

INSTRUCTION SHEET**EARLY APPROVAL ADULT USE DISPENSING ORGANIZATION LICENSE –
SECONDARY SITE APPLICATION FORM**

A medical cannabis dispensing organization holding a valid registration as of June 25, 2019, under the Compassionate Use of Medical Cannabis Pilot Program Act, 410 ILCS 130, may apply to the Illinois Department of Financial and Professional Regulation, Division of Professional Regulation (“Division”), for an Early Approval Adult Use Dispensing Organization License at a secondary site under the Cannabis Regulation and Tax Act (the “Act”), 410 ILCS 705. Please read the Act and this information carefully before submitting your application.

To apply, an applicant must hand deliver or express mail a complete Early Approval Adult Use Dispensing Organization License at a secondary site application and submit the following to the Division at the address listed below:

- a non-refundable application fee in the amount of \$30,000;
- a non-refundable fee of \$200,000, which will be deposited in the Cannabis Business Development Fund; and
- all information required by 410 ILCS 705/15-20(c).

**Illinois Department of Financial and Professional Regulation
Cannabis Control Section
100 W. Randolph - 9th Floor
Chicago, Illinois 60601**

The application fees must be in the form of either two separate cashier’s checks or money orders made payable to “Illinois Department of Financial and Professional Regulation.”

Application materials must be three-hole punched and provided in a white three ring binder. Label the binder with the submission date and the proposed dispensing organization name. Use as many binders as necessary to facilitate easy review of the material. Applicants must also provide a USB Drive containing a copy of the application materials in PDF Format.

The proposed dispensary must be within any BLS Region that shares territory with the medical cannabis dispensing organization district where the applicant’s medical dispensary is located. For a list of eligible counties in your district visit: <https://www.idfpr.com/FAQ/AUC/FAQ%20-%20Early%20approval%20adult%20use%20licenses%20for%20existing%20dispensing%20organizations.pdf>.

The application should provide detail on construction, start-up, and operation. When the application is deemed complete, the Division will issue a conditional approval. Final approval is contingent on proper site build-out and Division final inspection of the site.

Mandatory Registration Exhibits: All exhibits must be tabbed and labeled with the exhibit letter and title. Number each page. An application submitted without all the mandatory exhibits will be deemed incomplete.

Exhibit A – Principal Officer Attestation Form(s)
Exhibit B – Relevant Zoning Ordinance
Exhibit C – Notice of Proper Zoning Form and Documentation
Exhibit D – Building Approval
Exhibit E – Site Plan

Additional forms can be downloaded from the IDFPR Web site at www.idfpr.com.

- Exhibit F – Floor Plan
- Exhibit G – Operation and Management Practices Plan
- Exhibit H – Bond or Escrow Account Information
- Exhibit I – Table of Organization, Ownership, and Control
- Exhibit J – Business Entity Operating Agreement, By-Laws, or Articles of Incorporation
- Exhibit K – Photocopy of Non-Refundable License Fee
- Exhibit L – Photocopy of Cannabis Business Development Fee

Prospective Principal Officer Fingerprints:

Pursuant to Section 5-20(a) of the Act, all cannabis business establishment prospective principal officers, board members, and agents shall submit fingerprints to the Department of State Police in the form and manner prescribed by the Department of State Police. Prospective principal officers who have submitted fingerprints to the Division within one year of the date this application is submitted do not need to submit new fingerprints with this application. However, the Division reserves the right to require principal officers to submit fingerprints at any point prior to the renewal of this license.

Applying as a New Business Entity:

This application may be submitted by the holder of a medical cannabis dispensing organization registration issued pursuant to 410 ILCS 130. A different business entity with identical: (1) individual owners or members; (2) divisions of percentages of ownership; and (3) distributions of profits as those holding a medical cannabis dispensing organization license is eligible to apply for an Early Approval Adult Use Dispensing Organization License at a secondary site.

Reasons for Application Denial:

An application may be denied for any of the following reasons:

- 1) The applicant failed to submit the materials required by the Act and this Application;
- 2) The applicant selected a location that is not in compliance with the Act or local zoning rules, and it cannot cure the zoning or location deficiency in a reasonable time;
- 3) The applicant does not meet the requirements of the Act;
- 4) One or more of the prospective principal officers has been convicted of an offense that would impair their ability to perform the functions of a principal officer;
- 5) The applicant or any principal officer is out of compliance with applicable tax laws;
- 6) The applicant has documented compliance violations;
- 7) One or more of the principal officers fails to remain compliant under the Act;
- 8) One or more of the principal officers is under 21 years of age; or
- 9) The applicant fails to pay the required fees.

If the Division, after notice to the applicant, denies the application and the applicant contests the denial of licensure, it shall be entitled to an administrative hearing in accordance with the Act and Civil Administrative Code.

Next Steps:

After the Division has received the application packet, it will review the materials and issue a request for additional information or a conditional approval. The dispensary must not open until it has passed final inspection and the Division has issued a license.

If the Division issues the applicant an Early Approval Adult Use Dispensing Organization License, the dispensing organization may not purchase cannabis from an early approval adult use cultivation center until December 1, 2019 (410 ILCS 705/20-10(h)) or sell cannabis, cannabis-infused products, paraphernalia, and related items to purchasers until January 1, 2020 (410 ILCS 705/15-20(m)).

IMPORTANT NOTICE: Completion of this form is necessary for consideration for licensure.

FOR OFFICIAL USE ONLY

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

**EARLY APPROVAL ADULT USE DISPENSING
ORGANIZATION LICENSE – SECONDARY
SITE APPLICATION**

Date Received: _____

Date Approved: _____

General Information (All information is required.)

1. CURRENT DISPENSING ORGANIZATION BUSINESS NAME:

2. CURRENT DISPENSING ORGANIZATION MAILING ADDRESS:

3. CURRENT REGISTRY IDENTIFICATION NUMBER:

4. CURRENT BUSINESS TELEPHONE NUMBER:

5. IF APPLYING AS A DIFFERENT ENTITY FROM QUESTION 1, BUSINESS NAME OF PROPOSED DISPENSING ORGANIZATION:

6. APPLICANT BUSINESS FEIN:

7. IF DIFFERENT FROM QUESTION 2, BUSINESS MAILING ADDRESS OF PROPOSED DISPENSING ORGANIZATION:

8. IF DIFFERENT FROM QUESTION 4, BUSINESS TELEPHONE NUMBER OF PROPOSED DISPENSING ORGANIZATION:

9. PROPOSED DISPENSING ORGANIZATION PRIMARY CONTACT NAME, TITLE, ADDRESS, EMAIL, AND TELEPHONE NUMBER:

10. PROPOSED DISPENSING ORGANIZATION ALTERNATE CONTACT NAME, TITLE, ADDRESS, EMAIL, AND TELEPHONE NUMBER:

11. PROPOSED DISPENSARY NAME:

12. PROPOSED DISPENSARY ADDRESS: (Post Office Box is NOT permitted)

13. PROPOSED DISPENSARY TELEPHONE NUMBER:

14. PROPOSED HOURS OF OPERATION:

Please identify which Social Equity Inclusion Plan the applicant will complete or, if opting to engage in an incubator or sponsorship program, will have made substantial steps toward completing by March 31, 2021:

Contribution of 3% of total sales from June 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to the Cannabis Business Development Fund;

Contribution of 3% of total sales from June 1, 2018 to June 1, 2019, or \$100,000, whichever is less, to a cannabis industry training or education program at an Illinois community college as defined in the Public Community College Act;

Donation of \$100,000 or more to a program that provides job training services to persons recently incarcerated or that operates in a Disproportionately Impacted Area as defined by the Act;

Participation as a host in a cannabis business establishment incubator program approved by the Department of Commerce and Economic Opportunity, and in which the applicant agrees to provide a loan of at least \$100,000 and mentorship for at least a year to incubate a licensee that qualifies as a Social Equity Applicant;

Participation in a sponsorship program for at least 2 years approved by the Department of Commerce and Economic Opportunity in which the applicant agrees to provide an interest-free loan of at least \$200,000 to a Social Equity Applicant.

Mandatory Registration Exhibits: All exhibits must be tabbed and labeled with the exhibit letter and title. Number each page. (All information is required.)

Exhibit A – Principal Officer Attestation Forms

Exhibit B – Relevant Zoning Ordinance

If the law of the relevant locality does not directly address the operation of an adult use cannabis dispensary, please provide the applicable part(s) of the locality's law or regulations which establish that the operation of an adult use cannabis dispensary is legal in that locality.

Exhibit C – Notice of Proper Zoning Form and Documentation

In addition to the Notice of Proper Zoning Form signed by the local jurisdiction, provide documentation of one of the following:

- Zoning approval;
- Conditional approval; or
- Status of a request for zoning approval from the local zoning office.

Exhibit D – Building Approval

The applicant must also submit one of the following:

- Proof of building or land ownership;
- A contract demonstrating that sale of a building to the applicant is conditional upon preliminary approval of the location by the Division; or
- A written statement from the property owner or landlord certifying consent that the organization may operate a dispensary on the premises and a copy of the lease.

Exhibit E – Site Plan

Provide a site plan drawn to scale of the proposed dispensary showing streets, traffic direction, sidewalks, trees, alleys, property lines, additional buildings on-site, parking areas and handicapped parking spaces, fences, exterior walled areas, garages, vehicle delivery access doors, hangars, security features, and outdoor areas as applicable. Provide a description of the proposed text or graphic materials to be visible on the exterior of the proposed dispensary.

Exhibit F – Floor Plan

Provide a copy of the floor plan drawn to scale of the dispensary building. The floor plan shall at a minimum show and identify:

1. Layout and square footage of each room;
2. Overall square footage of the dispensary facility;
3. Name and function of each room;
4. Doorways or pathways between rooms;
5. Means of ingress and egress;
6. Location of restricted access areas;
7. Location of cannabis storage areas while the dispensary is open for business;
8. Location of cannabis storage areas while the dispensary is closed for business;
9. Location of the sink and refrigerator, if any;

Exhibit F – Floor Plan (Continued)

10. Location and dimension of all safes or vaults that will be used to store cannabis, cannabis products or currency;
11. Location of each computer and cash register used for point of sale;
12. Location of fire exits;
13. Location of each toilet facility;
14. Location of a break room and personal storage lockers, if any;
15. Location of each video camera;
16. Location of each panic button and glass break; and
17. Location of natural and artificial lighting sources.

Exhibit G – Operation and Management Practices Plan

Provide an Operation and Management Practices Plan which contains, at a minimum:

1. A description of the services to be offered;
2. A description of the process of dispensing cannabis;
3. An inventory control system, a plan for working with transportation organizations to acquire cannabis, and a plan detailing how it will perform a physical inventory of all cannabis on a daily basis;
4. A description of the recordkeeping system and point of sale system;
5. A description of the applicant's security measures and system;
6. A detailed operations manual, including accessible business hours and safe dispensing;
7. A staffing plan that ensures adequate staffing, training and education;
8. A security plan, which may include a plan to contract with a private security contractor that is licensed under Section 10-5 of the Private Detective, Private Alarm, Private Security, Fingerprint Vendor, and Locksmith Act of 2004, and
9. A description of the air treatment system that will be installed to reduce odors.

Exhibit H – Bond or Escrow Account Information

Provide evidence of compliance with the requirement to establish and maintain an escrow account or surety bond in the amount of \$50,000, with terms approved by the Division.

Exhibit I – Table of Organization, Ownership and Control

Provide a Table of Organization, Ownership and Control which identifies all principal officers and business entities that, through direct or indirect means, manage, own or control the interests and assets of the proposed dispensing organization. The Table of Organization, Ownership and Control shall also identify the following information:

1. The management structure including the name of each business entity, and the office or position held by each individual, and the percentage ownership interest of each individual and business entity. If the business entity has a parent company, the name of each parent company's principal officer(s) and their percentage of ownership interest must also be provided.
2. All business entities identified in the Table must be broken down to the individual level with each individual's title and ownership share, regardless of whether they meet the definition of Principal Officer.
3. If a business entity is a publicly traded company, the following information shall be provided:
 - The name and percentage of ownership of any individual who owns or exercises control of 5 percent or more of the voting shares of the entity;
 - The names and percentage of ownership of any individual who is related to each other and who together own or exercise control of 10 percent or more of the voting shares of the entity.
4. If a business entity identified in the Table is a limited liability company, provide a copy of the articles of organization and operating agreement, and list all individuals or business entities holding an ownership interest.
5. If a business entity identified in the Table is a corporation, provide a copy of the articles of incorporation, corporate resolutions if any, and list all individuals or business entities holding an ownership interest.
6. If a business entity identified in the Table is an unincorporated association, organization or not-for-profit organization, provide documents or agreements establishing its creation, ownership, profit sharing and liability.
7. If a business entity identified in the Table is a partnership, provide a copy of the partnership or joint venture documents. If there is no written agreement, provide a statement signed by all partners affirming there is no written agreement.

Exhibit J – Business Entity Operating Agreement, By-Laws, or Articles of Incorporation

Exhibit K – Photocopy of Payment of Non-Refundable License Fee

Exhibit L – Photocopy of Payment of Non-Refundable Cannabis Business Development Fee