

Illinois Department of Financial and Professional Regulation
Frequently Asked Questions Relating to Adult Use Dispensing Organizations –
Supplemental Deficiency Notices

The Department will regularly update this FAQ to address questions it receives relating to the supplemental deficiency process. The Department will accept questions until Wednesday, March 3, 2021 at 12:00 PM Central Standard Time and will post the last round of answers on Thursday, March 4, 2021.

The deadline for requesting a username and/or password reset is 8:00 PM Central Standard Time on March 5, 2021. After 8:00 PM, efforts will still be taken to promptly reset a username or password, however, there may be an influx of other applicants also requesting a reset. Any requests will be addressed in the order in which they are received. Applicants are advised to login with their username and passwords provided in the Supplemental Notice well in advance of the deadline to ensure they have access to the site to upload a timely response to the Supplemental Notice. Please email us-advIDFPR@kpmg.com for any username or password resets or questions.

I did not receive a notice about this supplemental process. Did all applicants receive notice and what should I do if I didn't?

The Department sent notices to the primary and secondary email addresses on record for all applicants. If you did not receive a notice or no longer have access to the email addresses on record, please email FPR.AdultUseCannabis@illinois.gov if you have a specific question about receiving the notice.

2/22/2021

Can I request a password reset for the Secure File Transfer Protocol (SFTP) site?

Applicants may request a password reset by emailing us-advIDFPR@kpmg.com from the primary or secondary email addresses on record. There is no limit to the number of times a password may be reset, and an applicant may request a reset from KPMG 24-hours a day. If KPMG receives a password reset request from an email address other than the primary or secondary email address identified on the notice, the reset password information will only be sent to the primary and secondary email addresses on record.

What is the deadline to submit a response to my supplemental deficiency notice?

All responses must be submitted by 11:59 PM Central Standard Time on March 5, 2021 in order to be reviewed and scored. Applicants should make sure they start the process to submit their responses early enough to complete the submission before the deadline.

My application received a perfect score. Is there any action that I need to take in this supplemental process?

If the supplemental deficiency notice you received indicates that your application received a perfect score of 252 out of 252 points, you do not need to take any action unless you have

experienced a change in ownership since you originally submitted the application. If you received a perfect score and have had some form of a change of ownership since your application was originally submitted, such as the death or removal of a principal officer, then you must complete the survey. The survey has questions relating to changes in ownership.

One of my exhibits received 0 points. Does this mean this exhibit was not scored or does it mean that I missed something and did not receive any points for that exhibit? Does receiving 0 points on an exhibit mean I should submit a replacement exhibit?

If an exhibit received 0 points on your scoresheet, it means that it did not meet the statutory requirements needed to receive the points on that exhibit. In other words, 0 points on your scoresheet means your exhibit was scored but did not include what the Cannabis Regulation and Tax Act (CRTA) requires and, as a result, did not receive the points. If an exhibit received 0 points, please refer to the options available for that specific exhibit, which are explained in detail in the supplemental deficiency notice.

Is there a page limit for the supplemental responses?

No, there is no page limit for exhibits in this supplemental process.

In our original application, one of our owners was identified as a Social Equity Applicant (SEA), but we have since learned that they do not qualify under any of the SEA criterium. During the supplemental process, can we remove that owner and redistribute the ownership shares to other existing owners who qualify for SEA status and then become eligible for the SEA points?

No. If the ownership structure you submitted with your original application did not meet the statutory criteria for applying as a Social Equity Applicant, you may not now qualify for that status by redistributing ownership. Applicants are allowed to remove principal officers and redistribute their ownership percentages among the remaining principal officers. However, that application can only qualify for Social Equity Applicant status if the owners and ownership percentages provided with the original application qualified for such status in the first round of scoring.

We submitted for multiple licenses in a Bureau of Labor Statistics (BLS) region. How many application numbers should we have received? For example, we submitted for 5 licenses in the Chicago BLS region, but there is only 1 application number for Chicago in my scoresheet.

Each USB you submitted was assigned a unique application number. Therefore, if you submitted one USB drive with an application seeking multiple licenses in a particular BLS region, you received only one unique application number and one scoresheet. You should complete one survey for that unique application number.

Are property tax records acceptable forms of proof of living in a Disproportionately Impacted Area (DIA)?

Yes, property tax payment records are sufficient evidence of residence in a DIA for the applicable tax payment period, regardless of the date of payment. Any submission of records that falsely represents an individual's actual residency may be the basis for the Department to decline to issue a conditional license.

2/23/2021

Are all scored exhibits subject to re-scoring, even if no deficiencies were identified in the Supplemental Notice?

The Department reserves the right to review all application materials, including Original Exhibits and responses to all deficiency notices, and to adjust the scores as necessary to ensure the accuracy of application scores before the Department announces any Final Scores. This includes the potential reduction of points if the Department determines that a downward adjustment is warranted.

Do the usernames and passwords provided in the Supplemental Notice for the SFTP site still work even if there was a typo or other issue with the email address?

Yes, the username and passwords for the SFTP provided in the Supplemental Notice are independent of the applicant's actual email address and will work even if they are not identical to the primary and secondary email addresses identified on the original application.

I have a scored application and responded to a previous deficiency notice with supplemental information. Should I assume that the supplemental information we provided was not reviewed and needs to be resubmitted?

The scoresheet attached to your Supplemental Notice reflects the Department's review of all supplemental information that was previously submitted on time in response to a prior deficiency notice. Applicants may not resubmit information that was covered by a prior deficiency notice, unless specifically identified in the instructions. Applicants may choose in the survey to request the Department to re-review all exhibits previously submitted, including information covered by a prior deficiency notice, to ensure that such information was properly reviewed.

I submitted multiple applications that I believe are identical but they received different scores. How should I respond?

If you are aware that an exhibit you submitted did not receive the same number of points that were awarded with another application that you believe is identical, you may request that the Department review that exhibit again. You may also submit supplemental information if the application is missing points for information not covered by a prior deficiency notice, as described in the Supplemental Notice.

How are we supposed to determine what is missing from each exhibit?

The Supplemental Notice includes an explanation of how points were awarded for each of the exhibits and what information was required in each exhibit. The scoresheet provided with that Supplemental Notice details how many points you received for each exhibit (for scored applicants) or which exhibits were deemed incomplete (for disqualified applicants). You may use this information to determine why you did not receive the full allotment of points for that exhibit. The Department will not be providing individualized explanations of why you missed points on a particular exhibit.

Will the Department provide copies of the Original Exhibits an application submitted?

No, the Department will not provide copies of any Original Exhibits.

2/24/2021

My SFTP login information works for my applications in some of the BLS regions but not others. What should I do?

Each applicant received two usernames and passwords: one for the primary contact and one for the secondary contact. You may use either username to submit your response in a BLS region. As such, if one username doesn't work you may try using the other username and password from the notice. If neither username and password are working, contact us-advidfpr@kpmg.com to request new login information or to reset your password.

In our Original Application, we reported that the person serving as the basis for Social Equity/Illinois Owner/Veteran points was not a 51% or more majority owner. Can we during the supplemental process re-allocate our ownership to make that person the 51% owner?

New principal officers may not be added to an application through the supplemental process unless it is to replace a deceased principal officer. Applicants may remove principal officers and redistribute their ownership among the remaining principal officers. However, if the applicant *could not* qualify as Social Equity/Illinois Owned/Veteran based upon the ownership distribution as submitted in the Original Application, they cannot redistribute their ownership percentages during this supplemental process to qualify for any such status.

One of our principal officers passed away after we submitted our Original Application. That principal officer was the basis for our Social Equity, Illinois Owner, and Veteran-Owned points. If we do not replace that principal officer at this time, will we still be able to receive a Conditional Adult Use Dispensing Organization License.

As stated in the Q & A posted on November 1, 2019, the Department stated:

“An applicant must disclose any adverse material changes to their application submitted to the Department. An adverse material change is one that has the potential to negatively impact the applicant's application score or qualification for a license. Failure to disclose and adverse material change to the Department may result in denial or revocation of a license.”

As stated in the Exhibit-Specific Instructions for Exhibit C, applicants may not rely on the status or residency of a deceased principal officer to retain application points. In the event of a death of a principal officer, applicants may remove the deceased principal officer and reallocate points among current owners, or may add a new principal officer to replace the deceased principal officer. In either case, the applicant may only qualify for status as a Social Equity Applicant, Veteran or Illinois Resident if the original principal officer qualified for such status and the new ownership structure also qualifies for such status.

We received the Disqualified Applicant Supplemental Notice and it did not contain a scoresheet for each of the exhibits. Are we able to receive a scoresheet for our application?

Applicants that received a Disqualified Applicant Supplemental Notice will not receive a scoresheet. Applicants that received the Disqualified Applicant Supplemental Notice were provided with a list of the exhibits that formed the basis of the disqualification. After the Department has reviewed the responses to the Supplemental Notice, any applicant that is no longer disqualified will receive a Scored Applicant Supplemental Notice that will provide the score for

each exhibit. Pursuant to Section 15-30(b) of the Cannabis Regulation and Tax Act, applications that are incomplete after the opportunity to cure will not be scored and will be disqualified.

The Scored Applicant Supplemental Notice I received states that certain application elements were subject to a prior deficiency notice. Does this mean I should have previously received a deficiency notice informing me of those missed elements?

Not necessarily. The Department sent the same Scored Applicant Supplemental Notice to all scored applicants regardless of whether those applicants had received a prior deficiency notice. If you did not receive a prior deficiency notice, that means that the Department did not previously determine that those elements were missing from your exhibit. If you did not receive all the points on an exhibit for which there were prior deficiencies, the points you missed on those exhibits may have been for elements that did not serve as the basis for prior deficiency notices.

2/25/2021

If I submit a Supplemental Response for one exhibit, will that trigger the Department to re-review my other exhibits where I may already have a perfect score?

The Department reserves the right to review all application materials, including Original Exhibits and responses to all deficiency notices, and to adjust the scores as necessary to ensure the accuracy of application scores before the Department announces any Final Scores. This includes the potential reduction of points if the Department determines that a downward adjustment is warranted. Submitting a supplemental response for a particular exhibit does not cause an automatic review of other exhibits.

Our principal officer who qualified for Social Equity status has died since we submitted our Original Application. Can we now qualify for Social Equity status by employing 10 or more employees who reside in a DIA?

No, you may not now qualify for Social Equity status by hiring 10 or more employees who reside in a DIA.

2/26/2021

How were the Disproportionately Impacted Areas determined?

Section 1-10 of the Cannabis Regulation and Tax Act includes the factors used in determining the Disproportionately Impacted Areas (“DIAs”):

"Disproportionately Impacted Area" means a census tract or comparable geographic area that satisfies the following criteria as determined by the Department of Commerce and Economic Opportunity, that:

(1) meets at least one of the following criteria:

(A) the area has a poverty rate of at least 20% according to the latest federal decennial census; or

(B) 75% or more of the children in the area participate in the federal free lunch program according to reported statistics from the State Board of Education; or

(C) at least 20% of the households in the area receive assistance under the Supplemental Nutrition Assistance Program; or

(D) the area has an average unemployment rate, as Determined by the Illinois Department of Employment Security, that is more than 120% of the national unemployment average, as determined by the United States Department of Labor, for a period of at least 2 consecutive calendar years preceding the date of the application; and

(2) has high rates of arrest, conviction, and incarceration related to the sale, possession, use, cultivation, manufacture, or transport of cannabis.

The map of the DIAs can be found at this link:

<https://www2.illinois.gov/dceo/CannabisEquity/Pages/default.aspx>

To qualify as a Social Equity Applicant for living in a DIA, what is the relevant time period?

The relevant time period is 2010 to 2019.

3/1/2021

My Supplemental Notice for Applicants with a Disqualified Application identifies only Exhibit F as the basis for my Disqualified Application. Should I also submit Supplemental Responses for Exhibits H and N?

No – you may only provide Supplemental Responses for exhibits that are identified as the basis of your disqualification. Towards the bottom of your Supplemental Notice, there is a section called “Deficiency Information” which identifies your application by an application number. This portion is unique to your application. If either Exhibit H or N are identified in that portion with the notation “Response received but deemed insufficient,” you may submit supplemental information. If neither Exhibit H or N are identified as the basis for your disqualification, you do not have an option of submitting supplemental information. Please see the Supplemental Notice for further guidance.

Is a Form W-2 an acceptable form of proof of residency for Social Equity Applicant status?

Yes, if you are providing proof of Social Equity Applicant status by showing residency in a Disproportionately Impacted Area, a Form W-2 is one acceptable form of proof of residency. Please note that two forms of proof are required to prove residency in a Disproportionately Impacted Area for each year.

Can I use both an Illinois driver’s license and an Illinois State ID card to meet residency requirements for Exhibit P? Can I also use the same forms of proof of residency for Exhibit S?

Yes, an Illinois driver’s license and an Illinois State ID card can each be used as forms of proof of residency for both Exhibit P and Exhibit S.

When must the survey referenced in the Supplemental Notice be completed?

As stated in the “Submitting Your Response” section of the Supplemental Notice, applicants must complete the entire supplemental process for each application, including completing the survey and submitting any Supplemental Responses, by 11:59 PM Central Standard Time on March 5, 2021.

How do I upload Supplemental Responses?

Applicants must use the SFTP site to upload any Supplemental Responses. Please email us-advidfpr@kpmg.com with any questions regarding use of the SFTP site.

Will disqualified applicants receive a scoresheet, even a blank one which identifies the maximum number of points available for each exhibit, through this Supplemental Process? How can an applicant receive a scoresheet if they have not received one yet?

Applicants that received a Supplemental Notice for Applicants with a Disqualified Application did not receive a scoresheet containing an initial score. Applicants that received a Supplemental Notice for Applicants with a Scored Application received scoresheets which list how many points each of their exhibits received out of the total points available for each exhibit. If through the supplemental process it is determined that an application should not have been disqualified, the applicant will receive Supplemental Notice for Applicants with a Scored Application containing an initial scoresheet for that application.

If I received a Supplemental Notice for Applicants with a Disqualified Application, will there be another opportunity to submit supplemental information beyond this current Supplemental Process?

If through the supplemental process it is determined that an applicant should not have been disqualified, that Original Application will be scored and the applicant will be notified of any additional deficiencies or provided a Supplemental Notice for Applicants with a Scored Application.

For anonymity purposes, what sort of information should be redacted from any submissions in response to the Supplemental Notices?

As provided in the Supplemental Notices, applicants should redact all identifying personal information of the applicant or principal officers (i.e. names, addresses, specific business names, etc.) or use generic terms such as “applicant,” “principal officer 1,” “city,” “the dispensary,” “the company,” or similar terms throughout their responses. Non-identifying personal information such as educational or employment background does not need to be redacted.

If an uploaded file is corrupt or unreadable, will the applicant receive any notice or opportunity to correct?

Any responses provided in the Supplemental Process must be submitted by 11:59 PM Central Standard Time on March 5, 2021. The Department encourages early submission so that any issues identified may be addressed by the applicant before the Supplemental Response deadline. All Supplemental Responses should be submitted in readable PDF format. If your Supplemental Response is provided in a corrupt file format, your Supplemental Response will not be reviewed.

What information is needed to complete the Survey?

In order to complete the questions in the survey, applicants will need the following: the Application Unique ID Number, the BLS Regions submitted in, and the Exhibit Scores as identified on the Supplemental Notice. Applications must successfully complete one survey for each Original Application that you are requesting the Department to review, even if you choose not to submit a Supplemental Response. The Application Selection Survey can be accessed and completed [here](#) or at https://survey.us.kpmg.com/jfe/form/SV_e8xWfAnNIRH6W7c.

The body of the Supplemental Notice for Disqualified Applicants informs me I have 15 days to respond to that notice. However, I also have in the email I received an attached deficiency notice from 2020 which says I have 10 days to respond. Do I have 15 days or 10 days to respond to the Supplemental Notice?

Applicants have until 11:59 PM Central Standard Time on March 5, 2021 to respond to the Supplemental Notice, which is 15 days from the day the Supplemental Notices were sent out. The 10-day response window contained in the 2020 notices does not apply to this Supplemental Process.

I received a zero on an exhibit (in my case, Exhibit K). The Supplemental Notice informs me that if I did not include an Exhibit K, I would have received a deficiency notice. How could I have gotten a zero for that exhibit if I never received a prior deficiency notice?

It is possible that you did not receive a deficiency notice because your application included an Exhibit K as required by the statute and application, but you received zero points because the contents of the exhibit did not qualify for any of the points allotted to that exhibit. Please review the Supplemental Notice for more information about how to qualify for all points available for any exhibit.

The Supplemental Notice for Applicants with a Scored Application requires removed principal officers to sign a sworn attestation form. Does the Department provide a standard form for this?

No, the Department does not provide a standard attestation form for removed principal officers. A sworn attestation signed by the removed principal officer must confirm that the officer is no longer a principal officer of the applicant.

The Cannabis Regulation and Tax Act lists eight documents that can be used to prove residency and also lists “any other proof of residency or other information necessary to establish residence as provided by rule.” The Supplemental Notice only lists the eight documents from the statute as being acceptable as proof of residency. Why doesn’t the Supplemental Notice include an ability for applicants to submit any other proofs of residency?

The Department has not enacted any applicable rules at this time, and because no such rule is in place, the Department can only accept the eight documents specifically listed in statute.

3/2/2021

In order to qualify for Social Equity Applicant status by employing 10 or more employees who reside in a Disproportionately Impacted Area or who have been arrested by an offense expungable by P.A. 101-27, do the employees have to be employed at the time of this supplemental deficiency process, or can the applicant attest that it will employ 10 such employees if granted a license?

In order to qualify as a Social Equity Applicant through the hiring of employees who reside in a Disproportionately Impacted Area or who have had a qualifying offense expunged, applicants must have employed such individuals at the time the Original Application was submitted. If an applicant has had a change in circumstances during the scoring period that has caused it to no longer employ the individuals identified on their Original Application, applicants may submit the attestation. The attestation form, provided at the end of this document in a separate page, attests that the applicant will employ the required number of individuals necessary to meet the statutory qualifications of a Social Equity Applicant within 60 days of receipt of a Conditional Adult Use Dispensing Organization License.

Do tax records need to be signed in order to be considered as proof of residency in a Disproportionately Impacted Area in order to qualify as a Social Equity Applicant or an Illinois owner?

If the tax record itself requires a signature, then the applicant must include a signed version of it in order for it to be sufficient proof of residency. Certain tax records, such as Form 1040 tax returns, must be signed. Other tax records, such as a Form W-2, do not contain a signature and thus do not need to be signed by the applicant.

In its Supplemental Response, can an applicant submit an entire exhibit that has been revised from the Original Exhibit?

As stated in the Supplemental Notice, applicants may not provide a Supplemental Response that contains information that was identified by a prior deficiency notice or that was contained in the Original Exhibit. Please refer to the Supplemental Notice for details on what information may be submitted in a Supplemental Response for each exhibit.

What information is required in an applicant's Business Plan?

As stated in the Supplemental Notice for Applicants with a Scored Application, the information required for a proposed Business Plan can be found in Sections 15-25(d)(20) and 15-30(c)(3)(A) of the Act. If your Original Exhibit F lost points for failing to provide this specific information, you may request a review of your Original Exhibit or submit a Supplemental Response to provide elements not identified in a prior deficiency notice.

I received a Supplemental Notice for Applicants with a Disqualified Application. When will my Original Application be scored and will I have an opportunity to remedy any deficiencies?

Applicants that received a Supplemental Notice for Applicants with a Disqualified Application did not receive a scoresheet containing an initial score. Applicants that received a Supplemental Notice for Applicants with a Scored Application received scoresheets that list how many points each of their exhibits received out of the total points available for each exhibit. During the supplemental process, if the Department determines that an application should not have been disqualified, the applicant will receive a Supplemental Notice for Applicants with a Scored Application containing an initial scoresheet for that application. If the application remains disqualified, the application will not be scored, as provided by Section 15-30(b) of the CRTA.

Does Exhibit H require an executed contract with a security firm and can an applicant submit evidence of such through this supplemental process?

As stated in the Supplemental Notice for Applicants with a Disqualified Application, the Department has determined that its prior deficiency notice for Exhibit H did not sufficiently notify applicants that an application must include a contract with a licensed private security contractor *that was executed by both the security contractor and the applicant*. The Department will consider a contract to meet these requirements even if the contract is contingent on the applicant receiving a Conditional Adult Use License. If your application was disqualified on the basis of Exhibit H, you may submit a Supplemental Response to include a contract executed by both the security contractor and the applicant. Please see the Supplemental Notice for further guidance on Exhibit H.

I believe that one of my Original Exhibits was erroneously scored, resulting in that exhibit not receiving all the available points. Can I cure this exhibit by providing a written explanation to the Department through FPR.AdultUseCannabis@illinois.gov detailing why I believe that exhibit was erroneously scored?

No, any information in response to a Supplemental Notice must be provided through the steps outlined in the notice. As the Supplemental Notice states, “The Department will not accept any submissions delivered to the Department by any means or manner other than as described in this Notice.”

3/3/2021

One of our principal officers who qualified as a Social Equity Applicant because of the officer's conviction or arrests has died since we submitted our application. Can we replace the deceased principal officer with a principal officer who qualifies as a Social Equity Applicant by residing in a Disproportionately Impacted Area for five of the last ten years and still retain our Social Equity Applicant points?

If it is determined through this supplemental process that a new principal officer is able to provide sufficient proof that he or she has, as of January 1, 2020, resided in a Disproportionately Impacted Area for five of the preceding ten years, the applicant may retain the Social Equity Applicant points awarded for the Original Application.

We applied as a Social Equity Applicant based on being related to someone with a relevant cannabis conviction, but that relative and I have different last names. Do I need to provide any additional documentation beyond their birth certificate to prove that we are related?

Applicants must provide sufficient documentation to prove you are related in a manner covered by the statute. As we wrote in our Q&A posted on November 1, 2019:

“To demonstrate evidence as a Social Equity Applicant, applicants must submit something more than a mere statement of qualification. Applicants should submit records that can be verified by application scorers such as, but not limited to government and business records.”

If an Original Exhibit exceeded the page limit, was the information in the pages exceeding the page limit reviewed and scored? Are there page limits for any Supplemental Responses?

If you previously provided information in an Original Exhibit in pages beyond the allotted page limit for that exhibit, such information was not scored, and may be submitted now as part of a Supplemental Response. There are no page limits for any Supplemental Responses. As stated in the Supplemental Notice, the Department will not review information provided in a Supplemental Response if that information was specifically identified in a prior deficiency notice, unless that information was originally submitted in pages beyond the allotted page limit.

If an applicant submitted a signed contract that was executed by both the security contractor and the applicant in response to a prior deficiency notice, does that applicant's scoresheet as provided in the Supplemental Notice reflect any points received for the contract?

If an applicant received a Supplemental Notice for Applicants with a Scored Application, the applicant's scoresheet reflects any points received for the signed and executed security contract if one was timely submitted in response to a prior deficiency notice.

If I timely provided material in response to an original deficiency notice, was that material scored and is it included in each of the scoresheets I received?

Yes, if an applicant received a Supplemental Notice for an Applicant with a Scored Application, that applicant's scoresheet reflects any information that was timely provided in response to a prior deficiency notice.

I provided material in my response to a prior deficiency notice for an exhibit that was not identified by the Department in that notice. Did the Department review all material submitted in response to a prior deficiency notice or should I resubmit that additional information as a Supplemental Response?

If an applicant previously submitted information in response to a prior deficiency notice, but that information was not identified by the Department in the prior deficiency notice, then that information has not been reviewed or scored. Please refer to the Supplemental Notice for exhibit specific instructions on what information applicants may submit for certain exhibits through this supplemental process.

3/4/2021

Is there a particular format that we should follow for our response? Should we divide our responses per exhibit using the section number consistent to the section numbers the dispensary organization used in its original exhibit?

The only format requirements for a Supplemental Response is that it be submitted as a non-corrupt, readable PDF through the SFTP site, that the PDFs be named as described in the Supplemental Notice, and that Supplemental Responses must be provided in separate PDFs for each exhibit. Applicants may choose how to individually organize or sort how the information they are submitting appears in the PDF. If you are submitting Supplemental Responses, please create a separate PDF file for each exhibit.

Is the dispensary organization's Application Unique ID Number the EIN?

No. The Application Unique ID number is a unique number assigned by the Department that is listed in your Supplemental Notice.

Are the sections specified in the "Exhibit Specific Instructions" in the Supplemental Notice specific to that applicant or were these sent out to all applicants?

Both the Supplemental Notice for Applicants with a Scored Application and the Supplemental Notice for Applicants with a Disqualified Application include a section titled "Exhibit Specific Instructions." All applicants received identical "Exhibit Specific Instructions." The only unique aspect of both Supplemental Notices is the scoresheet for those with a Scored Application or the list of deficient exhibits for those with a Disqualified Application.

Can our Supplemental Response for a particular exhibit include clarifications for multiple elements where we think we may have lost points?

Both the Supplemental Notice for Applicants with a Scored Application and the Supplemental Notice for Applicants with a Disqualified Application contain specific instructions for what information applicants may submit as a Supplemental Response. Please follow the Exhibit Specific Instructions provided in the Supplemental Notice. Applicants should not provide information in a Supplemental Response that was previously provided in their Original Exhibit or in a response to a prior deficiency notice.

Included in the Exhibit Specific Instructions for some exhibits is a section that describes elements that were subject to a prior deficiency notice and cannot be submitted or revised now. The Exhibit Specific Instructions also include a supplemental notice section that identifies specific statutory subsections that provide the basis for points awarded. Some of those elements in the supplemental notice section are also listed as elements that were the subject of a prior deficiency notice - does that mean we can address that element in our supplemental response now, and be awarded more points for it?

No. If an element was the basis of a specific prior deficiency notice, the element cannot be addressed in a Supplemental Response and be awarded additional points.

My Supplemental Notice for Applicants with a Disqualified Application identifies that two exhibits served as the basis for my disqualification. Are these the only two exhibits I should respond to?

Yes.

Can a Conditional Agreement of Employment serve as proof that a person is an employee?

No. In order to qualify as a Social Equity Applicant through the hiring of employees who reside in a Disproportionately Impacted Area or who have had a qualifying offense expunged, applicants must have employed such individuals at the time the Original Application was submitted. If an applicant has had a change in circumstances during the scoring period that has caused it to no longer employ the individuals identified on their Original Application, applicants may submit the Attestation Form. The Attestation Form, provided at the end of this document in a separate page, attests that the applicant will employ the required number of individuals necessary to meet the statutory qualifications of a Social Equity Applicant within 60 days of receipt of a Conditional Adult Use Dispensing Organization License.

For Exhibit P, Exhibit S, and Exhibit T, is the ownership chart in Exhibit C sufficient evidence of principal officers' actual ownership percentages or for each of the listed exhibits do we need to provide the same chart from Exhibit C, the articles of organization, or both?

Exhibit C is sufficient to prove ownership percentages of principal officers.

Should Supplemental Responses include the information submitted with the Original Exhibit as well as any new, supplemental information? Will I be penalized if I resubmit information submitted within an Original Exhibit?

The Department has retained copies of Original Exhibits and it is not necessary for an applicant to submit any information provided within an Original Exhibit in a Supplemental Response. Applicants should not provide information in a Supplemental Response that was previously provided in their Original Exhibit or in a response to a prior deficiency notice. Applicants will not be penalized for resubmitting information that was included in an Original Exhibit.

Are applicants required to redact any information on the forms submitted to prove Illinois residency?

No. As stated in the Supplemental Notice, “Except for any Supplemental Response for Exhibits B, C, O, P, S, and T, the Supplemental Response must be anonymous so that the person scoring the application is not able to identify the applicant or any of the applicant’s principal officers.”

Can applicants both request a re-review of an Original Exhibit and also submit supplemental information for the same exhibit?

As stated in a previous FAQ and in the Supplemental Notice for Applicants with a Scored Application, applicants may request a re-review of an Original Exhibit, or, an applicant has the option to submit a Supplemental Response if that particular exhibit allows for one.

If I did not receive full points on an exhibit should I have received a prior deficiency notice?

Not necessarily – not every point available was subject to a prior deficiency notice. Not receiving full points on your scoresheet means your exhibit was scored but did not include what the statute requires to obtain maximum points and, as a result, did not receive the total points available. If an exhibit did not receive full points, please refer to the options available for that specific exhibit, which are explained in detail in the Supplemental Deficiency Notice.

If I use an Illinois Driver’s license to show residency, does it show residency for each year in which the license was valid?

Yes.

If I am not be able to gather all of my employees’ information for proof of residency in a Disproportionately Impacted Area for Social Equity Applicant status prior to the March 5, 2021 deadline, may I have an extension?

Extensions from your submission deadline will not be granted.

Can an applicant change its application status from Social Equity Applicant status to a non-Social Equity Applicant?

Yes. In that situation an applicant would no longer receive the points available for being a Social Equity Applicant and the applicant must ensure that it has paid the appropriate application fee for a non-Social Equity Applicant. If the applicant has experienced a change of ownership through the death of a principal officer or the removal of a principal officer, then it must submit updated information for this. Please refer to the Exhibit- Specific Instructions for Exhibit C for what steps must be taken if an applicant has experienced a change of ownership.

Does a Form 1099 qualify as a tax record for proof of residency for Social Equity Applicant or Illinois Owner status?

Yes. Tax records may include, but are not limited to, Form 1099, Form W-2, Form W-4, IL-1040 returns, and IL-1040x returns.

If I'm adding a new principal officer to replace a deceased principal officer, does the new principal officer need to submit new fingerprints for Exhibit B?

Yes, if an applicant is adding a new principal officer to replace a deceased principal officer, the applicant must submit the new principal officer's fingerprints within 30 days after submitting the new Exhibits B and C.

Can a death certificate be used to show the relationship between someone in an impacted family and the person who was eligible for an expungable offense?

An applicant must provide sufficient documentation to prove you are related in a manner covered by the statute. As we wrote in our Q&A posted on November 1, 2019: "To demonstrate evidence as a Social Equity Applicant, applicants must submit something more than a mere statement of qualification. Applicants should submit records that can be verified by application scorers such as, but not limited to government and business records."

I submitted a survey more than once for a single Original Application, which one will be reviewed?

If a survey for an Original Application is submitted more than once, the last submitted survey prior to the due date will be considered the applicant's official submission.

For Exhibit J, I plan to submit a revised floor plan. Should I provide a new floorplan or redline the original floorplan?

If you choose to submit a revised floorplan for Exhibit J, you may either provide a new floorplan or redline the original floorplan.

My application received a perfect score, but we had a Veteran Social Equity principal officer resign. We remain a Social Equity Applicant and Veteran-Owned Applicant. Is there any action I need to take in this supplemental process?

Yes, as stated in the Supplemental Notice for Applicants with a Scored Application, “Applications that received a score of 252 points were awarded the maximum available points and those applicants do not need to take any further steps in response to this Supplemental Notice unless they have changes in ownership, in which case they must complete an Application Selection Survey (as outlined in this Supplemental Notice) to identify the changes in ownership and provide a Supplemental Response, if required. Be aware that changes in ownership may adversely affect an application’s Final Score.”

Do all applicants need to submit Exhibits B or C in this supplemental process?

No, only those applicants that experienced a change in ownership since the Original Application was submitted need to submit Exhibits B or C in this supplemental process.

Did all applicants that received a Supplemental Notice for Applicants with a Disqualified Application receive a “Deficiency Information” section with their notice?

Yes, the section entitled “Deficiency Information” was included on all Supplemental Notices for Applicants with a Disqualified Application, but the information underneath this section was specific to that applicant and included the applicant’s name, application number, region, exhibits resulting in disqualification and reason, and any prior deficiency notice that the applicant received.

I am a Social Equity Applicant in my early 20s and I don’t have tax returns, paycheck stubs, utility bills, etc. in my name from when I was in my teens. My pre-21 Driver’s License had to be turned in the State on my 21st birthday. I am listed as a dependent on my parents’ income tax for the earlier years at the qualifying address. May I use the first two pages of their tax return for those years?

Parental tax returns may serve as proof of residency for the dependent, but applicants must include the first two pages and the pages of the tax return that identify the applicant as a dependent in that return.

Will the Department accept tax records if they have been stamped “Copy only do not file” if it is a photocopied version of the signed original?

Yes.

I have a driver’s license and a separate state ID card. Can these two documents alone serve as the required two documents to prove residency in the same Exhibit?

Yes.

In the current answers, the Department specified that property tax bills and Form-W2s are acceptable forms of proof of residency. However, the Department has also specified that only the eight forms identified in the statute are allowable.

One of the eight categories of documents listed in the statute for proof of residency is “tax records.” Because “tax records” may include various types of documents, the Department has identified several examples of tax records that may be used to satisfy proof of residency, including property tax bills and Form-W2s.

If an applicant did not submit an Original Exhibit P, S, or T, can the applicant submit an Exhibit P, S, or T through this supplemental process?

No.

Would an applicant have lost points for not directly quoting the statute by using terms like “POS” instead of the statute’s “point-of-sale” term or “state inventory verification system” instead of the statute’s “the State’s verification system”?

If an applicant used similar terms with the same meaning as those used within the statute, the applicant would not have lost points provided the application shows compliance with the statute.

We have applied as a Social Equity Applicant. We have several principal officers who have lived at different times in a Disproportionately Impacted Area. To qualify as a Social Equity Applicant, does each individual principal officer who makes up our majority ownership have to show that they lived in the Disproportionately Impacted Area for five of the preceding ten years, or can we combine our time to show as a group we lived in a Disproportionately Impacted Area for five out of the preceding ten years?

Each principal officer that is being used to established Social Equity Applicant status must prove through the required documentation that they resided in a Disproportionately Impacted Area for five of the preceding ten years.

Are there any statutory sections in the statute that the Department didn’t include in the Supplemental Notice that applicants need to address through this supplemental process?

In the Supplemental Notice for Applicants with a Scored Application, the Department listed each statutory section relevant to obtain all available points for each exhibit.

ATTESTATION

I, _____, affirm and attest under penalty of perjury to the following:

1. I am the applicant or a representative of the below-named applicant for a Conditional Adult Use Dispensing Organization License (“License”) with the authority to sign a legally binding agreement on behalf of the applicant.
2. The below-named applicant applied for a License with the Illinois Department of Financial and Professional Regulation between December 10, 2019 and January 2, 2020.
3. The below-named applicant indicated in its application that it qualifies as a Social Equity Applicant based on the fact that, as of the date the application was submitted, it employed at least 10 full-time individuals, at least 51% of whom (i) currently reside in a Disproportionately Impacted Area; or (ii) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under this Act or member of an impacted family.
4. The individuals identified in section 3 of this attestation were employed by the applicant as of the date the application was submitted, and were continuously employed until at least March 21, 2020 by the applicant. The applicant has documents proving these facts can be made available to the Department upon request.
5. The applicant has been forced to layoff employees due to the economic conditions resulting from the COVID-19 pandemic and related government directives.
6. Should the applicant receive a License, within 60 days of receipt of the License I will employ the required number of individuals with the required status necessary to meet the statutory qualifications of a Social Equity Applicant based on the status indicated in my application.

Signature	Date	Title

Name of Applicant on License Application

BLS Region(s) applied for (if all write “All”): _____

