

**Southern University and A&M College System**  
**BOARD OF SUPERVISORS MEETING**  
2<sup>nd</sup> Floor, J.S. Clark Administration Building  
Board of Supervisors Meeting Room  
Baton Rouge, Louisiana  
**9 a.m.**  
**Friday, November 12, 2018**

**Minutes**

The meeting of the Southern University Board of Supervisors was called to order by Board Chair Mrs. Ann A. Smith. The invocation was given by Rev. Roederick White, Pastor of Jesus Christ is Lord Ministries, Baton Rouge, LA.

**PRESENT**

Mrs. Ann A. Smith, Rev. Donald R. Henry, Mr. John Barthelemy, Atty. Tony Clayton, Dr. Leroy Davis, Mr. Raymond Fondel, Dr. Curman Gaines, Rev. Joe R. Gant, Jr., Mr. Richard Hilliard, Atty. Patrick Magee, Atty. Domoine Rutledge, and Dr. Leon R. Tarver II, and Dr. Rani Whitfield

**ABSENT**

Ms. Xavieria Jeffers, Mr. Mike Small, and Rev. Samuel Tolbert

**UNIVERSITY PERSONNEL ATTENDING**

System President Ray Belton, Chief of Staff Katara Williams, Executive Vice President/Executive Vice Chancellor James Ammons, Vice President for Finance and Business Affairs Flandus McClinton, Vice President for Strategic Planning, Policy and Institutional Effectiveness Vladimir Appeaning, Vice President for External Affairs Robyn Merrick, Chancellors Dr. Lisa Mims Devezin (SUNO), Dr. Bobby Phills (SUAREC), Dr. Rodney Ellis (SUSLA), and Atty. John Pierre (SULC).

**BOARD COUNSEL**

Attys. Winston DeCuir, Jr., and Deidre Robert

**AGENDA ITEM 3: ADOPTION OF THE AGENDA**

Upon the motion by Rev. Joe R. Gant and seconded by Dr. Tarver the agenda was recommended for adoption.

Motion passed.

**AGENDA ITEM 4: PUBLIC COMMENTS**

Iam Tucker Chief Operating Officer of Southern Roots spoke about the fact that Advanced Biomedics received the award 3 years ago and has not fulfilled their obligations to the University and the company materially represented who they are. She also said that if Illera healthcare comes in and assume majority ownership of Advanced Biomedics they have circumvented the entire application process that other vendors had to go through. She said that Southern Roots Therapeutics stands ready to work with the University.

Jacob Irving, local attorney who is affiliated with some of the competitive teams for this process, but he stated that he attended the meeting because he has a cerebral palsy and he is disappointed in the process. He said that the delay is disappointing for people who need the medication.

Atty. Clayton asked Board Chair Smith to make a statement. He said that what Advanced Biomedics did to Southern University is a travesty. He said that Mr. Castille should take the money and do something for the students at the University because Advanced Biomedics and their lawyers should be ashamed of themselves. The Board and President joined forces to make sure that Southern University's interests are protected. Commended President Belton and Board Chair Smith for standing up for Southern University. Many rules on contracts was violated by Advanced Biomedics and stated that it is difficult to fight people who have bad intentions from the onset.

Dr. Leroy Davis stated that the Board operated in good faith and with integrity and the Board believed that they were working with a corporation that operated the same way. The Board acted with good intentions to help the students, the University and the community. He said that everything the Board did was forthright and honorable. Critics, should look at the facts, minutes and documentation to observe the actions of the Board because the Board did its due diligence.

Board member Fondel reflected about the passing of his mother who had cancer and the need she had for medicine to make her transition comfortable. Medical marijuana is important for persons who are in their last stages of life. The University has been slowly dragged their feet. It feels as though they misrepresented themselves and they were given three ultimatums. Now someone else is coming in as majority owner. He is uncomfortable and does not feel like he can trust Advanced Biomedics because they have not been truthful up to this point.

Atty. Clayton asked the attorneys if Board members may be assured that the University won't be in litigation again. What protections are in the contract to protect the University? There was no response.

## **AGENDA ITEM 5: ACTION ITEMS**

### **A. Update Regarding SUAREC Medicinal Marijuana Program and Ownership of Advanced Biomedics, LLC.**

Board Chair Smith invited Dr. Belton to introduce the initiative. Dr. Belton stated that the journey began in September 2017 when Advanced Biomedics was selected as the vendor for the University's medical marijuana initiative. He said that the Department of Agriculture and Forestry granted the University permission to grow marijuana for research and development purposes. In mid-October, the University was informed by the former owner of his intent to sell his interest in Advanced Biomedics. President Belton along with University counsel, Board members and administrators worked together to make sure that the initiative moves forward. He stated that instead of focusing on what "was," the focus should now be on what "is." He invited Atty. Winston DeCuir to provide an update regarding the University's medicinal marijuana program and ownership of Advanced Biomedics. Dr. Belton stated that Atty. DeCuir will introduce the new majority owners who now have a 68% interest in Advanced Biomedics.

Dr. Tarver questioned whether the discussion had begun for action item A.

Board Chair Smith announced that each Board member should have an opportunity to voice their opinions because of the very nature of this project.

Atty. Winston DeCuir stated that the majority interest in Advanced Biomedics held by Mr. Carrol Castille has been purchased by Illera Holistic Healthcare. He said that in September 2017 following regulatory delays the University received permission to grow on a research basis in a temporary facility. Advanced Biomedics attended the meeting and for the next 3-4 weeks said that they would begin work on a temporary basis but never did. In mid-October Atty. DeCuir was informed that Mr. Carroll Castille would sell his interest to a Lafayette business man and the sale was supposed to happen by October 19 and the temporary facility would be started after the sale. The sale never occurred so the attorneys sent the company a deadline of November 15. Advanced Biomedics reached out to Illera Healthcare. The company offered to pick up where the other group stalled. The representatives are prepared to give its first financial commitment of \$2.15 million and will issue payment every January 1<sup>st</sup>. The company purchased Carroll Castille's 68% interest.

They want the Board to adopt a resolution recognizing them as the new majority owner. The resolution states

**RESOLUTION RECOGNIZING  
NEW MAJORITY OWNER OF ADVANCED BIOMEDICS, LLC**

**WHEREAS**, the Board of Supervisors of the Southern University and Agricultural and Mechanical College ("Board") has initiated a medicinal marijuana program through the Southern University Agricultural Research and Extension Center ("SUAREC"); and

**WHEREAS**, Illera Holistic Healthcare has purchased a majority interest in Advanced Biomedics, LLC and has pledged to partner with the Board in immediately starting its medicinal marijuana program; and

**WHEREAS**, on this date, Illera Holistic Healthcare has made the first significant financial commitment as evidence that it intends to commence this program immediately;

**BE IT RESOLVED** that the Board of Supervisors hereby recognizes and acknowledges Illera Holistic Healthcare as the new majority owner of Advanced Biomedics, LLC and the Board's new partners in its medicinal marijuana program.

Done this 12<sup>th</sup> day of November 2018.

One amendment to the contract is that if more than 50% of the company is sold then it would require Board approval.

The company also asked if the University would agree to a change in location The company has a purchase agreement for property at 14200 Scenic Highway which is a space adjacent to the University's experiment station and farm.

Atty. DeCuir outlined the changes to the payment schedule. He said there is a \$1 million signing bonus, \$1 million annual fee for 2019 and a \$150,000 contribution to the medicinal plant institute which would go the SU Foundation. Then every January beginning January 1, 2020 the company will make the payment of a minimum of \$1 million or 5% commission whichever is greater.

He invited Dr. Chanda Macias and Mr. Gregory Rochlin, of Ilera Healthcare to the podium to introduce themselves. Atty. DeCuir stated that the difference with this company is that it is in the business of cultivating medicinal marijuana and they are not investment bankers or real estate investors. He said the vendor is not changing; Advanced Biomedics has gone through a change in majority ownership.

He stated that the Board must do several things including the approval of the amendments to the services agreement. The changes include a change in the payment schedule, change in the location and a condition that if there is a change in the controlling interest greater than 50%, the Board must approve it.

Tarver asked whether Illera would be required to go through a vetting process. Atty. DeCuir stated that anybody with 5% or more interest must go through 2 vetting processes: a criminal background check and a suitability background check. He informed board members that part of the delay is that the process and the fees for the suitability background check were still being determined by the LA State police.

Dr. Chanda Macias spoke to members of the Board stating that she had been working in the medical marijuana industry for over 5 years and operational for the last 3 years. She has worked with cancer patients and infectious diseases. She is the director of STEM education at Howard University and has brought over \$10

million in grants from federal entities to the University. She has a PhD in cell biology and an MBA in supply chain management. She is active with the minority cannabis business association. She has a dispensary in Washington, D.C. focusing on an ailment string alignment or condition to find methods to treat patients so that they can reap the benefits of the medicine. She spoke about the difficulties of being an African American woman in the industry because there are fewer than 4% of minorities in programs in ownership positions. There are fewer than 26% of women of color that participate in medical cannabis programs. Said that she is a part of the Women Grow organization which helps auxiliary businesses to become a part of the cannabis community. She stated that she looks forward to the opportunity to be a part of the industry.

Dr. Davis where the dispensary is located. She stated that it is in Dupont Circle.

She has worked with the University over the last year in an advisement capacity. She offers internships to students to work in Washington DC and worked with SUNO writing grants.

Atty. Clayton asked if the company has a temporary growth plan and pods to begin growing. Dr. Macias stated that she does have a plan and will operate the Pods on the same site as the permanent facility.

Atty. Magee asked if she had any Louisiana ties. She stated that she is part of the Guillory family and she is the niece of Louis Atkins the postmaster in Baton Rouge.

Fondel asked if she had visited the University previously. She stated that she has worked with SUNO in her capacity as Director of STEM education mentoring students and providing internships.

Board member Whitfield asked about her role in Advanced Biomedics. She explained that she is the person on the ground, watching day-to-day operations and developing the program from the beginning to end.

Dr. Whitfield asked if there were plans in place to educate the community and physicians. She stated that there are plans and she has been at Temple University, Medical University of South Carolina and Howard University

conducting symposia to educate physicians on the benefits of medical cannabis. She stated that education is an integral part of their operation.

She spoke about the medical disparities in the African American community as it relates to medical marijuana.

Rev. Henry asked Dr. Macias would sell her interest if approached by another buyer. She stated that she respects the proposed partnership

Mr. Greg Rockland CEO of Illera Healthcare introduced himself and said that he was appreciative of the opportunity. He informed Board members that Illera won the medical marijuana license in Pennsylvania last July and there were 12 licenses awarded and of the 12 only 5 groups were awarded the super license to do cultivation, processing, and dispensing. He stated that he is not a medical professional or attorney; He is a serial entrepreneur. He serves as Chairman of the Board of Sinai Hospital and is a 2-time cancer survivor. He also said that they are confident that the operation can be moved forward

Atty. Clayton questioned the amount of money that was paid to Mr. Castille.

The confidentiality agreement prevents Mr. Rockland from disclosing the amount of money that was spent to purchase the majority ownership.

Upon the motion by Atty. Domoine Rutledge and seconded by Dr. Leroy Davis action items B and C were recommended for approval in globo.

Board member Fondel asked to include an amendment to the motion that includes a statement that if there is controversy or litigation that would delay the program that the University will have the authority to move to the next responsive vendor.

Board member Rutledge stated that there is a dispute resolution process included in the contract that states that there would be mandatory mediation before any lawsuits could be filed. He also said that Board member Fondel's motion may undermine provisions that are already in the agreement. He asked that the amendment be withdrawn because the current agreement protects the University and any changes or controversy would be brought before the Board anyway. Atty. Rutledge stated that if anyone questions the sincerity of the company, the company is prepared to present certified funds in the amount of \$1.25 million

**B. Consideration of Amendments to Services Agreement with Advanced Biomedics, LLC**

**C. Consideration of Location for Temporary Medicinal Marijuana Cultivation**

Dr. Belton stated that a yes vote would be in favor of Board member Fondel's amendment to the motion.

Upon the motion by Board member Raymond Fondel and seconded by Dr. Rani Whitfield that action items B and C be approved with the condition that if controversy, litigation, or any other matter delays progress that the contract would be voided and the University would move to the next responsive vendor.

**Roll Call:**

Yeas: Clayton, Fondel, Whitfield

Nays: Smith, Henry, Barthelemy, Davis, Gaines, Gant, Magee, Rutledge, Tarver

Motion failed

Upon the motion by Atty. Domoine Rutledge and seconded by Dr. Leroy Davis that action items A, B and C be approved in globo. **Board member Rutledge clarified his motion to include the approval of the resolution recognizing Illera Healthcare as majority owner of Advanced Biomedics and action item A.**

**Roll Call:**

Yeas: Smith, Henry, Barthelemy, Clayton, Davis, Gaines, Gant, Magee, Rutledge, Small, Tarver, Whitfield

Nays: None

**Abstention:** Fondel

Motion passed.

**AGENDA ITEM 6: OTHER BUSINESS**

Mrs. Smith had several housekeeping items. She thanked Board members for their patience with the process.

**AGENDA ITEM 7: ADJOURNMENT**

Upon the motion by Rev. Joe R. Gant, Jr. and seconded by Dr. Tarver the meeting adjourned.

Motion passed