELF-REVIEW <u>SELF-GOVERNANCE REVIEW</u> START: MAR END: MAR</p>				
<p>2ND QTR SELF-REVIEW <u>ADMINISTRATIVE REVIEW</u> START: JUNE END: JUNE</p>				
<p>3RD QTR SELF-REVIEW <u>OPERATIONS & SECURITY REVIEW</u> START: SEPTEMBER END: SEPTEMBER</p>				
<p>4TH QTR SELF-REVIEW <u>QUALITY REVIEW</u> START: DECEMBER END: DECEMBER</p>				

**SCA SAMPLE/EXAMPLE
of SCA MEMBER
DOCUMENTATION**

**SCA MEMBER [SCA MEMBER] Co-op
PATIENT MEMBER / CAREGIVER PROVIDER
AGREEMENT**

I hereby appoint **SCA MEMBER [SCA MEMBER] Co-op** as my “**DESIGNATED PROVIDER**” for the sole purpose of obtaining “medical Cannabis” as defined in Washington State Chapter 69.51A RCW Medical Cannabis.

I AFFIRM THAT I AM A “QUALIFYING PATIENT” WHO:

- a. Has received “valid documentation”[“medical Cannabis recommendation”] from a Licensed “health care professional” on “tamper-resistant paper”;
- b. Has been diagnosed by that health care professional as having a “terminal or debilitating medical condition”;
- c. Is a resident of the state of Washington [with valid Washington State identification] at the time of such diagnosis;
- d. Has been advised by my health care professional about the risks and benefits of the medical use of Cannabis; and.
- e. Has been advised by my health care professional that I may benefit from the medical use of Cannabis.

I further affirm even though I am a “qualifying patient” under the laws of Washington State, medical Cannabis is still considered illegal federally.

I understand that all “donations” to the SCA MEMBER Co-op are for water, electricity, supplies and time [and in no way constitute a “significant” transaction, rather a “*compassionate transaction to a qualifying patient*”].

As a member of SCA MEMBER I understand it is my responsibility to become aware of and obey Washington State Law and SCA MEMBER rules and expectations with regard to my use of medical Cannabis.

It has been explained that it is SCA MEMBER policy to provide a safe and secure environment for all members. Any violation of SCA MEMBER rules and expectations will result in the termination of this “**AGREEMENT**”. All SCA MEMBER members agree that the SCA MEMBER staff has a right to refuse service to any member for any reason.

Caveat As of June 10, 2010, it is SCA MEMBER policy to only accept authorization forms printed on “tamper-resistant paper” to prevent: copying of the paper; erasure or modification of information on the paper; or the use of counterfeit valid documentation per RCW 69.51A.010(5) from a licensed Washington State Health care provider.

Caveat “SCA MEMBER members agree to pay all related Washington State taxes if require. It is SCA MEMBER policy that “donations” intended for “medical use” provided by “qualifying patients” by ”designated providers” are not taxable, and SCA MEMBER is therefore unauthorized to collect taxes from “qualifying patients” until the Washington State Legislature clarifies the legality of the Department of Revenue’s claim that medical Cannabis “donations” from “qualifying patients” are taxable. SCA MEMBER will follow SCA MEMBER policy and make available to its members Consumer Use Tax Return Forms if such a tax is in fact legally enforceable. It is also SCA MEMBER policy that SCA MEMBER comply with the letter and “spirit” of all applicable Washington State regulations and “community values”.

I certify that I have read and agree to the above terms and conditions for membership into the SCA MEMBER Co-op. I verify that the information and documents provided are valid. I also understand that it is a class C felony to fraudulently produce any record purporting to be, or tamper with the content of any record for the purpose of having it accepted as, valid documentation under RCW 69.51A.060(5)”.

Legible Print Name: _____ Signature: _____

Date: _____/_____/2011

Member ID#: _____

**SCA MEMBER [SCA MEMBER] Co-OP
SUPPLIER GROWER AGREEMENT**

Check if applicable “DESIGNATED SCA MEMBER SUPPLIER GROWER”

I AFFIRM I AM APPLYING TO BECOME A “DESIGNATED SCA MEMBER SUPPLIER GROWERS MEMBER” WHO:

- a. Has been made aware of SCA MEMBER policy and expectations regarding supplying SCA MEMBER with medical grade cannabis;
- b. Agree to SCA MEMBER’s *Code of Conduct* and *Quality Cultivation Standards*; and
- c. Agree to routine/periodic inspections [*SCA MEMBER Enforcement*] by SCA MEMBER of my “cultivation” activities to ensure my compliance with WA State regulations and SCA MEMBER policy/standards.

SCA MEMBER defines “*Co-op Cultivation*” as an organization that facilitates the collaborative efforts of patient and caregiver members – that does not purchase cannabis from a person, non-members; instead, it only provides a means for facilitating or coordinating transactions between members.

SCA MEMBER SUPPLIER GROWER CODE OF CONDUCT

- Adhere to SCA MEMBER policy and standards of professional conduct;
- Possess the professional skills and knowledge required for medical cannabis “cultivation”;
- Maintain ethical practices and conducts himself in a ethical and law-abiding manner;
- Demonstrate respect for SCA MEMBER members and other SCA MEMBER stakeholders.
- Engage in professional development with regard to quality cultivation practices and the medical cannabis industry

SCA MEMBER QUALITY Co-OP CULTIVATION STANDARDS & ENFORCEMENT

- All members of SCA MEMBER Co-op must be WA State residents with valid WA State identification.
- All medicine allocated through SCA MEMBER must be cultivated and consumed within WA State.
- SCA MEMBER Supplier Grower’s must post valid documentation on residential premises;
- SCA MEMBER Supplier Growers are allowed to grow up to 15 plants and have up to 24 ounces of dried cannabis per assigned SCA MEMBER patient every 60 days;
- SCA MEMBER Supplier Growers residential grow spaces for “Designated Supplier Growers” will be limited to:
 - _____ square feet;
 - No special wiring requirements;
 - Lighting cannot exceed 1,200 watts;
 - Prohibits use of any unsafe or dangerous products and/or uses only products safe for human consumption;
 - No external evidence of cultivation at residence; and
 - Proper disposal of cultivation waste

I certify that I have read and agree to the above terms and conditions for membership into the SCA MEMBER Co-op.

Legible Print Name: _____ Signature: _____

Date: _____ / _____ /2011

Member ID#: _____

**SCA MEMBER [SCA MEMBER]
PATIENT/ MEMBER FEEDBACK SURVEY**

Your feedback/suggestions are helping us improve our services. We at SCA MEMBER appreciate you feedback and suggestions.

**PLEASE CHECK ALL THAT APPLY AND PROVIDE ANY ADDITIONAL FEEDBACK AND/OR SUGGESTIONS.
PLEASE FILL OUT BOTH SIDES OF THIS SURVEY**

METHOD OF DELIVERY

- SMOKE VAPORIZE
 INGESTING/EDIBLES OILS
 OTHER [LIST PREFERRED METHOD OF DELIVERY]

STRAIN

- SATIVA INDICA COMBINATION SATIVA/INDICA
 OTHER [LIST SPECIFIC STRAIN IF KNOWN]

MEMBER FEEDBACK [SELECT ALL THAT APPLY]:

- | | |
|--|---|
| <input type="checkbox"/> REDUCES DEPRESSION | <input type="checkbox"/> RELIEVES HEADACHES AND MIGRAINES |
| <input type="checkbox"/> ENERGIZES AND STIMULATES | <input type="checkbox"/> REDUCES PAIN |
| <input type="checkbox"/> INCREASES FOCUS AND CREATIVITY | <input type="checkbox"/> REDUCES NAUSEA |
| <input type="checkbox"/> STIMULATES APPETITE | <input type="checkbox"/> RELAXES MUSCLES |
| <input type="checkbox"/> RELIEVES SPASMS | <input type="checkbox"/> REDUCES INFLAMMATION |
| <input type="checkbox"/> ASSIST IN SLEEP | <input type="checkbox"/> REDUCES ANXIETY AND STRESS |
| <input type="checkbox"/> REDUCES PRESSURE INSIDE THE EYE | |
| <input type="checkbox"/> OTHER: | |

PATIENT CANNABIS TREATMENT PLAN [OTHER CAREGIVER COMMENTS]:

SCA MEMBER CAREGIVER INPUT: MEMBER ID#: _____ [CIRCLE APPROPRIATE STATUS]
PATIENT QUESTIONED REGARDING CANNABIS THERAPY, IMPROVEMENTS, "STRAIN/DOSAGE" FEEDBACK FROM PREVIOUS VISIT AND ANY NEW SYMPSTAFFS.: Y / N
60 DAY REQUIREMENT UNDER 24 OZ: Y / N TODAYS DATE : ____ / ____ / 2011

**SCA MEMBER [SCA MEMBER]
PATIENT/ MEMBER FEEDBACK SURVEY**

WE WANT TO BE SURE WE ARE DOING EVERYTHING WE CAN TO SERVE YOU.

PLEASE FILL OUT BOTH SIDES OF THIS SURVEY. IT WILL HELP US BETTER SERVE YOU.

DO NOT SIGN YOUR NAME, JUST CHECK OFF YOUR ANSWER AND INITIAL BELOW.

THANK YOU.

ON A SCALE FROM 1 TO 5,

GREAT: 5
GOOD: 4
OK: 3
FAIR: 2
POOR: 1

HOW WOULD YOU RATE:

YOUR VISIT AT SCA MEMBER? 1 2 3 4 5

COMMENTS:

YOUR CAREGIVER? 1 2 3 4 5

COMMENTS:

MEDICINE SELECTION 1 2 3 4 5

COMMENTS:

SCA MEMBER FACILITY? 1 2 3 4 5

COMMENTS:

YOUR OVERALL VISIT AT SCA MEMBER? 1 2 3 4 5

COMMENTS:

OTHER PATIENT COMMENTS/SUGGESTIONS/COMPLAINTS:

Patient Initials

SCA MEMBER MEDIA STATEMENT

This statement articulates SCA MEMBER Vision, Mission, Strategy, Values, Code of Ethics and list 2011 Performance Measures.

Questions regarding SCA MEMBER [SCA MEMBER] Co-op can be addressed to: SCA MEMBER President Name, Telephone, Address

Vision

- SCA MEMBER promotes the highest level of medical cannabis care for the people of Washington State.

Mission

- SCA MEMBER is dedicated to being the acknowledged state-wide leader in providing services, advocacy and information to medical cannabis patients, caregivers, health care providers, and their communities.

Strategy Implementation & Monitoring

- To achieve our goals, SCA MEMBER has developed, implemented and is monitoring an internal "Self-Governance Program" [*The first to do so in the Medical Cannabis Industry*] that ensures SCA MEMBER activities are efficient and effective, compliant with federal guidelines, Washington State law, local Law Enforcement recommendations, SCA MEMBER policy [and expectations] and "community values".
 - ◆ *The SCA MEMBER President Name has a true passion for penetrating new markets for SCA MEMBER services and has implemented a Expansion Plan to accommodate growth projections, using SCA MEMBER's Self-Governance Program for "controlled growth".*

Values

- We make fair, objective, and informed decisions in providing care for medical cannabis patients.
- We earn the public's trust by being transparent and accountable.
- We encourage collaboration and mutual respect through direct and effective communication.
- We strive to be timely and efficient in all our processes.
- We are committed to creating a rewarding and supportive work environment.

Code of Ethics

- **SCA MEMBER Caregivers Providers and Staff shall:**
 - ◆ Make fair and objective decisions
 - ◆ Strictly maintain confidentiality and privacy of SCA MEMBER members
 - ◆ Avoid improper contacts and real or potential conflict of interest, or the appearance of such a conflict
 - ◆ Protect the integrity of SCA MEMBER

Performance Measures 2011

- **Goal #1: Provide quality service, quality care and quality medicine by effectively enforcing SCA MEMBER policy and standards**
 - ◆ **Performance Measure**

- Conduct 4 Quarterly **Self-Reviews** per an annual plan to ensure SCA MEMBER “quality” and compliance with Washington state law and other guidelines on an on-going, routine and continuous basis.
- **Goal #2: Ensure SCA MEMBER caregivers meet and maintain a high standard of qualifications**
 - ◆ **Performance Measure**
 - Ensure Caregiver certification and/or caregiver training program for all SCA MEMBER caregivers.
- **Goal #3: Establish a SCA MEMBER professional Caregiver/Supplier Training Program**
 - ◆ **Performance Measure**
 - Ensure all SCA MEMBER Caregivers receive SCA MEMBER Caregiver certification.
 - Ensure all SCA MEMBER Suppliers sign SCA MEMBER Code of Conduct and appropriate SCA MEMBER Supplier agreements.
- **Goal #4: Ensure SCA MEMBER presence is communicated to all “stakeholders” and the SCA MEMBER website is up to date**
 - ◆ **Performance Measures**
 - Caregiver satisfaction monitored and status monthly
 - Patient satisfaction monitored and status monthly
 - Continuous Quality Improvements and enhanced services monitored and status monthly
 - ◆ Evidence of SCA MEMBER Self-Governance Program
- **Goal #5: Establish and enhance effective stakeholder relationships**
 - ◆ **Performance Measures**
 - Standards developed for stakeholder relationships
 - Develop Research & Testing capabilities with identified SCA MEMBER stakeholders

SCA SAMPLE/EXAMPLE
of SCA MEMBER
DOCUMENTATION

The *SCA MEMBER President Name* stated:

“SCA MEMBER believes there is no room for “greed” in medical cannabis. Therefore part of SCA MEMBER’s mission is to be the “defacto leader” for ethical behavior and set the “model/standard” [using SCA MEMBER’s Self-Governance Model] for Washington State Medical Cannabis “caregiver providers”.

“We at SCA MEMBER want to not only set the standard but want to raise it by being organized, open, honest, ethical, transparent, accountable and compassionate to our patients and the communities we serve”.

“SCA MEMBER pursues its mission by establishing strategies and objectives consistent with its values. Our Self-Governance Control System Model documents this process. SCA MEMBER aims to achieve its mission while enhancing its reputation and learning how to improve its future performance. The beauty of our Self-Governance Model is that it can be applied to any business [small, medium, large, for profit or non-profit] with limited compliance resources”.

“A sound control environment helps SCA MEMBER stay on its intended path as it moves from mission to results. The broad control context - effectiveness and efficiency of operations; appropriate reporting; compliance with requirements [laws, statutes, regulations, standards, guidelines and best practices]; and safeguarding of assets is captured in the SCA MEMBER Self-Governance Control System Model”.

“WE at SCA MEMBER believe SCA MEMBER is like Medical Cannabis ...it should be “shared” with those in need. Helping Medical Cannabis patients, caregiver providers, growers, Health Care Providers and the betterment of the community is what we are about, NOT GREED.”

“SCA MEMBER is the first and only Co-op in the United States to establish an integrated Self-Governance Program that sets the standard for the medical cannabis Industry with regards to compliance and monitoring activities. This is accountability on another level. We are using a higher business model on a even higher business level.

MEETING DATE: INITIAL 02/03/11 STATUS UPDATE: 2/14/11

TIME: 3PM – 5PM

LOCATIONS: SCA MEMBER SEATTLE

MEETING PARTICIPANTS:

NAME

STAFF

STAFF

**SCA MEMBER [SCA MEMBER]
MONTHLY MEETING MINUTES
Agenda – February 2011 [Draft/Final]**

** Note: It is SCA MEMBER policy to track and status Action items at monthly Meetings until closed*

RISK TOPICS/ ISSUES/ CONCERNS

- WASHINGTON STATE MEDICAL CANNABIS REGULATION & TAX COMPLIANCE
- ARTICLES OF INCORPORATION FOR NONPROFITS
- BYLAWS FOR NONPROFIT CORPORATION
- CORPORATE RECORDS FOR NONPROFIT CORPORATIONS
- 501(C)3 TAX EXEMPTION
- CORPORATE MEETING MINUTES
- PROHIBITIONS ON POLITICAL AND LEGISLATIVE ACTIVITIES
- CITY BUSINESS LICENSE [SEATTLE/BALLARD]
- SCA MEMBER STRATEGY, MISSION, GOALS
- SCA MEMBER CODE OF CONDUCT, ETHICS & VALUES
- SCA MEMBER SELF GOVERNANCE PROGRAM MODEL [INTEGRATED CONTINUOUS QUALITY IMPROVEMENT PROGRAM SYSTEM, PROBLEM RESOLUTION SYSTEM, CHANGE MANAGEMENT SYSTEM & COMPLIANCE SYSTEM]
- POLICY, PROCEDURE, INSTRUCTIONS, GUIDELINES & PROCESS DEVELOPMENT/DOCUMENTATION [INTERNAL CONTROLS]
- RECORD RETENTION & DISCLOSURE
- SUPPLIER RELATIONSHIPS & AGREEMENTS
- DONATIONS FOR SERVICES
- PATIENT MEMBER ORIENTATION & AGREEMENTS [CODE OF CONDUCT]
- CAREGIVER TRAINING & CERTIFICATION
- VOLUNTEER TRAINING

**SCA SAMPLE/EXAMPLE
of SCA MEMBER
DOCUMENTATION**

**POLICY STATEMENTS [GENERAL INTERNAL CONTROLS]
ACTION ITEMS**

TOTAL SCA MEMBER ACTION ITEMS TO-DATE: 18

OPEN ACTION ITEMS: 18 ADDED ACTION ITEMS FEBRUARY: 18

CLOSED ACTION ITEMS [LAST MONTH JANUARY]: 0

A. STRATEGY DEVELOPMENT

- TOPIC: SCA MEMBER STRATEGY DEVELOPMENT, IMPLEMENTATION, DOCUMENTATION AND MONITORING**
RESP: NAME ASSIGNED TO: TBD ECD: 02/14/11 RISK: MODERATE
FEBRUARY AI# 01: 02-03-11: Document and communicate SCA MEMBER strategy in accomplishing SCA MEMBER’s mission, goals and objectives. Discuss business model usage for “Co-

op” standardization strategy and develop/publish/ communicate Topic Categories and Key Internal Controls.

02-14-11 STATUS: Complete.

- TOPIC: SCA MEMBER ORGANIZATION AND SCA MEMBER SELF-GOVERNANCE PROGRAM MODEL**
RESP: NAME ASSIGNED TO: TBD ECD: 02/14/11 RISK: MODERATE
FEBRUARY AI# 02: 02-03-11 Develop/publish/communicate SCA MEMBER Self-Governance Model – Quality Care/Best Practices & Compliance Reporting Diagram & Explanation. The following inputs help SCA MEMBER develop its business objectives, prioritize risk and identify key and non-key controls.

02-14-11 STATUS: Complete. Action item to be closed by Name.

B. REPORTING

- TOPIC: SCA MEMBER SELF-REVIEW PLAN**
RESP: NAME ASSIGNED TO: STAFF ECD: 02/14/11 RISK: LOW
FEBRUARY AI# 03: 02-03-11 Develop/publish/communicate SCA MEMBER 2011 Annual Self-Review Plan. A plan of scheduled reviews of SCA MEMBER operations should be developed. It is SCA MEMBER policy to conduct continuous quality improvement self reviews to assess SCA MEMBER operational compliance with federal guidelines, state laws, local City of Seattle prosecuting attorney/law enforcement guidelines and SCA MEMBER policy. A Annual Self Review Plan had been submitted for review/comment.

02-14-11 STATUS: Annual Plan submitted for management review and comment. Recommend closure by Name.

- TOPIC: SCA MEMBER SELF-REVIEW SUMMARY REPORT**
RESP: NAME ASSIGNED TO: TBD ECD: 02/14/11 RISK: MODERATE
FEBRUARY AI# 04: 02-03-11 Finalize SCA MEMBER Self-Review Summary Report #1 and develop background “detailed” Notes to publish/Communicate findings with recommendations. Provide general assessment of SCA MEMBER operations. Provide recommendations to SCA MEMBER organization, documentation and compliance activities.

02-14-11 STATUS: OPEN self-review 90% complete

C. ORGANIZATION

- TOPIC: SCA MEMBER QUALIFYING CHARITABLE ORGANIZATION DEFINITIONS**
RESP: NAME ASSIGNED TO: STAFF ECD: 02/14/11 RISK: MODERATE
FEBRUARY AI# 05: 02-03-11 CLARIFY SCA MEMBER ENTITY STATUS AS A NONPROFIT “CHARITABLE ORGANIZATION”. Identify/clarify SCA MEMBER policy as a qualifying charitable organization.

02-14-11 STATUS: OPEN SCA MEMBER policy, designation as a “Non profit Charitable organization”. To be discussed.

- TOPIC: SCA MEMBER ORG CHART**
RESP: NAME ASSIGNED TO: NAME ECD: 02/14/11 RISK: MODERATE
FEBRUARY AI# 06: 02-03-11 Develop/publish/communicate SCA MEMBER Organization Chart.

02-14-11 STATUS: Complete. Action item to be closed by Name.

- TOPIC: SCA MEMBER PROFESSIONAL IMAGE**
RESP: NAME ASSIGNED TO: STAFF ECD: 02/14/11 RISK: LOW
FEBRUARY AI# 07: 02-03-11 Develop/publish/communicate a SCA MEMBER Media Statement.

02-14-11 STATUS: Complete. Action item to be closed by Name.

- TOPIC: SCA MEMBER LEADERSHIP ROLE**
RESP: NAME ASSIGNED TO: NAME ECD: 02/14/11 RISK: LOW
FEBRUARY AI# 8: 02-03-11 Issue SCA MEMBER policy statement regarding SCA MEMBER [and SCA MEMBER President] community representative leadership position. Encourage “*stakeholders*” to visit SCA MEMBER and showcase SCA MEMBER “*Operations approach*” [Facility Set Up, Policy Postings, Caregiver Training etc]. Discuss “*standardized approach*” using SCA MEMBER Model. Make SCA MEMBER available to stakeholders: state legislators, city council members, law

enforcement and other community stakeholders [Doctors, Medical Cannabis Supplier Growers, Activist etc] as “subject expert” for Caregiver/Provider services.

02-14-11 STATUS: OPEN SCA MEMBER President to contact all “interested stakeholders” regarding SCA MEMBER “model”. List of stakeholder’s contacted and brief description of meeting/discussion to be incorporated in meeting minutes.

D. DEFINITIONS & CLARIFICATION

TOPIC: SCA MEMBER CAREGIVER/PROVIDER DESIGNATION CLARIFICATION

RESP: NAME **ASSIGNED TO:** STAFF **ECD:** 02/14/11 **RISK:** HIGH

FEBRUARY AI# 9: 02-03-11 Issue SCA MEMBER policy clarification statement. Clarify patient “Caregiver/provider Designation” and SCA MEMBER policy. While on SCA MEMBER premises all SCA MEMBER members [patients] assign SCA MEMBER as their “Designated Provider” for any services provided by SCA MEMBER. The intent of this policy augments SCA MEMBER security policy regarding a “safe and secure environment” for SCA MEMBER patient members [as well as caregivers] and establishes SCA MEMBER as the patient member designated provider.

02-14-11 STATUS: Complete. Action item to be closed by Name.

E. AUTHORIZATION

TOPIC: PATIENT MEMBER “PRESCREENING” PROCESS

RESP: NAME **ASSIGNED TO:** NAME **ECD:** 02/14/11 **RISK:** MODERATE

FEBRUARY AI# 10: 02-03-11 Develop/publish/communicate SCA MEMBER Patient Member “Prescreening” Process

02-14-11 Status: Complete. Action item to be closed by NAME.

TOPIC: SCA MEMBER PATIENT APPOINTMENT PROCESS

RESP: NAME **ASSIGNED TO:** NAME **ECD:** 02/14/11 **RISK:** MODERATE

FEBRUARY AI# 11: 02-03-11 Develop/publish/Communicate SCA MEMBER Patient Appointment Process

02-14-11 Status: Complete. Action item to be closed by NAME.

F. RECORDS & DOCUMENTS MANAGEMENT

TOPIC: SCA MEMBER DISCLOSURE & DESTRUCTION – FINANCIAL RECORDS & MEMBERSHIP LIST

RESP: NAME **ASSIGNED TO:** STAFF **ECD:** 02/14/11 **RISK:** MODERATE

FEBRUARY AI# 12: 02-03-11 Issue SCA MEMBER policy statement regarding Financial Records and Membership list disclosure and the proper disposal/destruction of SCA MEMBER records and documentation. Identify SCA MEMBER disclosure policy for financial records and membership lists.

02-14-11 STATUS: Draft policies adopted. Complete. Action item to be closed by Name.

TOPIC: MEMBER FEEDBACK

RESP: NAME **ASSIGNED TO:** STAFF **ECD:** 02/14/11 **RISK:** MODERATE

FEBRUARY AI# 13: 02-03-11. Develop member feedback form [To be given to members, to rate SCA MEMBER services, medicine and provider care. Members on subsequent visits will be asked to update their medical records with this feedback to determine effectiveness of medication strain and dosage. Feedback records will at a minimum contain:

Date of visit:

Patient Name:

Membership Type:

Strain and recommended Dosage [Stain amount under/over 24 oz]:

Treatment Condition [Pain Management, Nausea etc]:

Patient Feedback:

02-14-11 Status: Complete. Action item to be closed by NAME.

TOPIC: DEVELOP PATIENT MEMBER /CAREGIVER PROVIDER FEEDBACK FORM MANAGEMENT

RESP: NAME **ASSIGNED TO:** NAME **ECD:** 02/14/11 **RISK:** MODERATE

FEBRUARY AI# 14: 02-03-11 Update existing SCA MEMBER forms and Develop SCA MEMBER Patient Member /Caregiver Feedback Form

02-14-11 Status: Open

G. MEMBERSHIP SERVICES

H. TRAINING & CERTIFICATION

TOPIC: SCA MEMBER ORIENTATION, TRAINING & CERTIFICATION

RESP: NAME ASSIGNED TO: STAFF ECD: 02/14/11 RISK: MODERATE

FEBRUARY AI# 15: 02-03-11 Provide SCA MEMBER Patient Orientation and Caregiver Staff Training/Certification Program. Identify basic training for SCA MEMBER staff.

02-14-11 STATUS: SCA MEMBER basic orientation training consists of familiarizing staff with SCA MEMBER objectives and documentation [Basic staff training is the first step for “SCA MEMBER Caregiver Certification”]. Recommend closure by Name.

I. SECURITY

TOPIC: SCA MEMBER FACILITY/CAREGIVER/PATIENT SECURITY

RESP: NAME ASSIGNED TO: STAFF ECD: 02/14/11 RISK: HIGH

FEBRUARY AI# 16: 02-03-11 Issue SCA MEMBER policy statement regarding SCA MEMBER security. Implement security assessment recommendations. Ensure SCA MEMBER staff understanding and compliance.

02-14-11 STATUS: OPEN SCA MEMBER President to reiterated security requirements, issues/concerns with staff.

J. MEDICAL CANNABIS SUPPLY & QUALITY TESTING

TOPIC: SCA MEMBER MEDICAL CANNABIS QUALITY TESTING

RESP: NAME ASSIGNED TO: NAME ECD: 02/14/11 RISK: LOW

FEBRUARY AI# 17: 02-03-11 Issue SCA MEMBER policy statement regarding SCA MEMBER Medical Cannabis Quality Testing. Identify a facility [or develop a laboratory] dedicated to the “*safety and potency testing*” of medical cannabis.

02-14-11 STATUS: OPEN SCA MEMBER consulting with several labs and trying to determine the feasibility of setting up a new testing facility.

TOPIC: CONFLICT OF INTEREST PERCEPTION - SCA MEMBER MEDICAL CANNABIS SUPPLY

RESP: NAME ASSIGNED TO: STAFF/NAME ECD: 02/14/11 RISK: HIGH

FEBRUARY AI# 18: 02-03-11: To avoid a possible conflict of interest perception regarding SCA MEMBER medical cannabis supply, the following policy statement was developed. “*It is SCA MEMBER policy that all medical cannabis provided to SCA MEMBER members be grown locally by designated SCA MEMBER “Supplier member” members. Under no circumstances will medicine be provided by a non SCA MEMBER member.*”

02-14-11 STATUS: Conflict of interest perception resolved.

PATIENT MEMBER / STAKEHOLDER FEEDBACK/FULFILLMENT/COMPLAINT STATUS

- **This month several patients members indicated:**
 - They were looking forward to SCA MEMBER’s new location [future site], access, and the quality of services and promotions. They were also impressed with the educational nature of SCA MEMBER information.
- **Stakeholders indicated:**
 - The SCA MEMBER Self-Governance model was very informative and explains the many forces affecting them. Several stakeholders indicated they were pleased to see “someone” being so proactive in their approach to ensuring Medical Cannabis transparency and accountability.

- **Formal SCA MEMBER Complaints/Incidents this month:** None

SCA MEMBER CONTINUOUS QUALITY IMPROVEMENTS

- SCA MEMBER is continually trying to improve the quality of its services, medicine and care for its members. This month the following areas were identified as “*focus areas*” to improve the efficiency and effectiveness of SCA MEMBER operations.
 - Caregiver/Grower **Code of Conduct**
 - Caregiver/Grower **Medical Cannabis Grade Standards**
 - **Medical Cannabis Testing**
 - It is critical for Medical Cannabis patients that their medicine is tested [*through a low cost and highly accurate testing process*]; proved not to contain harmful contaminants; and the levels of cannabinoids contained by percentage for dosing purposes is effective.

SCA MEMBER COMMUNITY METRICS

- **NUMBER OF JOBS SCA MEMBER HAS CREATED: TBD**
NOTE: NEW LOCATION EMPLOYED CARPENTERS, ELECTRICIAN’S, COMPUTER TECHNICIANS ETC
 - **INTERN/TRAINING: TBD**
 - **VOLUNTEER OPPORTUNITIES: TBD**
 - **SCA MEMBER COMMUNITY INVOLVEMENT:** [Name our president participated in organizing Food Drive for several local charities this month, Staff served as “organizer” for helping Seattle’s homeless, Staff volunteered this month helping Seattle’s elderly].
- **NUMBER OF INDIVIDUALS PARTICIPATING IN SCA MEMBER COMPASSIONATE CHARITY CARE PROGRAM [% of members]: TBD**
- **\$ AMOUNT CONTRIBUTED TO COMMUNITY CHARITY FUND [TARGET %]: TBD**

STATEMENT OF FINANCIAL POSITION [BALANCE SHEETS]

SCA MEMBER [SCA MEMBER]

**Balance Sheet
January 31, 2011**

Assets

Cash \$ _____
Inventory \$ _____
Total Assets \$ _____

Liabilities

Accounts Payable \$ _____

Equity

Total liabilities and owner's equity \$ _____

STATEMENT OF ACTIVITIES [INCOME STATEMENTS]

SCA MEMBER [SCA MEMBER]

**Income Statement
For Month Ended January 31, 2011**

Revenues

Membership Services \$ _____
Donation \$ _____
Total revenues \$ _____

Expenses

Facility cost
[Rent/Utilities/expense/
Insurance/Telephone] \$ _____
Administration cost
[Website/Printing] \$ _____
Growing cost
[Equipment/Supplies] \$ _____
Total operating expenses \$ _____

Net income/loss \$ _____

MEMBERSHIP LIST

SCA MEMBER [SCA MEMBER]

**Membership
For Month Ended January 31, 2011**

Existing _____
New _____
Total Membership _____

SCA MEMBER [SCA MEMBER]
SELF-GOVERNANCE [INTERNAL CONTROL AND COMPLIANCE]
SELF-REVIEW REPORT

MARCH 2011

TOPIC: SCA MEMBER [SCA MEMBER] SELF-GOVERNANCE CONTROL SYSTEM MODEL – PROGRAM INFRASTRUCTURE IMPLEMENTATION & COMMUNICATION

SELF-REVIEW No.: SCA MEMBER-11- 01

REVIEW START DATE: MARCH 1, 2011 REVIEW END DATE: MARCH 14, 2011

REVIEWER: SEATTLE CANNABIS ASSOCIATION

**FY2011 SCA MEMBER CONTROL SELF-REVIEW
SUMMARY REPORT**

The purpose of this review was to assess SCA MEMBER [SCA MEMBER] system of internal controls, specifically to determine the level of Self-Governance documentation “existence”, implementation and communication. The objectives of this review were to: 1) understand the degree of SCA MEMBER’s commitment to self-governance [in lieu of adequate state regulations]; and 2) ensure SCA MEMBER has established an “credible” Self-Governance Program.

SCA MEMBER “control and compliance” activities were evaluated to determine if appropriate self-governance “core” components exist, if specific “control objectives” have been identified, and if the necessary “building blocks” are in place and are working as intended. Further, SCA MEMBER staff were interviewed to assess SCA MEMBER staff “awareness” of their roles and responsibilities in accomplishing SCA MEMBER’s self-governance goals and objectives.

EXECUTIVE SUMMARY

SCA MEMBER understands its “business risks resulting from changes” in public perception regarding medical marijuana regulation, taxation and “gamed patient” needs. SCA MEMBER self-governance is based upon four “core” components used to prevent and correct risk in SCA MEMBER operations. SCA MEMBER believes achieving its “control objectives” ensures appropriate planning and monitoring occurs in a timely manner. SCA MEMBER self-governance program requires an adequate infrastructure [framework], resources and commitment. The building block that makes this possible is SCA MEMBER “internal control”.

SCA MEMBER is able to articulate responsible “risk management strategies” and provide assurance of its control objectives as it manages change.

SCA MEMBER’s “general internal controls” are used to ensure SCA MEMBER operations are compliant with requirements [including, Federal guidelines, Washington State laws/regulations, Local Law Enforcement recommendations, as well as SCA MEMBER expectations and policy]. The following five elements make up SCA MEMBER’s **Self-Governance Program**:

- **SCA MEMBER GENERAL INTERNAL CONTROLS**
- **RISK IDENTIFICATION & ASSESSMENT**
- **INFORMATION & COMMUNICATIONS**
- **INTEGRATED MONITORING SYSTEM**
- **SAFEGUARDING**

SCA MEMBER has implemented a Self-Governance Program, which assures internal controls are consistent with SCA MEMBER values and expectations. As a result, SCA MEMBER is able to quickly and thoroughly understand its business priorities, capabilities and “gaps”.

THE SCA MEMBER SELF-GOVERNANCE CONTROL SYSTEM MODEL

To effectively manage risks; better understand changes and impacts; and assure reporting integrity, security and quality of operations, SCA MEMBER has implemented a Self-Governance Model that articulates its approach in achieving its internal control and compliance objectives.

The following **SCA MEMBER Self-Governance Control System Model diagram** [see *Self-Governance Control System Model diagram*] describes how SCA MEMBER complies with its expectations and identifies the framework through which self-governance topics are discussed and addressed. Self-governance components, control objectives, reporting categories and specific SCA MEMBER internal controls over compliance reporting are also identified in this diagram.

APPLYING THE SCA MEMBER GOVERNANCE MODEL

SCA MEMBER pursues its mission by establishing strategies and objectives consistent with its values. The Self-Governance Control System Model diagram documents this process. SCA MEMBER aims to achieve its desired results while enhancing its reputation and learning how to improve its future performance.

A sound control environment helps SCA MEMBER stay on its intended path as it moves from mission to results. The broad control context - effectiveness and efficiency of operations; appropriate reporting; compliance with requirements [laws, statutes, regulations, standards, guidelines and best practices]; and safeguarding of assets are captured in this model. They are presented as **Operating, Reporting, Compliance, and Safeguarding**.

ACHIEVING CONTROL OBJECTIVES

SCA MEMBER control objectives provide the framework through which SCA MEMBER control and compliance topics are addressed. Achieving these objectives [Availability, Quality, Functionality, Protectability, and Accountability] requires an adequate infrastructure, resources and commitment. The building blocks that make this possible - **People, Technology, Processes, Commitment, and Continuation** - are shown in the Self-Governance Control System Model.

SCA MEMBER'S SELF-GOVERNANCE CONTROL SYSTEM MODEL FRAMEWORK AND COMPONENTS

CONTROL ENVIRONMENT

To enable SCA MEMBER's "environment" to retain stability and control, monitoring and oversight are key elements. Monitoring and oversight mean pertinent risks, whether internal or external to SCA MEMBER, are recognized and addressed on an ongoing basis and controls are confirmed to be functioning as intended.

The SCA MEMBER Self-Governance Control System Model framework provides the basis through which all risks and internal controls are addressed and translates those good intentions into practical action.

SCA MEMBER has a documented Mission Statement and has identified its values and goals toward establishing an ethical environment and culture.

SCA MEMBER accepts control and affects a positive control environment by clearly assigning control and compliance responsibilities for SCA MEMBER Caregivers, Health care professionals, Patients and other SCA MEMBER Stakeholders.

The SCA MEMBER control environment is focused on:

- Compliance with requirements;
- Safeguarding of SCA MEMBER assets and resources; and
- The effectiveness and efficiency of SCA MEMBER operations.

RISK ASSESSMENT

The SCA MEMBER Self-Governance Control System Model enables SCA MEMBER to be apprised of, monitor and manage business risk in a timely manner. All risks are identified and analyzed, and actions are taken to mitigate them.

CONTROL ACTIVITIES

Control activities are the actual actions taken to minimize risks. The SCA MEMBER Self-Governance Control System Model ensures control activities are designed, implemented and monitored to address risk associated with SCA MEMBER's control environment.

INFORMATION & COMMUNICATION

Information is identified, compiled and communicated to SCA MEMBER Staff and other SCA MEMBER stakeholders in a position to act, in a timely manner.

MONITORING

Internal controls are monitored and are subject to continuous evaluation and improvement.

SAFEGUARDING

SCA MEMBER resources and assets are protected and necessary security measures are developed, implemented and monitored.

ASSESSMENT

SCA MEMBER has made a significant commitment toward implementing self-governance throughout SCA MEMBER operations.

SCA MEMBER has documented general internal controls [that are identified as SCA MEMBER policy statements] which are grouped into three control categories: 1) Preventative, 2) Detective and 3) Corrective. These general internal controls are based upon the SCA MEMBER's "understanding and interpretation" of federal, state and local laws, regulations and guidelines.

SCA MEMBER has adequately "flowed down" appropriate requirements through its policy statements [that are based upon: 1) SCA MEMBER's size, scope and resources; and 2) Risk identification and impact assessment to mitigate SCA MEMBER business risks] and serves to ensure SCA MEMBER compliance with all applicable requirements. This information is then documented using specific "documentation attribute criteria" [to ensure SCA MEMBER documentation is accurate, complete, relevant, current and compliant] to ensure SCA MEMBER's documentation standards and expectations are met. SCA MEMBER self-governance activities are then monitored via SCA MEMBER reporting and visibility activities [Monthly meeting minutes, SCA MEMBER Web site etc] to ensure SCA MEMBER internal controls are documented and communicated, resulting in quality patient care and the safeguarding of SCA MEMBER assets and resources.

SCA MEMBER's Self-Governance Program incorporates Problem Resolution, Change Management, Monitoring, Safeguarding and Compliance [activities] into a single, integrated, comprehensive risk based Quality Management System. The SCA MEMBER Self-Governance Program "effectively and efficiently" ensures:

- All SCA MEMBER activities are planned and coordinated in a timely manner.
- Adequate compliance reporting to appropriate SCA MEMBER stakeholders.
- Quality of SCA MEMBER "medicine" and services,
- SCA MEMBER services are fulfilling patient and staff satisfaction goals
- SCA MEMBER achieves its stated goals and objectives; and
- SCA MEMBER is in compliance with all known and applicable laws, regulations, guidelines, recommendations and SCA MEMBER expectations.

Reasonable "oversight" is presented within SCA MEMBER operations. SCA MEMBER has developed, implemented and communicated a "credible" Self-Governance Program. SCA MEMBER *could strengthen* its Self-Governance Program by ensuring a "**risk based assessment plan**" exist [i.e. **Annual Self-Review Plan** of scheduled/planned reviews which describe control scope and assessment activities over time] to avoid overlap, duplication and confusion by various federal, state and local agencies with regards to SCA MEMBER compliance.

Further, with regard to Security [safe and secure location] SCA MEMBER has implemented a "unique security concept" which efficiently mitigates risk from theft, robbery and an unsafe environment for patients and SCA MEMBER Staff.

SCA MEMBER has also set up a **Medical Cannabis Information and Resource Center Kiosk** which provides information and resources through a “community based” Kiosk.

SCA MEMBER is a very well organized and well run operation, with experienced management and knowledgeable staff.

RECOMMENDATIONS

1. Develop, implement and monitor an *Annual Self-Review Plan* that prioritizes SCA MEMBER business risk, strengthens existing internal controls and assesses all aspects of SCA MEMBER operations on an on-going continuous basis.
2. Post sign in order to comply with Washington State law [two party consent law], and notify SCA MEMBER members with a disclaimer stating, "**VIDEO MONITORING ON THESE PREMISES.**" Such a disclaimer should be affixed, in plain view for all to see.

SEATTLE CANNABIS ASSOCIATION [SCA] SELF-GOVERNANCE PLEDGE

I AFFIRM I AM A SEATTLE CANNABIS ASSOCIATION MEMBER WHO PLEDGES TO:

1. Adhere to the following values and expectations as a “quality provider” of “quality cannabis products and/or services” to “qualifying cannabis patients and/or their designated providers”;
2. Agree to the following **Code of Conduct** and **Quality Standards & Enforcement**; and
 - a. Agree to periodic inspections by SCA to ensure compliance with Washington State regulations and SCA standards.

SCA CODE OF CONDUCT

- Adhere to SCA standards of “professional” conduct;
- Maintain ethical practice and conduct business activities in an ethical and law abiding manner;
- Demonstrate respect for SCA members and the communities they serve;
- Engage in professional development with regard to quality cannabis services and practices.

SCA QUALITY STANDARDS & ENFORCEMENT

- All SCA members must be Washington State residents with valid business documentation [i.e. licensed in Washington State with applicable city business license];
- Implement “basic” business activities [i.e. appropriate documentation, reporting and monitoring] for providing professional cannabis products and services;
 - At a minimum implement “basic” elements of SCA’s Self-Governance Business Model and implement SCA “best practices” when feasible;
- All cannabis must be cultivated and consumed within Washington State by “qualified cannabis patients”;
- Supplier Grower’s must post valid documentation on premises and adhere to established cannabis quality standards;
- Participate in periodic inspections and quality testing by SCA.

I have read and pledge to adhere to above terms and conditions to the best of my abilities as a SCA member in good standing.

Company Name:

SCA MEMBER

Agent Name, Title & Signature: Name President /S/

Date: 03/17/2011

SCA Member ID#: 01

Sample SCA Certified Safe Label and SCA Logo

CANNABIS FACTS



CERTIFIED CANNABIS SAFE™

**SEATTLE
CANNABIS
ASSOCIATION**

TESTED ON: APRIL 4, 2011
TESTED BY: SCA

GROWER ID#: 0052

GROWING METHOD: HYDROPONIC INDOOR

CONDITION: STORED **HARVESTED:** LATE

DELIVERY METHOD: VAPORIZE/ INGEST/ TOPICAL

STRAIN NAME: **GOD BUD** **WT. %**

STRAIN RATIO: H, M, L – 75%/25% INDICA/SATIVA

*H [HIGH], M [MED], L [LOW] **TOTAL CANNABINOIDS 19.74%**

THC: 18.6%

CBD: 0.88%

CBN: 0.26%

WARNING: Efficacy of cannabis has proven safe for those who conventional therapies have failed. Cannabis affects different people differently. There may be health risks associated with the consumption of this product.

