

ARKANSAS MEDICAL MARIJUANA PROCESSOR LICENSE REQUEST FOR APPLICATION

Overview

The Arkansas Medical Marijuana Commission (hereinafter referred to as “Commission”) is responsible for awarding licenses for the operation of medical marijuana processors pursuant to Amendment 98 of the Constitution of the State of Arkansas of 1874, known as the Medical Marijuana Amendment of 2016.

Number of Licenses

The Medical Marijuana Amendment of 2016 does not place any limitation on number of licenses to be issued for processors. The Commission will award a license to all qualified, acceptable applicants.

Important Information

For an application to be considered:

- A completed application must be submitted to the Arkansas Medical Marijuana Commission, care of Alcoholic Beverage Control Division, 1515 W. 7th Street, Suite 503, Little Rock, Arkansas, on or before 12:00 p.m., on the Friday preceding the next scheduled Commission meeting. Each application will be time-stamped upon submission. The time stamp shall serve as the official record of when the application was delivered to the Commission.
- The application fee of \$5,000.00 must be submitted in the form of a cashier check, money order or check.
- A Performance Bond in the amount of \$100,000.00 listing the State of Arkansas as the secured party must be submitted.

Freedom of Information Act

Applicants should be aware that applications and all supporting materials are subject to the Arkansas Freedom of Information Act of 1967 (Ark. Code Ann. §25-19-101, et. seq.). Certain information is exempt from disclosure under the Act, including information that would give an advantage to competitors or bidders. Ark. Code Ann. §25-19-105(b)(9)(A). Applicants should specifically identify particular sentences, paragraphs, pages, sections, data, or other information which the applicant believes would provide an advantage to competitors or bidders and is therefore exempt from disclosure under FOIA. Each page containing such information must contain a footer notifying the commission that the material on the page is requested to be

“Confidential” and redacted from any Freedom of Information request. In addition to declaring the material “Confidential”, and therefore exempt, the applicant must provide a sufficient explanation to justify the claimed exemption. Final determination of whether information shall be released pursuant to FOIA request lies with the Commission. The Commission reserved the right to apply any FPOIA exemption to information received by the applicant, whether requested or not.

Completion of the Application

- Familiarize yourself with the following:
 - Amendment 98 of the Constitution of the State of Arkansas of 1874;
 - Rules Governing the Application for, issuance of, and renewal of licenses for medical marijuana processors in Arkansas; and
 - Rules governing the Oversight of Medical Marijuana Processors by the Alcoholic Beverage Control Division

- Provide complete responses to the General Application Form and provide required attachments, if necessary.

- All owners, officers, and board members affiliated with the proposed processors are required to complete a Disclosure Statement and attach any required forms of proof specified in the application. Copies of items required to show proof of identity and age will be accepted; however, the Commission reserves the right to require production of an original document for inspection.

- All owners, officers, and board members affiliated with the proposed processor are required to complete an application for a Criminal History Check by the Arkansas State Police. The results from the Criminal History Check must be included with the application packet, **unless** the Criminal History Check is completed by live scan in concert with the Criminal History Check by the Federal Bureau of Investigation. All Criminal History Checks must be completed and the results received at the Alcoholic Beverage Control Division prior to the application being submitted to the Commission for consideration of licensure.

- All owners, officers, and board members affiliated with the proposed processor are required to submit to a Criminal History Check by the Federal Bureau of Investigation. NOTE: This portion of the application process will not be completed until after the application has been submitted to the office of the Alcoholic Beverage Control. Upon submission of the application to the Alcoholic Beverage Control the applicant will be

provided a memorandum to present to live scan for fingerprinting. If fingerprints are not being conducted through live scan a fingerprint card will be provided.

- ✿ Provide complete information required by Property Ownership form.
- ✿ Provide complete Proof of Zoning Compliance form.
- ✿ Provide completed Authority to Release Information form.
- ✿ Provide completed Applicant Record Notification form.
- ✿ Payment of required application fee.
- ✿ Submission of performance bond.

NOTE:

Application packets which do not include all listed items or are otherwise incomplete will not be accepted.

Payment must be made in full. Partial payments will not be accepted.

Medical Marijuana Processor Application

SECTION 1. APPLICANT INFORMATION

Name of Individual Completing Application: _____

Affiliation of Individual to Business: _____

Applicant Business Entity: _____

Fictitious Trade Name (if applicable): _____

Business Phone Number: _____

Business Mailing Address: _____

Business Physical Address (if different): _____

Business entity type: _____

Date of business formation or incorporation: _____

State(s) of Incorporation: _____

Registered Agent Name: _____

Registered Agent Address: _____

NOTE:

Attach all applicable organizational documents for the business: including but not limited to articles of incorporation, by-laws (including the distribution of all stocks issued), organizational documents (including organizational chart of the ownership structure including officers/board members which set forth specific ownership interests that equal 100%)

Contact Information for Business Point of Contact (Please provide preferred methods of contact for the purposes of this application.)

Name: _____

Phone: _____

Email: _____

Mailing Address: _____

Has the business entity previously filed an application for a processor license, under the same or a different name? If so, please list name under which the application was filed, and the status of that application.

SECTION 2. MANAGEMENT OF OPERATIONS

Check Applicable box(es):

- There will be a manager at the facility overseeing daily operations other than a listed owner, officer or board member.
- There will be a management company overseeing the business operations of the permit.

If either box is checked please provide the following information.

For Manager:

Name: _____

Phone Number: _____

Email: _____

For Management Company:

Name of Individual to Contact: _____

Email address for Individual: _____

Phone Number for Individual: _____

NOTE:

Attach a copy of the management agreement entered into between the above listed management company and the Applicant Business Entity.

SECTION 3. PROPERTY INFORMATION

County of Proposed Location: _____

City of Proposed Location: _____

Applicants for transporting/distributing must certify that the proposed processor facility will comply with any zoning restrictions enacted by the city, town, or county in which the facility is located.

Has the city, town, or county where the proposed processor facility is to be located enacted any zoning restrictions that would be applicable to this facility, including but not limited to restrictions specifically for medical marijuana facilities?

Yes No

If you answered “yes” to the previous question, please identify all restrictions and list the corresponding ordinance:

If the property where the applicant intends to operate a processor facility is owned by the entity submit:

- Confirmation of land ownership;
- Identification of any and all mortgages and perfected lienholders;
- If applicable, verification of notification to any, and all, mortgagees and perfected lienholders that property is to be used as a medical marijuana processor facility; and
- Consent thereto by any mortgagees and perfected lienholders to such usage.

If the property where the applicant intends to occupy is leased by entity, submit:

- A copy of the lease;
- Confirmation of land ownership;
- Identification of any and all mortgagees and perfected lienholders;
- A written statement from the property owner or landlord certifying consent for a medical marijuana processor facility to be operated on the premises; and
- If applicable, verification of notification by the property owner to any, and all, mortgagees and perfected lienholders that the property is to be used as a medical marijuana processor facility and consent thereto by any mortgagees and perfected lienholders.

If the property the entity intends to occupy is not owned or currently leased by the entity, submit:

- A written statement from the property owner or landlord certifying consent for the applicant/entity to lease or purchase the land for the purpose of operating a medical marijuana processor facility;
- If applicable, verification of notification by the property owner to any, and all, mortgagees and perfected lienholders that the property is to be used as a medical marijuana processor facility; and
- Consent thereto by any mortgagees and perfected lienholders.

Zoning Certification

I, _____, certify that if a license is awarded by the Medical Marijuana Commission, the processor to be located at: _____, will be operated in compliance with the zoning restrictions listed herein.

Signed this _____ day of _____, 20__.

Printed Name

Signature of Owners, Officer, Board Member or
Manager

Title

Subscribed and sworn before me this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

Application Certification

I, _____, certify that the information provided in this application and its attachments are complete and accurate. I understand that any misstatement or concealment of fact may be grounds for refusal of application or revocation of license if later disclosed. I certify that I have the authority to complete and submit this application on behalf of the entity, owners, officers, and/or board members that have a financial interest in the Applicant Business Entity

Signed this _____ day of _____, 20__.

Printed Name

Signature

Title

Subscribed and sworn before me this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

NOTE: Please attach documentation to demonstrate the signature of the individual completing the application maintains the appropriate authority to submit this application.

SECTION 4. OWNER, OFFICER, OR BOARD MEMBER DISCLOSURE STATEMENT

This section must be completed by each owner, officer, or board member of the Applicant Business Entity for which the Medical Marijuana Processor Application is being submitted. Please attach additional pages to the application, if necessary.

Legal Name:

Last Name: _____

First Name: _____

Middle Name: _____

Maiden Name (if applicable): _____

Alias(es) or former names: _____

Social Security Number: _____

Driver's License Number: _____

Any person submitting a Disclosure Statement must present at least one supporting document to prove your legal name. Acceptable forms are located at Appendix 1 to this application.

Contact Information:

Residence address: _____

Contact phone #: _____

Email address: _____

Affiliation with Proposed Facility:

Identify your affiliation with the proposed processor facility (Applicant, Owners, Officer, Manager, Board member, etc.).

Percentage of Ownership: _____ No of Shares/Units: _____

If the owner is a corporation please list stockholders in the corporation, stockholder's residence address, and percentage of ownership held by the individual in the corporation:

Date of Birth:

NOTE:

In addition to providing your date of birth you are required to submit at least one supporting document to prove your date of birth in addition to your driver's license or government issued identification. Acceptable forms are located at Appendix 2 to this application.

Tax Liability:

Do you have any outstanding tax delinquencies owed to the State of Arkansas?

Yes No

If you answered "yes" to the previous question, please explain the nature of such delinquencies:

Do you have any outstanding tax delinquencies owed to the Federal government?

Yes No

If you answered "yes" to the previous question, please explain the nature of such delinquencies:

NOTE:

Please attached tax clearance letter issued by the Arkansas Department of Finance and Administration

Other Financial Liabilities:

Are you a party to any legal proceedings where damages, fines, or civil penalties may reasonably be expected to exceed \$500,000.00 above any insurance coverage available to cover the claim?

Yes No

Regulatory History:

Have you or has an entity over which you exercised management or control, ever had any fines or other penalties in excess of \$10,000.00 levied by any regulatory agency?

Yes No

If the answer above is “yes,” attach a statement providing the details of such fines or penalties. Any documents submitted in response to this requirement must be labeled “Regulatory History”

Professional Licensure:

Do you presently hold a type of professional licensure?

Yes No

If yes, identify the type of license and license number: _____

Is the license in good standing?

Yes No

Other Licenses:

Do you hold a financial interest in any other license issued by the Medical Marijuana Commission or the Alcoholic Beverage Control? If so, please identify the nature of the financial interest and the license in which that financial interest is held.

NOTE:

All owners, officers, and board members of the Applicant Business Entity for which the Medical Marijuana Processor Application is being submitted must complete a Criminal History Check completed by the Arkansas State Police and the Federal Bureau of Investigations.

The results from the Criminal History Check must be included with the application packet, UNLESS the Criminal History Check is completed by live scan in concert with the Criminal History Check by the Federal Bureau of Investigation. Upon submission of the application to the Alcoholic Beverage Control the applicant will be provided a memorandum to present to live scan for fingerprinting. If fingerprints are not being conducted through live scan and the Criminal History Check is completed by the Arkansas State Police a fingerprint card will be provided.

A completed Authority to Release Information form and Applicant Record Notification form must be completed on behalf of each owners, officer, and board member. These forms must be completed and submitted with the Medical Marijuana Processor Application.

Disclosure Statement Certification

I, _____, certify that the information I provided in Section 4 of this form and its attachments are complete and accurate. I understand that any misstatement or concealment of fact may be grounds for refusal of application or revocation of license if later disclosed.

Signed this _____ day of _____, 20__.

Printed Name

Signature of Owners, Officer, Board Member or
Manager

Title

Subscribed and sworn before me this _____ day of _____, 20__.

Notary Public

My Commission Expires: _____

SECTION 5. QUALIFICATIONS

Applicant's response to this portion of the application shall be limited to a twenty-five (25) page summary, which clearly addresses the subsections below. The applicant may also include any clearly identified exhibits the applicant would like to attach to bolster his or her application. Any exhibits must be clearly referenced in the summary.

Qualifications of the Applicant:

The Commission will evaluate the education and business experience of each applicant. Applicants should describe, in detail, any experience the applicant considers relevant to demonstrate qualifications required to operate a medical marijuana processing facility. Experience, if any, in the following shall be specifically identified:

- Regulated Industries
- Agriculture or horticulture
- Commercial manufacturing
- Creating and implementing a business plan
- Creating and implementing a financial plan
- Experience with secure inventory tracking and control
- Experience with processing medical marijuana
- Experience in the medical or dietician field
- Experience as an owner or manager of a business that requires twenty-four-hour security and monitoring.

Ability to Operate a Processing Facility in Compliance with Applicable Laws, Rules and Regulations:

The Commission will evaluate the applicant's ability to process medical marijuana products, each with a consistent cannabinoid profile and each able to pass the required quality control testing standards established by the Arkansas Department of Health. The Commission will be reviewing the applicant's demonstration of a working knowledge of medical marijuana processing as well as experience with the procedures for testing and quality control. Applicants should include any information relevant to testing and quality control. Applicants shall specifically address the following:

- Description of any processing procedures to be implemented in the facility. Description should include procedures to be implemented for the manufacturing and processing of any medical marijuana extracts, concentrates, or edibles.
- A detailed plan for the disposal of waste products and unusable medical marijuana consistent with the rules of the Alcoholic Beverage Control.

The Commission will evaluate the applicant's ability to comply with the construction specifications, storage and security requirements of the Alcoholic Beverage Control. Applicants shall specifically address the following:

- Describe the material used or to be used in the construction of the foundation, exterior walls, and the roof of the facility;
- Describe the proposed plans to ensure that the processing activities cannot be and will not be perceptible from the structure in terms of:
 - Common visual observation;
 - Odors, smell, fragrances, or any other olfactory stimulus;
 - Adequate ventilation to prevent mold; and
 - Noise
- Provide a blueprint or drawing of the processing facility. Identify the total square footage of the facility. Identify the primary entrance to the facility. Identify each point of ingress and egress to the facility. Identify storage areas and any other defined areas within the facility, and label the areas according to their purpose;
- Provide color photos of the exterior portions of the facility, or a color photo of any proposed site for the construction of a facility. For existing structures, applicants should submit at least four photos depicting the front, rear and sides of the building. If the facility has not been constructed, applicants should submit a color photo of the proposed site;
- Identify the type of alarm system to be used within the facility and around the perimeter of the facility;
- Identify the type of video surveillance system to be used in the facility and around the perimeter of the facility;
- Identify any other means of security or surveillance. If an outside contractor will be used for security, please provide the name, address and phone number of the contractor;
- Provide a retention plan for security and surveillance system records;
- Describe any additional plans or methods for security or the prevention of diversion of medical marijuana;
- Provide a proposed plan for the storage of medical marijuana waiting to be processed and delivered.

The Commission will evaluate the applicant's ability to comply with the requirements for packaging medical marijuana established by the Alcoholic Beverage Control and the requirements for labeling medical marijuana established by the Arkansas Department of Health. Applicants shall specifically address the following:

- Describe the types of packaging to be used for the products produced by the facility. Provide any photos or diagrams that may be useful in understanding the packaging. Packaging should not only include the product-level packaging; but also, packaging and containers that will be used for transporting medical marijuana to the dispensaries;
- Describe the methods of labeling to be used by the facility. Provide any photos or samples that may be useful in describing the labels.

- Describe the process for weighing, packaging, and preparing medical marijuana for transport to dispensaries.

Operations Plan:

Applicants must be ready, willing, and able to properly carry out the activities of a medical marijuana processor facility. Applicants must submit the following:

- Business plan for operating a processor facility on a long-term basis. The plan should include, but not be limited to the following:
 - Detailed description of the estimated amount of capital and debt commitment for the proposed processing center. Estimates should include a breakdown of amounts needed for start-up, as well as, long term stability.
 - Proposed staffing requirements, hiring criteria for staff, daily operations schedules.
- **A detailed timeline for opening the processor facility once licensed including the specified date for initiating operations.**

Financial Disclosure

Applicants must prove financial stability and access to financial resources. Applicants shall provide the following:

- Legal sources of finances immediately available to begin operating a processing facility;
- Credit histories for the applicant and owners of the entity;
- Summary of financial statements for businesses previously or currently owned or operated by the applicant owners of the entity; and
- Any other information that may be necessary to prove financial stability

APPENDIX 1 – ESTABLISH LEGAL NAME

Any person submitting a Disclosure Statement must present at least one supporting document to prove your legal name. You may provide legible copies of the original documents. The Medical Marijuana Commission reserves the right to request and review the original of any document submitted by copy. Any documents submitted in response to this requirement must be labeled with “Section 4, Appendix 1.”

1. Certified copy of a birth certificate or marriage certificate filed with a state office of vital statistics or equivalent agency in the individual’s state of birth or marriage;
2. Valid, unexpired U.S. passport or U.S. passport card;
3. Consular report of birth abroad Form FS-240, DS-1350 or FS-545 issued by the Commission of State;
4. Valid, unexpired permanent resident card (Form I-551) issued by the Commission of Homeland Security (DHA) or the U.S. Citizenship and Immigration Services (USCIS).
5. Unexpired employment authorization document issued by the Commission of Homeland Security, Form I-766 or Form I-688B;
6. Unexpired foreign passport with the following: a valid, unexpired U.S. visa affixed, and an approved I-94 form documenting the applicants most recent admittance into the United States or a Commission of Homeland Security admittance stamp on the passport;
7. Certificate of naturalization issued by Commission of Homeland Security, Form N-550 or Form N-570;
8. Certificate of citizenship, Form N-560 or Form N-561, issued by Commission of Homeland Security;
9. Court-issued, certified copy of a divorce decree; or
10. Certified copy of a legal change of name order.

APPENDIX 2 – ESTABLISH DATE OF BIRTH

Any person submitting a Disclosure Statement must present at least one supporting document to prove your date of birth along with a copy of his or her valid, unexpired driver's license or government issued photo identification to prove his or her date of birth. You may provide legible copies of the original documents. The Medical Marijuana Commission reserves the right to request and review the original of any document submitted by copy. Any documents submitted in response to this requirement must be labeled with "Section 4, Appendix 2."

1. Certified copy of a birth certificate filed with a state office of vital statistics or equivalent agency in the individual's state of birth;
2. Valid, unexpired U.S. passport or U.S. passport card;
3. Consular report of birth abroad Form FS-240, DS-1350 or FS-545 issued by the Commission of State;
4. Valid, unexpired permanent resident card (Form I-551) issued by the Commission of Homeland Security (DHA) or the U.S. Citizenship and Immigration Services (USCIS).
5. Unexpired employment authorization document issued by the Commission of Homeland Security, Form I-766 or Form I-688B;
6. Unexpired foreign passport with the following: a valid, unexpired U.S. visa affixed, and an approved I-94 form documenting the applicants most recent admittance into the United States or a Commission of Homeland Security admittance stamp on the passport;
7. Certificate of naturalization issued by Commission of Homeland Security, Form N-550 or Form N-570;
8. Certificate of citizenship, Form N-560 or Form N-561, issued by Commission of Homeland Security.