



**MEDICAL CANNABIS PROCESSOR LICENSE APPLICATION  
GENERAL INSTRUCTIONS**

**DRAFT – Subject to Change**

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## I. OVERVIEW

### A. INTRODUCTION

The Maryland Medical Cannabis Commission (“Commission” or “MMCC”) is accepting Applications from qualified applicants interested in receiving a Medical Cannabis Processor License.

Pursuant to the Health-General Article §§13-3301 et seq., Annotated Code of Maryland, and the Code of Maryland Regulations (COMAR) Title 10, Subtitle 62, the Commission is responsible for licensing medical cannabis processors in the State. Licensed medical cannabis processors are authorized to acquire, possess, process, package, label, transfer, transport, sell, or distribute medical cannabis or products containing medical cannabis. For more information, please review COMAR 10.62, which can be found on the [Commission](#) website and at the [Division of State Documents](#) website.

The Commission intends that the Maryland Medical Cannabis Program should be implemented in accordance with the Health-General Article §§13-3301, et.seq., and COMAR 10.62, and that the program yield a successful and consumer-friendly medical cannabis industry in the State to provide patients affordable and adequate access to medical cannabis.

Effective May 15, 2018, the Health-General Article § 13-3309(c)(1)(i) authorizes the Commission to award **up to ten (10) additional medical cannabis processor licenses**. Neither the statute nor this Application require the Commission to award a Stage One Pre-Approval or final approval of a license to any Applicant. Furthermore, the Commission expressly reserves the right to award fewer than ten (10) Pre-Approvals or licenses.

An Applicant, including any owner or investor, of the Applicant, may apply for only one processor license. A person who is granted a license in any medical cannabis licensing category will only be permitted to hold an equity interest in one license in each licensing category (e.g., may only hold one grower, one processor, and/or one dispensary license).

### B. FEES

Each Applicant must submit a two thousand dollar (\$2,000) nonrefundable Stage One Application fee. The fee may be paid in the form of a:

1. Credit card, through the online application submission portal, OR
2. Cashier’s check or money order made payable to “MMCC” or “Maryland Medical Cannabis Commission.” The cashier’s check or money order may be mailed or hand-delivered to the Commission offices at 849 International Drive, Linthicum, MD 21090.

**Payment must be received by the Commission prior to the Application deadline on [Month], [Day], 2019, at 5:00 PM.** The Application fee is nonrefundable. For further information about Application and license fees refer to the Fee Schedule in COMAR 10.62.35.

### **C. TERMS AND DEFINITIONS**

Please refer to COMAR 10.62.01.01 entitled “Definitions,” which applies to the terms used in this processor license Application. In addition, for the purposes of this Application, the following terms and definitions will be used.

<b>TERM</b>	<b>DEFINITION</b>
Annotated Code of Maryland	Maryland’s statutory law created by the Maryland General Assembly.
Applicant	A person or entity applying for a medical cannabis processor’s license.
Audited Financial Statement	An audited financial statement is: (a) Performed by a certified public accountant licensed in Maryland or with practice privileges in Maryland pursuant to the Business Occ. and Prof. Article, Title 2, Annotated Code of Maryland; (b) Prepared in accordance with the Professional Standards of the American Institute of Certified Public Accountants; and (c) In the case of a publicly-owned corporation, prepared in conformity with the Standards of the Public Company Oversight Board.
Code of Maryland Regulations (“COMAR”)	Administrative regulations issued by Maryland State agencies and their associated boards and commissions.
Commission	The Natalie M. LaPrade Medical Cannabis Commission also known as the Maryland Medical Cannabis Commission.
Disadvantaged Equity Applicant	An Applicant as defined in COMAR 10.62.01.01B(10) who is a member of one of the following minority groups: (a)(i) African American; (ii) American Indian/Native American; (iii) Asian; (iv) Hispanic; or (v) Women, regardless of race or ethnicity; and (b)(i) has a personal net worth that does not exceed \$1,713,333, as adjusted annually for inflation according to the Consumer Price Index; or (ii) is a disadvantaged owner of a certified minority business enterprise as defined at State Finance and Procurement Article, §14-301(d), Annotated Code of Maryland.
Disadvantaged owner of a Minority Business Enterprise (MBE)	An individual who is socially and economically disadvantaged as defined in State Finance and Procurement Article §§14-301(k).
Diversity Plan	A detailed written plan, including objectives, timetables, and evaluation metrics that describes the steps an Applicant will take to ensure that the Applicant’s business will promote the meaningful inclusion of diverse groups.
Economically Disadvantaged Area	A geographic area, as identified by the Commission, which meets three or more of the following criteria: (1) A median income that is 80 percent or less of the average median household income in the State; (2) An unemployment rate that is at least 150 percent of the unemployment rate in the State; (3) A health uninsured rate that is at least 150 percent of the health uninsured rate in the State; (4) A food stamp or Supplemental Nutrition Assistance Plan rate that is at least 150 percent of the food stamp or Supplemental Nutrition Assistance Plan rate in the State; and (5) A poverty rate that is at least 150 percent of the poverty rate in the State

Entity	Any business entity registered to do business in the State of Maryland.
Processor Agent	An owner, an employee, a volunteer, an officer, or a director of a licensed processor.
Independent Testing Laboratory	A facility, or an entity, registered by the Commission that offers or performs tests related to the inspection and testing of cannabis and products containing cannabis in the State.
Medical Cannabis	Any product containing usable cannabis or medical cannabis finished product.
Medical Cannabis Concentrate	A product derived from medical cannabis that is kief, hashish, bubble hash, oil, wax, or other product, produced by extracting cannabinoids from the plant through the use of: (a) solvents; (b) carbon dioxide; or (c) heat, screens, presses or steam distillation.
Medical Cannabis Finished Product	Any product containing a medical cannabis concentrate or a medical cannabis infused product packaged and labeled for release to a qualifying patient.
Medical Cannabis Infused Product	Any oil, wax, ointment, salve, tincture, capsule, suppository, dermal patch, cartridge or other product containing medical cannabis concentrate or usable cannabis that has been processed so that the dried leaves and flowers are integrated into other material.
METRC	The Statewide medical cannabis enforcement tracking regulation and compliance system used to safely monitor medical cannabis and medical cannabis products from seed to sale throughout Maryland.
Minority Business Enterprise (MBE)	A firm certified by the Maryland Department of Transportation (MDOT) under State Finance and Procurement Article, §§14-301, et. seq. and COMAR 21.11.03 that is at least 51% owned and controlled by one or more individuals who are socially and economically disadvantaged.
Ownership Interest	Any equity interest in an Applicant's processor business.
Personal Net Worth	The net value of the assets of an individual remaining after total liabilities are deducted, including the individual's share of assets held jointly or as community property with the individual's spouse. The term does not include: (i) individual's ownership interest in the Applicant or a certified minority business enterprise; (ii) individual's equity in his or her primary place of residence; or (iii) cash value of any qualified retirement savings plan or individual retirement account.
Pre-Approval of Medical Cannabis Processor License	An initial stage approval of a potential authorization (license) to conduct business as a licensed processor.
Redacted	Edited to conceal or remove information.
State	The State of Maryland.
Site Plan	A drawing and brief description of the preliminary plan for the locations of all buildings and all security measures, including walls and doors within the facility.
Third Party Evaluator	An independent evaluator or entity hired to review Applications and provide the Commission with recommendations for the Commission to use in evaluating Applications.

## **D. APPLICATION & LICENSING TIMELINE**

The following represents the timeline for this project.

<b>TASK</b>	<b>DATE/TIME</b>
Application Posted on MMCC Website	TBD
Application Submission Deadline	TBD
Application Evaluation, Scoring and Ranking Period by Third Party Reviewers and the Commission	TBD
Commission Vote on Stage One Applications at Public Meeting	TBD
Notice of Stage One Awards via Email	TBD
Posting of Stage One Awards on MMCC's Website	TBD
Site Visits/Inspections of Stage One Applicant Premises	Following request of Applicant for inspection.
Granting licenses by the Commission.	Following request of Applicant for final inspection.

The regulations governing the process for issuing a Pre-Approval of an Application through the final issuance of a processor's license are governed by COMAR 10.62.19.05--.06.

**Pre-Approval Selection.** The Pre-Approval of an Application for licensing occurs in two stages. This Medical Cannabis Processor Application is the Stage One Application. If a Stage One Pre-Approval has been granted, the Applicant must then complete a Stage Two Application and request an inspection of the Applicant's processing operations as evidence of the Applicant's expertise and compliance.

If an Applicant does not commence operations within 365 days of being issued a pre-approval, the Commission may rescind the pre-approval. Upon selecting the successful Applications, the Commission shall notify all Applicants of their status in writing by email and U.S. Postal Service.

**Final Approval.** The Commission's decision whether to award or deny a license to an Applicant is final.

## **II. PREPARING AND SUBMITTING YOUR APPLICATION**

### **A. HOW TO APPLY**

All Applicants are expected to become familiar with the laws and regulations governing the Maryland Medical Cannabis Program under Health-General Article, §§13- 3301--13-3316 and COMAR 10.62, with an emphasis the provisions governing processor licensing and operations for the Program.

## **B. GENERAL APPLICATION INSTRUCTIONS**

Read each question carefully. Answer each question completely. Do not leave blank spaces. If the correct answer to a particular question is “None,” write “None.” If a question does not apply, write “Does Not Apply” or “N/A” except in Part D of the Application. **All questions in Part D of the Application are mandatory and require a response.** Therefore, answering a question with “Does Not Apply” or “N/A” is insufficient.

- All entries on the Application should be single spaced and typed in 12-point Times New Roman font.
- Do not misstate or omit any material facts.
- The Commission may request any additional financial and other information the Commission determines is necessary to process and fully investigate an Application. COMAR 10.62.19.04(D)-(F).

## **C. SUBMITTING YOUR APPLICATION PACKAGE**

The complete Application package will consist of the following:

1. A two thousand-dollar (\$2,000) Stage One non-refundable Application fee.
2. **Three electronic copies** of the Application, as well as any related Attachments outlined in Part E of the Application entitled “Supporting Documentation - Attachments.”

To ensure the integrity of the evaluation process, specific sections of the electronic copies of the Application and related documents must be redacted for the evaluation and Public Information Act (PIA) requests, respectively. Each Applicant is responsible for redacting this information in the Application.

### **Two of the electronic copies must be redacted as described below.**

- **Redacted Copy #1** – Must be devoid of all identifying information pertaining the Applicant. The following Information must be redacted from the entire Application, including any supporting documentation:
  - i. The Applicant’s name
  - ii. The Applicant’s Business/Organization name
  - iii. The name of any owner, investor, agent, employee, contractor, or consultant
  - iv. The name of any corporate parent, subsidiary, and affiliate
- **Redacted Copy #2** – Should be devoid of all information that may constitute trade secrets and confidential financial data. This copy will be publicly shared in response to any Public Information Act request received pursuant to Title 4 of the General Provisions Article, Annotated Code of Maryland.

**Important:** Addresses must not be redacted from either redacted copy listed above. All addresses must be viewable in the Application.

The information provided in the electronic copies of the Application should be identical. A copy of the Application will be retained by Commission for its records. **Only the information that is submitted in the redacted electronic copy of the Application for Evaluation and related documents will be sent to evaluators for review.**

Applicants must use the following file naming structure when submitting electronic documents: “Applicant Name\_Submission Date\_File Type.” For example, the file name would be “Applicant Name\_04.15.2019\_Application.”

3. The Application, including all required documentation, must be submitted prior to 5:00 PM on [Month], [Day], 2019. **Except for documents or information expressly requested by the Commission, any Application or related documents received after the deadline will not be accepted or considered.**

All required documentation outlined in Part E of the Application entitled “Supporting Documentation – Attachments,” such as an organizational chart, business formation papers, and tax returns as well as the completed Application form and Attachments comprise the Application package for a license and **must be submitted at the time of filing this Application.**

Submission of an Application constitutes acceptance of the requirements, administrative stipulations, and all of the terms and conditions of this Application. All costs and expenses incurred in submitting an Application in response to this Application will be borne by the Applicant.

It is the Applicant’s responsibility to allow sufficient time to address any potential delays. Sole responsibility rests with the Applicant to ensure that the Application is received by the Commission on or before the Application submission deadline.

4. Applicants are required to submit the Application package through the Commission’s online document management system which is located at [URL TBA]. The Applicant must create a user name and password to access the Application through an online portal. The Application is a fillable pdf which can be saved as the Applicant continues to develop Application responses and upload attachments during the Application period. Once completed, the Applicant must upload the completed Application into the document management system. The document management system is a cloud-based system that will provide the Applicant with instructions and prompts on how to submit the Application. The system includes a Compliance Checklist with three safeguards to assist Applicants with proper submission.

Please note that an Applicant for a medical cannabis processor license planning to operate a medical cannabis processing facility or a medical cannabis dispensary must submit a separate Processor Application or separate Dispensary Application, respectively. The award of a Pre-Approval to an Applicant for a Medical Cannabis Processor License does not suggest or convey any award of Pre-Approval for any other type of license.

#### **D. COMMUNICATON WITH COMMISSION**

All questions about the Application or Application process must be sent via email to [Applications.MMCC@maryland.gov](mailto:Applications.MMCC@maryland.gov) with the subject line “**Medical Cannabis Application Question.**”

Questions and answers of a substantive nature will be posted on the Commission website (<http://mmcc.maryland.gov/>) so that all Applicants will have access to the same information.

On January 11, 2019, the Commission posted a draft of the processor Application at which time Applicants were provided with the opportunity to raise any Application-related questions during a 30-day comment period. The Commission will only respond to questions received after **February 11, 2019**, the last day during the 30-day comment period, in the event the Commission determines that a response would be beneficial to Applicants. In those instances, the Commission will post responses on its website.

All questions must be sent to the Commission email address specified above only. Questions raised in any other way may not be answered.

### **III. CONSENT TO INVESTIGATION AND BACKGROUND CHECKS**

#### **CONSENT FOR INVESTIGATION – COMAR 10.62.19.03**

For each medical cannabis processor agent and investor, the Applicant shall provide a statement (Attachment F – Authorization for Release of Information) that irrevocably gives consent to the Commission and persons authorized by the Commission to:

1. Verify all information provided in the Application documents; and
2. Conduct a background investigation of the individual.

### **IV. AFTER YOU SUBMIT YOUR APPLICATION**

The Commission may request any additional information that it determines is necessary to process and fully investigate an Application. The Applicant shall provide all information, documents, materials, and certifications at the Applicant’s own expense.

Should the Commission request any additional information that it determines is necessary to process and fully investigate an Application, the Applicant shall provide the additional information



within 5 business days after the request has been sent to the Applicant. The Applicant may not contribute additional information after the Application is submitted, unless the Commission requests more information. After the Application has been submitted, the Applicant may withdraw the submitted Application only after written notice to the Commission.

## **V. DENIAL OR DISQUALIFICATION OF APPLICATION**

### **A. MANDATORY DENIAL OR DISQUALIFICATION OF AN APPLICATION**

The Commission SHALL deny or disqualify an Application under any of the following circumstances:

- Failure to submit the Application and the Application fee on or before the submission deadline of [Month], [Day], 2019 at 5:00 pm (ET).
- Failure to complete all questions in Part D of the Application.
- Failure to redact all identifying information as specified in Section II (above).
- Failure to provide any additional information requested by the Commission within 5 business days.
- If an electronic version of the Application cannot be read by the Commission, the Application will be suspended and not reviewed, and the Applicant will be contacted by email. The Applicant has 3 business days from the date when the email is sent to resubmit another electronic version containing the electronic version of the Application to the Commission. In the event that the Applicant fails to comply, the Application will be withdrawn and the fee will be forfeited to the Commission.
- If the Application discloses that the Applicant participated in developing or implementing a medical cannabis educational and business development training grant issued by the Commission.

### **B. POTENTIAL DENIAL OR DISQUALIFICATION OF AN APPLICATION OR PRE-APPROVAL OF A LICENSE**

The Commission may deny or disqualify an Application or Pre-Approval of a license under any of the following circumstances:

- The Application contains a material or intentional misstatement, omission, misrepresentation, or untruth. COMAR 10.62.19.04(B).
- The criminal history record information or any other evidence demonstrates an absence of good moral character. COMAR 10.62.19.05(C)(1).
- The payment of taxes due in any jurisdiction is in arrears. COMAR 10.62.19.05 (C)(2).
- An Applicant alters or revises an Application question in the Application template.

## VI. IMPORTANT NOTICES/DISCLAIMERS

The following applies to each Application submitted to the Commission:

1. This Application is an **OFFICIAL DOCUMENT** of the Commission. It **MAY NOT** be altered or changed in any fashion except to fill-in the areas provided with the information that is required. Should any alteration or revision of a question occur, the Commission reserves the right to deny the Application in its entirety, or may decide to attribute no weight to the response.
2. All notices regarding an Application submission will be sent to the email address provided for the Primary Contact on the Application form in Part A entitled "Applicant Identification and Facility Information." Information about the Application will not be released except to the Primary Contact. **The Applicant must promptly notify the Commission if the email address for the Primary Contact changes.**
3. A license to operate as a processor is a privilege.
4. The burden of proving an Applicant's qualifications at all times rests on the Applicant. The Applicant accepts any and all risk of adverse public notice, criticism, emotional distress, or financial loss that may result from any action with respect to this Application. The Applicant expressly waives any and all claims for damages as a result thereof.
5. An Applicant who applies for and obtains a license from the Commission will be required to submit to warrantless inspection searches as stated in the law or regulation.
6. All submissions with and for this Application become the property of the Commission and will not be returned.

## VII. DISCLOSURE OF APPLICATION INFORMATION

### **MARYLAND PUBLIC INFORMATION ACT - TRADE SECRETS & CONFIDENTIAL FINANCIAL DATA**

All materials submitted in response to this Application will be retained by the Commission. All pages containing confidential information must be marked "Confidential" and the confidential provisions must be redacted.

Data submitted during the Application process, including private data on individuals or nonpublic data, may or may not be disclosed pursuant to the Maryland Public Information Act ("PIA"). General Provisions Article, §§4-101, et. seq., Annotated Code of Maryland. While there are exceptions to production contained in the statute, and certain common law privileges may apply to the data, the Commission cannot guarantee that all data submitted to it will remain confidential at all times. Be advised, however, that the PIA does contain provisions that govern the confidentiality of data that is a trade secret or that contains certain financial information. (See General Provisions Article, §§4-335--336, Annotated Code of Maryland). The Commission recommends that the Applicant review the applicable law prior to submitting an Application as the

Commission is unable to provide legal advice as to the absolute confidentiality of the data received.

Be further advised that if a license is awarded to an Applicant, the Commission may use or disclose the trade secret or financial data to the extent provided by law. Any decision by the State to disclose information determined to be trade secret information or financial data will be made consistent with the PIA and other relevant laws and regulations under the PIA.

If the Applicant submits information in response to this Application that the Applicant believes to be trade secret information or confidential financial data as defined by General Provisions Article, §§4-335--336, and the Applicant does not want such data used or disclosed for any purpose other than the evaluation of this proposal, the Applicant shall:

1. Clearly mark every page of trade secret or financial materials in its proposal at the time the proposal is submitted with the words “**TRADE SECRET OR CONFIDENTIAL FINANCIAL DATA INFORMATION**” in capitalized, underlined and bolded type that is at least 20 pt.;
2. Satisfy the statutory burden of justifying any claim of trade secret information and/or confidential financial data.
3. Acknowledge that the State does not assume liability for the use or disclosure of unmarked or unclearly marked trade secret information or confidential financial data; and
4. Fill out and submit Attachment H entitled “Trade Secret & Financial Data Notification,” which is an addendum to the Application, specifying the pages of the proposal that are to be restricted and justifying the trade secret designation for each item. If no materials are designated as trade secret information or financial data, a statement of “None” should be listed on the form.

The Commission may reject a claim that any particular information in a response is trade secret information or confidential financial data if it determines that the Applicant has not met the burden of establishing the content to be trade secret information or confidential financial data under any circumstance. Use of generic trade secret language encompassing substantial portions of the proposal or simple assertions of trade secret interest without substantive explanation of the basis for the assertions will not be sufficient to warrant a trade secret designation. Moreover, a blanket statement by an Applicant that its entire Application is confidential is unacceptable. If certain information is found to constitute a trade secret or financial exception to disclosure then the remainder of the Application will become public in the event a public information request is received. Applicants should understand that only the trade secret or confidential financial data will be redacted prior to disclosure.

The Applicant must defend any action seeking release of the materials that it believes to be trade secret information or confidential financial data, and indemnify and hold harmless the State, its agents, and employees, from any judgments against the State in favor of the party requesting the materials, and any and all costs connected with that defense. This indemnification survives the State’s award of a license. In submitting an Application, the Applicant agrees that this indemnification survives as long as the trade secret information or confidential financial data is in

the possession of the Commission.

The Commission will keep all processor Application documents for at least seven years after the conclusion of the license term. Non-selected processor Applications will be kept by the Commission for a minimum of three years after the award of the licenses or the close of any related litigation.

Applications shall be open to public inspection only after award of a Pre-Approval has been made, to the extent permitted by the MPIA. The Applicant is advised that, upon request for this information from a third party, the Commission will make an independent determination whether the information may be disclosed. An Applicant or Licensee waives any liability of the State of Maryland, and its employees and agents, the Commission, and the Department of Health for any damages resulting from any disclosure or publication in any manner.

## **VIII. SCORING METHODOLOGY**

### **A. APPLICATION RANKING AND WEIGHTED CRITERIA**

The Commission or a third party evaluator shall review assigned parts of the submitted Applications for a **Stage One Pre-Approval** for a license. The Applications shall be ranked based on the following weighted criteria: Operational Factors – 20%; Safety and Security Factors – 20%; Commercial Laboratory, Pharmaceutical Manufacturing, and Consumer Products Production Factors – 15%; Production Control Factors – 15%; Business and Economic Factors – 15%; and Diversity & Social and Economic Equity Factors – 15%. The weighted criteria and method for scoring of the Application are described in the Application form under Part D entitled “Application.”

### **B. EVALUATION AND SELECTON PROCEDURES**

The Commission will upload electronic copies of all Applications for Evaluation and related documents where the Applicant has successfully completed all submission requirements by the Application deadline for the evaluator to review. The Commission will review every Application to ensure that it meets the minimum mandatory qualification criteria, which consists of the three following points:

1. All sections are completed in the PART D of the Application (Operational Factors; Safety and Security Factors; Commercial Laboratory, Pharmaceutical Manufacturing, and Consumer Products Production Factors; Production Control Factors; Business and Economic Factors; and Diversity & Social and Economic Equity Factors);
2. The Affirmation Section is completed; and
3. The electronic version of the Application for Evaluation and related documents are submitted as redacted documents devoid of identifying information about the Applicant in accordance with instructions on redaction set forth in Section II.C. of these instructions

entitled “Submitting Your Application Package.”

**Important:** The Application for Evaluation and related documents will **only** be sent to evaluators if the Application meets the mandatory qualification criteria. Any Application for Evaluation that does not comply with these mandatory qualification criteria will be removed from the Application process and will not be evaluated.

The evaluator will process the Applications that meet the mandatory qualification criteria. Subject Matter Experts (SMEs) employed by the evaluator will review the Applications. Each SME will review assigned sections of the Application that align with the SME’s field of expertise. The SME will be sent the Application via an online document management system. If section-specific information is found outside the section in which it should be, the SME will not consider that information during the evaluation process. In addition, certain sections have a set word count. If the word count in a section is exceeded, the SME will not review any information beyond the maximum number of words nor will the SME take into account this information during the evaluation.

Each Application section will be scored by the respective SME according to the quality of the responses provided. The scoring of the Application sections will be based on a scale of 1 to 5 as well as yes/no questions. The yes/no questions will focus on specific issues that are clearly set out in the processor regulations and that do not need further explanation from the Applicant. The scoring scale will be used to evaluate the questions that cannot be scored as yes/no and therefore need further explanation from the Applicant. Using this scale, a 3 will be given to Applications that meet the basic requirements set forth in the aforementioned regulations. A score of 1 will be given to Applications that fall significantly below meeting these basic requirements, and a score of 5 will be given to Applications that significantly exceed the basic requirements. An Application will receive a score of 0 in any section where the SME notices an egregious problem or error within that section. Any Application section receiving a 0 will be reviewed separately by the Commission to determine if the Application will continue in the evaluation process.

Using the scores provided by the SMEs in the evaluation panel, the evaluator will aggregate the scores from each Application. The evaluator will rank the Applications based on these scores and provide recommendations for the Commission to review. The Commission will make the final decision on issuing any processor licenses.

## C. SCORING OF DIVERSITY AND SOCIOECONOMIC EQUITY QUESTIONS

### Diversity Plan Scoring Matrix (5 Points)

The following point allocations are in regard to the Applicant’s internal business makeup, management, and employment, as well as efforts taken in the community or otherwise to increase its diversity and support workforce development.

Points	Commitment to Diversity	Diversity Practices and Goals
<p style="text-align: center;"><b>5 Points</b></p>	<p style="text-align: center;"><b>Exemplary Commitment to Diversity</b></p>	<ul style="list-style-type: none"> <li>• At least 2/3 diversity representation of participant owners, investors, and managers.</li> <li>• At least 2/3 diversity representation of participant employees in management or other leadership roles.</li> <li>• Plan to use diverse participant employees and contractors, including at least one in a leadership role.</li> <li>• Multiple diverse participants represented across the business.</li> <li>• Adopted internal numerical diversity goals and method to track progress toward their achievement.</li> <li>• Official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees and contractors.</li> <li>• Proposed timelines and benchmarks for achieving diversity goals outlined in the plan.</li> <li>• Any other information that demonstrates an exemplary commitment to ownership, investment, management, employment, and contracting diversity such as:               <ul style="list-style-type: none"> <li>- Consistent efforts to promote diversity such as providing community outreach, mentoring, training, or professional development programs or other opportunities to cultivate diversity</li> <li>- Regularly participating in outside organizations, i.e., civic and professional groups that promote diversity.</li> </ul> </li> </ul>
<p style="text-align: center;"><b>4 Points</b></p>	<p style="text-align: center;"><b>Significant Commitment to Diversity</b></p>	<ul style="list-style-type: none"> <li>• At least 1/2 diversity representation of participant owners, investors, and managers.</li> <li>• At least 1/2 diversity representation of participant employees, including at least one in a leadership role.</li> <li>• Plans to use diverse participant employees and contractors, including at least one in a leadership role.</li> <li>• Internal numerical diversity goals and method to track progress toward their achievement.</li> <li>• Official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors.</li> <li>• Proposed timelines and benchmarks for achieving diversity goals outlined in the plan.</li> <li>• Any other information that demonstrates a significant commitment to ownership, investment, management, employment, and contracting diversity such as:               <ul style="list-style-type: none"> <li>- Regular efforts to promote diversity such as providing or planning to provide community outreach, mentoring, training, or professional development programs or other opportunities to cultivate diversity.</li> <li>- Participating in outside organizations, i.e., civic and professional groups, that promote diversity.</li> </ul> </li> </ul>

<p style="text-align: center;"><b>3 Points</b></p>	<p style="text-align: center;"><b>Moderate Commitment to Diversity</b></p>	<ul style="list-style-type: none"> <li>• At least 1/3 diversity representation of participant owners, investors, and managers.</li> <li>• At least 1/3 diversity representation of participant employees.</li> <li>• Plans to use some diverse participant employees and contractors.</li> <li>• Internal numerical diversity goals.</li> <li>• Official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors.</li> <li>• Proposed timelines and benchmarks for achieving diversity goals outlined in the plan.</li> <li>• Any other information that demonstrates at least a commitment to ownership, investment, management, employment, and contracting diversity such as: <ul style="list-style-type: none"> <li>- Moderate efforts to promote diversity such as providing or planning to provide community outreach, mentoring, training, or professional development programs or other opportunities to cultivate diversity.</li> <li>- Occasionally participates in outside organizations, i.e., civic and professional groups that promote diversity.</li> </ul> </li> </ul>
<p style="text-align: center;"><b>2 Points</b></p>	<p style="text-align: center;"><b>Some Commitment to Diversity</b></p>	<ul style="list-style-type: none"> <li>• No diverse participant owners, investors, and managers.</li> <li>• Some diverse participant employees.</li> <li>• Plans to use some diverse participant employees and contractors.</li> <li>• No internal numerical diversity goals.</li> <li>• No official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors.</li> <li>• Weak or no proposed timelines and benchmarks for achieving diversity goals outlined in the plan.</li> <li>• Minimal efforts to promote diversity.</li> <li>• Minimal additional information that demonstrates a commitment to ownership, investment, management, employment, and contracting diversity.</li> </ul>
<p style="text-align: center;"><b>1 Point</b></p>	<p style="text-align: center;"><b>Nominal Commitment to Diversity</b></p>	<ul style="list-style-type: none"> <li>• No diverse participant owners, investors, and managers.</li> <li>• Few diverse participant employees.</li> <li>• No plans to use diverse participant employees and contractors.</li> <li>• No internal numerical diversity goals.</li> <li>• No official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors.</li> <li>• Weak or no timelines and benchmarks for achieving diversity goals outlined in the plan.</li> <li>• Minimal efforts to promote diversity.</li> <li>• Minimal additional information that demonstrates a commitment to ownership, investment, management, employment, and contracting diversity.</li> </ul>
<p style="text-align: center;"><b>0 Points</b></p>	<p style="text-align: center;"><b>No Commitment to Diversity</b></p>	<ul style="list-style-type: none"> <li>• No diverse participant owners, investors, and managers.</li> <li>• Few diverse participant employees.</li> <li>• No plans to use diverse participant employees and contractors.</li> <li>• No official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors.</li> <li>• No effort to promote diversity.</li> <li>• No other information that demonstrates a commitment to ownership, investment, management, employment, and contracting diversity.</li> </ul>

### **Scoring of Disadvantaged Equity Applicants/Members of the Most Disadvantaged Groups in the Medical Cannabis Industry (5 points maximum)**

**3 points** for an Applicant who demonstrates that **at least 51 percent** of its ownership interest is held by one or more individuals who are disadvantaged equity applicants, which means the individual(s) are (1) Black or African American, American Indian/Native American, Asian, Hispanic or Women), and (2) qualify under the personal net worth cap;

**5 points** for an applicant who demonstrates that **at least 51 percent** of its ownership interest is held by one or more individuals who (1) Black or African American, or American Indian/Native American and (2) qualify under the personal net worth cap; and

**1 point** for an Applicant who demonstrates that **at least 25 percent and not more than 50 percent** of its ownership interest is held by one or more individuals who are (1) Black or African American, or American Indian/Native American, and (2) qualify under the personal net worth cap.

Please note that Applicants seek to demonstrate that a specified percentage of ownership interest held by one or more individuals who are Black or African American or American Indian/Native American may only receive points under one of the categories listed above not multiple categories. In such cases, the Applicant will receive points in the category for which the most points may be achieved.

**Important:** An Applicant may receive 1, 3, 4, or 5 points by demonstrating *Good Faith Efforts* to have Disadvantaged Equity Applicants/Members of the Most Disadvantaged Groups as part of their ownership group.

### **Scoring of Economically Disadvantaged Applicants (5 points)**

An Applicant may be awarded 5 points for demonstrating that their Application meets three or more of the following criteria:

1. At least 51 percent of its ownership interest is held by one or more individuals who have lived in an economically disadvantaged area for at least 5 of the preceding 10 years;
2. A majority of the current employees live in an economically disadvantaged area;
3. A majority of current contractors live in an economically disadvantaged area;
4. At least 51 percent of its ownership interest is held by one or more individuals who are a member of a household that earns no more than 80 percent of the State median income; and
5. The applicant has significant past experiences in or business practices that promote economic development in economically disadvantaged areas.

Applicants who fail to meet three or more of the criteria will receive 0 points for the question.

**Important:** For information on the geographic areas in the State that qualify as Economically Disadvantaged Areas, please see the *Guidance for Identifying Economically Disadvantaged Areas* developed by the Commission.