

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

Illinois Department of Financial and Professional Regulation
Chicago, Illinois

THIS IS NOT AN APPLICATION

The Department is in the process of finalizing the application package. The information provided is meant to assist you in the application process. Please use the information provided to become familiar with the materials that will be required when the application is available.

If you plan to use the information provided to begin drafting your application please do not include your company name and other distinguishing characteristics unless completely necessary. The Department may place reasonable word or character limits on portions of the application calling for narrative responses.

Schedules:

Schedule 1 – Suitability of Proposed Dispensary	REQUIRED	150 Points
Schedule 2 – Business and Operations Plan	REQUIRED	200 Points
Schedule 3 – Security Plan	REQUIRED	200 Points
Schedule 4 – Recordkeeping and Inventory Plan	REQUIRED	200 Points
Schedule 5 – Financial Disclosures	REQUIRED	150 Points
Schedule 6 – Bonus Section	OPTIONAL	100 Points

Mandatory Addenda:

- Addendum 1.** Attestations: Each principal officer must sign and date the Medical Cannabis Principal Officer Attestation Form.
- Addendum 2.** Certifications: Each principal officer must sign and date his or her own Medical Cannabis Principal Officer Certification Form.
- Addendum 3.** Property Ownership Form.
- Addendum 4.** Zoning Form.
- Addendum 5.** Criminal History Form
- Addendum 6.** A fingerprint receipt from a licensed livescan vendor for each Principal Officer listed in the application, including all information from Section 230 of the Administrative Rules.
- Addendum 7.** Photocopy of Application Fee.

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

NOTE: It is extremely important that the information submitted with the application and the schedules, clearly shows compliance with the rules of the Department, found at 68 Ill. Adm. Code Part 1290. It is strongly recommended that the applicant read and become familiar with the rules, a copy of which is available online at www.mcpp.illinois.gov.

Pursuant to the Administrative Rules, a non-refundable application fee of \$5,000 shall be submitted with each application.

Please contact the Department of Financial and Professional Regulation at the email address below if you have questions. FPR.MedicalCannabis@illinois.gov

Nothing in this application is intended to confer a property or other right, duty, privilege or interest entitling an applicant to an administrative hearing upon denial of an application.

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

GENERAL INFORMATION

1. Business name
2. Business mailing address
3. Business telephone number
4. Business type
5. Date of business formation or incorporation
6. State(s) of Incorporation
7. FEIN
8. D/B/A Name
9. Registered with the Illinois Secretary of State? Provide Certification of Good Standing with Illinois Secretary of State.
10. Registered Agent Name
11. Registered Agent Address
12. Proposed business name, if any
13. GIS Coordinates of proposed location
14. Proposed dispensary name
15. Dispensary's proposed physical address
16. District Number
17. Ownership Structure: Provide for Each Principal Officer, Owner, or Financial Backer:
 - First name
 - Middle name
 - Last name
 - Maiden name (if applicable)
 - Alias or any other names you have been known by

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

Percent Ownership
Type of Ownership
Social security number
Sex
Race
US Citizen
Illinois Resident
Date of birth
Work telephone
Cell phone
Email address
Residence address (cannot be a PO Box),
Business address (cannot be a PO Box),
Email address
Title relevant to the proposed dispensary business

18. Dispensing organization Primary Contact, Title, Telephone Number, Address and Email Address (must be a principal officer of the Dispensing Organization).

19. Dispensing organization Alternate Contact, Title, Telephone Number, Address and Email address (must be a principal officer of the Dispensing Organization).

20. Is applicant applying in other districts, if yes name all districts.

Note: An applicant may submit applications in no more than five districts. Each individual may only apply, or be a part of an organization applying, in no more than five districts.

21. Provide the names of all principal officers. Review Administrative Rules Section 1290.30 for the people who qualify as a principal officer of a dispensing organization.

22. Provide a list of the names of all principal officers, and beside each name, the district or districts where each principal officer has submitted a dispensary authorization application.

23. Is this applicant also applying for a cultivation center permit with the Illinois Department of Agriculture? If yes, provide the districts.

24. Provide a list of the names of all principal officers and beside each name, the district or districts where each principal officer has submitted an application with the Illinois Department of Agriculture for a cultivation center.

BUSINESS INFORMATION

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

25. Identify the type of business entity.
- a. If the entity applying is a sole proprietorship, a copy of creation documents.
 - b. If a partnership, a copy of any partnership or joint venture documents, and if there is no written agreement, a statement signed by all Principal Officers affirming there is no agreement.
 - c. If a limited liability company, a copy of the Articles of Organization, operating agreement, and certificate of good standing issued by the Secretary of State or obtained from the Secretary of State's website dated within seven days prior to the date application is filed with the Division. Limited liability company applicants must include a listing of all affiliated persons or business entities holding an ownership interest in the company.
 - d. If a corporation, the name of the registered agent, a copy of the Articles of Incorporation, Corporate Resolutions if any, and, a certificate of good standing issued by the Secretary of State or obtained from the Secretary of State's website within seven days of the application date. If using an assumed name, submit a copy of the assumed name certificate or registration issued by the Secretary of State. Corporate applicants must include a listing of all persons or businesses holding an ownership interest in the corporation.
 - e. If an unincorporated association, organization or not-for-profit organization, documents or agreements relevant to its creation, ownership, profit sharing and liability. If there are no documents as detailed in section 1290.50(a)(5)(E) of the Administrative Rules, a statement signed by all principal officers affirming so.
26. Name of dispensary organization's proposed agent in charge.
27. Name of person, firm or business that has assisted the applicant draft, assemble or submit this application, if applicable.
28. Name of the institution holding the minimum amount in liquid assets or funds required by the Administrative Rules.
29. Provide a copy of the dispensing organization's proposed operating by-laws including provisions for amending them.
- a. The by-laws must include procedures for the oversight of the dispensing organization and procedures to ensure accurate record keeping, patient confidentiality and security measures that are in accordance with the Division's rules.

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

- b. The by-laws must include a description of the enclosed and locked facility where medical cannabis will be stored.
30. Provide documents of the dispensing organization’s ownership structure that establish the legal and business structure of the applicant, operations, management and control including organization chart that provides position descriptions and the names of each person holding each position and percentage ownership of each person or entity. *Attach a copy.*
31. Provide any additional documents that establish the legal and business structure of the applicant, operations, management and/or control. If none, please state so. *Attach document.*

DISPENSARY BACKERS

32. Provide both the business name, individual name and contact information for each facility backer, business partner, investor, joint venture and/or registered agent and anyone with more than one percent ownership interest, future ownership interest or debt to equity interest. A dispensing organization backer does not include a person or entity holding an interest not exceeding one percent of the total ownership or interest rights and the person will not participate directly or indirectly with the control, management or operation of the dispensing organization. *Attach document.*
33. List any persons and/or entities with an ownership interest in the dispensing organization that are not listed as Principal Officers or dispensary backers. *Attach document.*
- a. If an entity, list all persons with an ownership interest in the entity, their percentage ownership interest in the entity, and their effective ownership interest in the registration.
 - b. If a person, list their percentage ownership interest in the entity, and their effective ownership interest in the registration.
34. Are there any other persons and/or entities, other than those listed above, who will receive directly or indirectly, any compensation or future compensation based upon a percentage or share of the gross proceeds or income of the dispensing organization?
- a. If yes, identify each person and list their interest in the business.

SCHEDULE 1. SUITABILITY OF THE PROPOSED DISPENSARY

SUITABILITY FOR PUBLIC ACCESS:

1. Provide a narrative explaining why the proposed location is suitable for public access, the size and layout promote safe dispensing of medical cannabis, product handling, and storage. Include detailed plans for handicapped accessible parking and ADA accessibility.
2. Provide a narrative statement describing specific elements in your plan that will favor the immediate community and why your operations will negate any detrimental impact.

PLOT PLANS and PHOTOGRAPHS: Plot map and drawings must be adequate in size to illustrate your plans. For this section, applicants must:

1. Provide a location area map of the area surrounding the proposed dispensary, extending a minimum of 1,000 feet from the proposed dispensary property line in all directions. Clearly identify the existing adjacent businesses or residences.
2. Clearly demonstrate that the property line of the proposed dispensary is not located within 1,000 feet of the property line of a pre-existing public or private preschool or elementary or secondary school or day care center, day care home, group day care home or part day child care facility identified in Section 130 of the Act.
3. Provide a drawing depicting the property that extends at least to the property line perimeter, defining exterior landscape and interior layout, including storage and delivery areas.
4. Provide color photographs of the proposed dispensary and immediately adjacent area.

ZONING:

1. Copy of the current local zoning ordinance as it relates to dispensaries.
2. Narrative of how the proposed dispensary location complies with the local zoning ordinance or rules.
3. Documentation, *if any*, of the approval, conditional approval or the status of a request for approval, from the local zoning office.
4. Copy of DFPR Zoning Form with signature from the local zoning office providing confirmation that the proposed dispensary location is in compliance with local zoning provisions as identified in Section 130 of the Act. If the applicant does not have local zoning office approval or cannot secure a signature for the DFPR Zoning Form, provide a statement describing the reason(s).

SCHEDULE 2. BUSINESS AND OPERATIONS PLAN

KNOWLEDGE AND EXPERIENCE:

1. Resume for each Principal Officer.
 - a. Identify the name of each Principal Officer’s present employer, position held and dates of employment.
 - b. Identify academic degrees, certifications or relevant experience with a state sanctioned medical cannabis business or related industry. Demonstrate knowledge of cannabis product strains or varieties, and describe the types and quantities of products planned to be offered, including paraphernalia or edibles.
 - c. Applicant’s principal officers must demonstrate experience and qualifications in business management *or* experience in the medical cannabis industry.
2. Name and resume for each agent in charge.

STAFFING PLAN:

1. Provide job descriptions, hiring procedures and staff reporting procedures on inventory loss or irregularities.
2. Include a description of the training and education that will be provided to dispensary agents.
3. Include best practices for day-to-day dispensary staffing.
4. Provide estimated staffing levels during hours of operations.

BUSINESS MANAGEMENT PRACTICES:

1. Describe how the dispensing organization will be managed on a short and long-term basis, including the immediate and long-term financial health and resources for the design, development and operation of the dispensary.
2. Include best practices for day-to-day dispensary management.
3. Describe the patient verification system, purchases and denials of sale, and confidentiality.

OPERATING PLAN:

1. Include, at a minimum, a timetable that provides estimated build out and start up time from authorization through year one of registration. Include the basis for those estimates.
2. The process of storing cannabis, and dispensing it from a restricted access area to a limited access area.
3. Description or copy of proposed marketing or advertising plan or materials, if any.
4. Description of proposed text or graphic materials on building exterior.

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

5. Proposed hours of operation.

SERVICES PROVIDED:

1. A general description of products, varieties and services related to medical cannabis (if any) intended to be offered and reasoning for those choices.

DRAFT

SCHEDULE 3. SECURITY PLAN

FACILITY SECURITY: Submit or include on a separate drawing the following:

1. Diagram of dispensary drawn to scale, including general specifications of the building exterior and interior layout, identifying all points of entry and exit and locations of security or surveillance devices.

Note: Diagrams must be adequate in size and resolution to illustrate the type of security or surveillance devices.

2. Whether security personnel will be on-site during operational or non-operational hours.

SECURITY SURVEILLANCE SYSTEM:

1. Provide a narrative of the type of surveillance system that will be installed, controls used to monitor and secure the premises, agents, patients, caregivers, currency and measures that will prevent the diversion, theft or loss of cannabis and currency.
2. Provide the storage capabilities for the retention of historic recordings on-site and off-site.
3. Name the process and system used to provide real time video feed to the Illinois State Police and the Division.

PRODUCT SECURITY: The security plan should demonstrate the capability for the prevention of the theft or diversion of medical cannabis.

1. Submit a plan to control inventory from receipt through sale.
2. Identify measures to restrict access to the limited access areas to qualifying patients, designated caregivers, registered agents, service professionals and security personnel.
3. Identify measures to prevent unauthorized entry and theft from restricted access areas.
4. Identify whether applicant will retain outside vendors to design and implement a security system or provide a security guard.
5. Procedures for documentation of both cannabis loss and destruction.

SHIPPING/TRANSPORTATION SECURITY MEASURES: Submit the operational procedures for receipt of product. This shall include the following.

1. A description of the receipt of delivery process, including receipt and log of manifests.
2. Security protocols used to avoid diversion, theft or loss at the acceptance point.
3. How the applicant will confirm receipt of all products from the cultivation center.

SCHEDULE 4. RECORDKEEPING AND INVENTORY PLAN

RECORDKEEPING PLAN:

1. Provide a narrative of how applicant will maintain, update and store records, including but not limited to: management plans, business records, confidential patient records, operating procedures, security records and audit records.
2. Provide a narrative of how applicant will meet recordkeeping regulations, keep accurate inventory tracking records and discourage unlawful activity.
3. Describe how applicant will comply with audit requirements.
4. Describe how records will be readily available to State inspectors during inspection.

INVENTORY CONTROL PLAN:

1. Describe how applicant will monitor and track qualifying patient records, including purchases, denials of sale and confidentiality.
2. Detail how applicant will track inventory and perform audits.
3. Detail the method to dispose of cannabis and how it will communicate with the Division and Illinois State Police.

PATIENT EDUCATION AND SUPPORT PLAN:

1. Generally detail the benefits or drawbacks of cannabis strains that will be offered in connection with the debilitating conditions identified in the Act.
2. Detail how applicant will keep product costs reasonable, patient flow under control and prevent patient overflow.
3. Detail how you will educate patients on the State's medical cannabis program, including but not limited to, orientation, answering questions, providing advice on administration and storage.
4. What differentiates your application in the methods you will use to care for and support patients?

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

SCHEDULE 5. FINANCIALS

The applicant must disclose all relevant business transactions and financial information connected with the application. If an item below does not apply to the applicant, please state so. Financial disclosures must be numbered in connection with the list below:

- 5.1 Copies of agreements between any two or more principal officers that relate to the assets, liabilities, debt, property, profit or future profit of the dispensing organization.
- 5.2 Copies of compensation agreements among any persons having a financial interest in the dispensing organization, or a narrative if the compensation agreement is oral.
- 5.3 Disclosure of the nature, type, terms, covenants and priorities of all outstanding debts, including but not limited to bonds, loans, mortgages, deeds, lines of credit, notes issued or executed, or to be issued or executed, in connection with the proposed dispensary. Identify if debt is secured or unsecured.
- 5.4 Identify whether the applicant has acquired debt in exchange for equity or future equity in the dispensing organization.
- 5.5 Audited financial statements for the previous fiscal year.
- 5.6 Provide complete copies of all federal, state and foreign (with translation) tax returns filed by the principal officers of the proposed dispensing organization for the last three years, or for the period each principal officer has filed tax returns if less than three years.
- 5.7 Name of each dispensing organization backer and complete copies of the most recently filed federal, state and foreign (with translation) personal tax returns filed by each dispensing organization backer. If the dispensing organization backer is a business entity, identify the principals or board members of the business entity and provide their personal tax returns for the same timeframe.
- 5.8 A description and dollar amount of the expenditures incurred to date by the proposed dispensing organization.
- 5.9 Projected total expenditures, itemized by category, expected before the dispensary is operational.
- 5.10 Projected annual expenditures and revenue, itemized by category, through second year of operation.

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

- 5.11 Submit a signed statement from a Certified Public Accountant (“CPA”) or a statement from a financial institution dated within ten (10) calendar days before the application date with the amount of liquid capital under the control of the business or a principal officer of the business, dedicated to dispensary start up.

If the applicant submitted a signed statement from a CPA, it must include the CPA’s name, phone number and license number.

- 5.12 Identify the total dollar amount and source of the organization’s equity and debt commitments and all funding sources in connection with the proposed dispensing organization. Include documentation verifying the source of the funds and the organization’s net worth.

DRAFT

SCHEDULE 6. BONUS SECTION

LABOR AND EMPLOYMENT PRACTICES:

The applicant may provide a description of plans to provide a safe, healthy and economically beneficial working environment for its agents, including but not limited to, codes of conduct, healthcare benefits, educational benefits, retirement benefits, and living wage standards.

RESEARCH PLAN:

The applicant may provide the Division with a detailed proposal to conduct, or facilitate, a scientific study or studies related to the medicinal use of cannabis. The applicant may include in its proposal, a detailed description of:

- A) The methodology of the study to accurately assess the effects of cannabis,
- B) The issues to be studied,
- C) The methods that will be used to identify and select study participants,
- D) The identity of each person or organization associated with the study, including the role of each,
- E) The duration of the study and anticipated peer review, and
- F) The intended use of the study results.

COMMUNITY BENEFITS PLAN:

The applicant may provide a description of plans the applicant has to support the local community, the socio-economic status of citizens served, or a plan for reduction in product costs for indigent patients that qualify.

SUBSTANCE ABUSE PREVENTION PLAN:

The applicant may provide a detailed description of any plans it will take to combat substance abuse in its District, including the extent to which the applicant will partner or work with existing substance abuse programs.

LOCAL COMMUNITY/NEIGHBORHOOD REPORT:

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

The applicant may provide comments, concerns or support received regarding the potential impact of the proposed location on the local community and neighborhood.

ENVIRONMENTAL PLAN:

The applicant may demonstrate an environmental plan of action to minimize the carbon footprint, environmental impact, and resource needs for the dispensary.

VERIFICATION OF MINORITY-OWNED, FEMALE -OWNED, VETERAN-OWNED, OR DISABLED PERSON-OWNED:

The Minority, Female, Veteran, or Disabled applicants must own at least 51 percent of the entity applying for registration. The percentage totals may include any combination of Minority, Female, Veteran, or Disabled applicants.

The Minority, Female, Veteran or Disabled applicant must also share in control of management and day-to-day operations of the dispensary.

Documentation must be submitted at the time of application that demonstrates the respective status of the applicant, including, but not limited to, certification under the Business Enterprise for Minorities, Females and Persons with Disabilities Act [30 ILCS 575] for minority, female or disabled person applicants, or a DD214 for veteran applicants.

ILLINOIS BASED APPLICANTS:

Documentation that the applicant's principal place of business is headquartered in Illinois, including the names, addresses and verification of the applicant's proposed agents that reside in Illinois. The applicant may also provide a plan for generating Illinois-based jobs and economic development.

DRAFT – This is Not an Application
Information ONLY – Medical Cannabis Dispensary
08/08/2014

ADDENDA

- Addendum 1.** Attestations: Each principal officer must sign and date the Medical Cannabis Principal Officer Attestation Form.
- Addendum 2.** Certifications: Each principal officer must sign and date his or her own Medical Cannabis Principal Officer Certification Form.
- Addendum 3.** Property Ownership Form.
- Addendum 4.** Zoning Form.
- Addendum 5.** Criminal History Form
- Addendum 6.** A fingerprint receipt from a licensed livescan vendor for each Principal Officer listed in the application, including all information from Section 230 of the Administrative Rules.
- Addendum 7.** Photocopy of Application Fee.