



## GROWER AND PROCESSOR APPLICATION Q&As – Round #1

### Application Timeline

**Question.** When will the grower and processor Applications become available and be evaluated?

**Answer.** The Maryland Medical Cannabis Commission posted a draft of the new grower and processor Applications, general instructions, and Application guidance materials entitled *Diversity and Socioeconomic Factors Guidance* and *Economically Disadvantaged Areas Guidance* on its website at <https://mmcc.maryland.gov/Pages/License-Application.aspx>. The Commission will receive public questions on the Applications from stakeholders and interested members of the public for 30 days after posting until February 11, 2019 at 5:00 pm. Questions must be submitted via email to [Applications.MMCC@maryland.gov](mailto:Applications.MMCC@maryland.gov).

The Commission will review all public questions for potential revisions prior to finalizing the Application which will be released on March 1, 2019 (anticipated). The proposed Application timeline is:

- Application Period: March 1 – April 30, 2019 (60 days)
- Evaluation Period: May 1 – June 30, 2019 (60 days)

Note: The proposed Application timeline may be subject to change.

### License Availability

**Question.** Which licenses will become available during the next medical cannabis licensing round?

**Answer.** There will be up to four new grower licenses and up to 10 new processor licenses awarded as part of the upcoming application period. No additional dispensary licenses will be issued during the upcoming application period.

### Communication with MMCC

**Question.** In what manner will the Commission respond to a question or comment on the Application?

**Answer.** The Commission will respond to each question sent to [Applications.MMCC@maryland.gov](mailto:Applications.MMCC@maryland.gov). Responses to substantive questions will be posted on the MMCC website each Friday, beginning in January 2019. Questions submitted any other way will not be answered. Questions after the 30-day comment period (ending on February 11 at 5:00 pm), including any questions received during the application period of March 1 – April 30, will only be answered if MMCC determines it would benefit all Applicants.

## **Emergency Regulations**

**Question.** Will the new grower and processor Applications be written using the regulations promulgated by the Commission which became effective on September 14, 2015 and are found in the Natalie LaPrade Medical Cannabis Commission regulations in COMAR Title 10, Subtitle 62?

**Answer.** The Applications are based on the Commission's regulations in COMAR Title 10, Subtitle 62. However, the original regulations promulgated in 2015 have since been amended, effective November 13, 2018. As such, the new Applications will be based upon the same regulations with the exception of the 15 points for Additional Factors set forth under COMAR 10.62.08.05I(6) (growers) and COMAR 10.62.19.04I(6) (processors). The previous provisions were deleted and instead the 15 points out of 100 points on the new Application will be based on three overarching categories: (1) Diversity Plan (5 points), 2) Disadvantaged Equity Applicants (5 points), and 3) Economically Disadvantaged Applicants (5 points). A copy of the current regulations may be viewed at the Division of State Documents website: <http://www.dsd.state.md.us/COMAR/searchall.aspx>.

## **Residency**

**Question.** What are the residency requirements for the grower and processor Applicants and their owners and investors?

**Answer.** There is no Maryland residency requirement for grower and processor Applicants and their owners and investors. However, all grower and processor facilities must be located in Maryland. In addition, pursuant to COMAR 10.62.08.05I(6)(e) and COMAR 10.62.19.04I(6)(e). Applicants must demonstrate that owners, employees, and/or contractors live in certain geographic areas within the State in order to receive points under the new Economically Disadvantaged Areas question.

## **Submission Format**

**Question.** Will the Application be completed using the same electronic format that was used during the 2015 Application round and will submission of a paper copy be required?

**Answer.** 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. There will be no requirement for delivery and submission of a paper copy of the Application.

## **Economically Disadvantaged Areas**

**Question.** Please clarify the meaning of "Economically Disadvantaged Area." Is there a list of the areas or a map that identifies all of the areas that meet the definition the Economically Disadvantaged Areas?

**Answer.** The Commission evaluated geographic areas across 5 socioeconomic standards of measurement: 1) median income, 2) unemployment rate, 3) health insurance rate, 4) Supplemental Nutrition Assistance Plan (SNAP) rate, and 5) poverty rate. To qualify, geographic areas must meet 3 or more of the criteria.

The Commission evaluated each socioeconomic metric using the American Community Survey (ACS), which is an ongoing, nationwide survey conducted by the U.S. Census Bureau. Analyzing the 2012-2016 ACS socioeconomic data, the Commission identified sixty-one (61) zip code tabulation areas (ZCTAs) that qualify as EDAs. The ZCTA is a generalized areal representation of the United States Postal Service (U.S.P.S.) ZIP Code service areas developed by the U.S. Census Bureau. In most instances the ZCTA code is the same as the U.S.P.S. ZIP Code for an area; *however, a ZCTA code may be different from a U.S.P.S. Zip Code.* Therefore, to determine if an address is located in an EDA, an Applicant **MUST**:

1. Visit the U.S. Census Bureau Fact Finder web page: <https://bit.ly/2JCmR0B>
2. Enter street address.
3. Compare ZCTA listed to the chart of qualifying ZCTAs listed on page 2 of the *Guidance for Identifying Economically Disadvantaged Areas* document posted on the Commission's website.

Currently, the Commission has not developed a map that identifies all of the areas that meet the definition of EDAs. Please see the U.S. Census Bureau website at: <https://www.census.gov/geo/reference/zctas.html> for additional information.

**Question.** For determining whether a potential contractor lives in an Economically Disadvantaged Area, does this apply to: (1) where owner lives, or (2) where majority of employees live.

**Answer.** This requirement is solely tied to where the owner of the business lives. Please see Section IV(A) (Page 12) of the Guidance for the Diversity and Socioeconomic Equity Questions for more information.

### **Geographic Diversity.**

**Question.** Will geographic diversity be taken into consideration so that licenses will be spread across Maryland and its counties?

**Answer.** The Commission continues to actively seek geographic diversity in the award of licenses; however, the proposed location of a grower or processor facility will not be considered as part of the competitive evaluation of the Application.

### **Classes and Workshops**

**Question.** Are any upcoming licensing Application workshops/courses scheduled at this time?

**Answer.** Yes. The schedule of the upcoming workshops convened by Commission-funded grantees (UMED/UMES/CCI; Uplift Maryland, LLC; and Grand Journey Solutions, LLC) are posted on the Commission's website under the link entitled "Register for Medical Cannabis Educational and Business Development Training Programs." Further, the Commission will conduct workshops on the licensing Application that includes training on the Application's diversity factors. The Commission has two upcoming trainings:

February 6th from 6:30 pm - 8:30 pm (Morgan State University, Murphy Fine Arts Center (in its Recital Hall), 2201 Argonne Dr., Baltimore, MD 21218.)

February 19, from 6:30 pm - 8:30 pm (location, tbd)

Please check the Commission's website for updates on the locations of its trainings.

## Resources

**Question.** Are there any digital presentations the Commission can provide as it relates to establishing a medical cannabis business.

**Answer.** The Commission recommends that interested individuals access online materials from one of our Commission-funded medical cannabis educational and business development training programs and the Commission's outreach events posted on the MMCC website. Other resources include:

- The Maryland Wholesale Medical Cannabis Trade Association (CANMD) provides education and advocacy around medical cannabis and also facilitates connections among businesses operating within Maryland's cannabis industry ([www.canmd.org](http://www.canmd.org))
- Maryland Cannabis Industry Association (MDCIA) is a trade association advocating for policies that foster a well-functioning medical cannabis industry and advance the interests of future growers, processors, and dispensaries ([www.mdcia.org](http://www.mdcia.org)).

## Training Grant

**Question.** If an Applicant participated in developing and/or implementing a medical cannabis educational and business development training grant program funded by the Commission, does that mean the Applicant is automatically disqualified from applying for and being issued a medical cannabis grower or processor license?

**Answer.** No. An interested and qualified individual may develop and/or implement a medical cannabis and business development training grant program funded by the Commission and apply for and be issued (if qualified and selected) a medical cannabis grower or processor license in the next round of licensing. However, one of the circumstances that will trigger a mandatory denial or disqualification of an Application is 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. (See page 9 of the draft grower and processor Application general instructions under the link entitled "Application Guidance.") This provision simply means that on the actual licensing Application, the Applicant must not disclose his or her involvement in developing and/or implementing an MMCC training grant. The purpose of nondisclosure on the Application is to better ensure that the Application stands on its own merit and that a licensing Application evaluator is not influenced by the Applicant's nexus to the Commission in carrying out the training grant.

## GROWER AND PROCESSOR Q&As – Round #2 February 11, 2019

### Application Organization/Technicalities

1) **Question.** Many of the sections of the draft grower and processor Applications have

specific word limits. How will these limits be enforced? Will Applications that exceed these limits be given more points because those Applicants had the opportunity to address the issues more thoroughly?

**Answer.** Applications that contain narratives that exceed the specified word limits will be truncated by the Commission of any words that exceed these limits. Only the content in the narratives that do not exceed the word limits will be evaluated. Subsequent wording will be disregarded and will not be subject to evaluation.

**2) Question.** The Application requires a description of the proposed premises, including a preliminary site plan or plan for obtaining a site. Where are site plans supposed to go? Site plans are not listed as part of the attachments.

**Answer.** An Applicant submitting a site plan should submit it as an Addenda following any Attachments A-J. In addition, the Applicant should submit other relevant documents in the Application as an Addenda following the Attachments A-J, if applicable, including but not limited to: 1) an organizational chart of the business entity, with a preamble that summarizes the owners and investors of the business; 2) if the Applicant is a corporation or a business entity, a copy of the articles of incorporation and authorization to do business in Maryland; and 3) a record of tax payments in all jurisdictions in which an Applicant has operated a business for the 5 years before filing the Application.

**3) Question.** With respect to financial data, i.e. accounts, should an Applicant redact the entire account number or leave the last 4 digits?

**Answer.** Redact the entire account number. The Application should be devoid of all information that may constitute confidential financial data (Redacted Copy #2 as identified in the Application instructions).

**4) Question.** Should an Applicant redact trade names of equipment and clonal names?

**Answer.** No, an Applicant is not required to redact known trade names. However, an Applicant may redact from the Application information that may constitute trade secrets. (Redacted Copy #2 as identified in the Application instructions) Under the Uniform Trade Secrets Act (“UTSA”), a trade secret is defined as information that derives independent economic value because it is not generally known or readily ascertainable, and it is the subject of efforts to maintain secrecy.

**5) Question.** Has the online portal for Application submittal been created?

**Answer.** The Commission has developed a document management system that will serve as the online portal for submission of the Application. The online portal is anticipated to become available on March 1, the first day of the official Application period.

**6) Question.** What type of organizational structure is most favorable for submitting a successful Application?

**Answer.** The Application does not require a specific type of organizational structure. It is up to each Applicant to select which organizational structure is most suitable for the Applicant’s proposed business, depending upon the needs, size, and complexity of the business envisioned.

**7) Question.** Please advise whether the Application fee will be credited or reduced for those minority Applicants who applied for a grower or processor license in 2015.

**Answer.** The Application fee is established in the Code of Maryland Regulations (COMAR) 10.62.35 at \$2,000 for all Applicants. The fee may not be reduced or credited for minority applicants who applied for a license in 2015. The nonrefundable Application fee will be used to cover a portion of the administrative costs associated with the evaluation of the Applications.

**8) Question.** Can Applicants provide additional information as Addendums?

**Answer.** The Commission advises Applicants to provide the information and supporting documentation that is expressly requested in the Application. Additional information/Addendums that are not within the scope of what is requested in the Application will be disregarded and will not be scored.

### **Premises**

**9) Question.** Will the Applicant need a signed lease for the prospective location to complete the first stage of the Application process?

**Answer.** A signed lease is not required at the time of Application. However, the Application must include a preliminary site plan or plan for obtaining a site. Legal control of the proposed premises is not required to be demonstrated in Stage One of the Application process. However, after Stage One Pre-Approval of a license, in order to obtain a license, the final inspection of the premises at the end of Stage Two of the Application process for a license requires “a determination that the proposed premises are under the legal control of the Applicant.” (See COMAR 10.62.08.07B(2)(b)).

### **Growers**

**10) Question.** I am in the process of submitting an Application for a Maryland grower’s license. I have a property located in Montgomery County currently zoned for horticultural use complete with greenhouses. Is it permissible for me to grow medical cannabis at this location?

**Answer.** The Commission advises Applicants to contact their local zoning boards for information about permissible locations for grower facilities within their respective counties. Before the Commission may issue a license to an Applicant to grow medical cannabis, the proposed premises of a grower facility must comply with all zoning and planning requirements.

### **Diversity Factors**

**11) Question.** How many points is an Applicant eligible to receive if the growing/processing

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facility is located within a designated Economically Disadvantaged Area (e.g. one of the 61 zip code tabulation areas (ZCTAs))?

**Answer.** The location of a growing/processing facility is not considered as part of the competitive evaluation of an Application. Therefore, no points would be awarded for locating a facility within an economically disadvantaged area (EDA). Applicants score up to an additional 5 points if its owners, employees, or contractors live in EDAs, as specified in Part D of the Application under VI. Diversity & Social and Economic Equity Factors – Economically Disadvantaged Areas.

**12) Question.** Can minority investors be from out of state?

**Answer.** Yes. There is no residency requirement associated with the new grower and processor Applications.

**13) Question.** If the investors are African American but do not reside in Maryland, will points be deducted from the Application?

**Answer.** No.

**14) Question.** Why are so few points available for being a minority if this Application is designed to be for a ‘diversity license?’ Is it possible for an individual to obtain a grower or processor license even if the individual is not a minority?

**Answer.** Yes, it is possible for an individual who is not a minority to obtain a grower or processor license in the next round of licensing. The U.S. Constitution prohibits the allocation of licenses or similar awards based solely on immutable characteristics, such as race, gender, and ethnicity. The Commission worked closely with the Office of the Attorney General, the Maryland Department of Transportation’s Office of Minority Business Enterprise, and the Governor’s Office of Small, Minority & Women Business Affairs to develop regulations that formed the basis of the diversity factors in the new Application. The 15 out of 100 points that are based on Diversity & Social and Economic Equity Factors reflect a significant effort to encourage minority participation in the medical cannabis industry. The diversity factors in the new Application make it the strongest in the nation for increasing diversity in the industry. In addition, the Commission has hosted or sponsored training workshops across the State directed to generate interest and participation in the medical cannabis industry by small, minority, and women business owners and entrepreneurs.

**15) Question.** How many licenses are being specifically designated for minorities?

**Answer.** See above. Licenses may not be awarded solely on the basis of race, gender, or ethnicity. The licenses will be awarded based upon the merits and strengths of the Applications. However, certain qualifying minority groups (African American, Asian, American Indian/Native American, Hispanic and Women) may receive additional consideration on the Application.

**16) Question.** If there are multiple minority investors, are each of them subject to a background check?

**Answer.** Yes. Each investor with 5 percent or more interest in the Applicant’s business will need to undergo a background investigation. In addition, the Commission is authorized to verify all information provided in the Application documents related to the investor.

### **GROWER AND PROCESSOR Q&As – Round #3 February 11, 2019**

#### **Application Format/Technicalities**

**1) Question.** Please further clarify how the submitted Application files should be named? The example provided in the 2019 Draft Application is: "Applicant Name\_04.15.2019\_Application".

**Answer.** Since the Maryland Medical Cannabis Commission is requesting three different electronic versions of the Application, there will need to be three separate files with three different names. To name each file, first type the Applicant’s business name. Next, insert a “\_” followed by the date separated by periods with “\_” inserted at the end of the date. Lastly, follow the date with a description of the particular file name. For example, if the business entity’s name is “WellSpring,” the three files for the Application should be named as follows:

WellSpring\_04.15.2019\_Application.Unredacted

WellSpring\_04.15.2019\_Application.Redacted for Evaluation

WellSpring\_04.15.2019\_Application.Redacted for PIA

Please note that an assigned intermediary will rename the files associated with the Application for Evaluation with a unique identifier that correlates to the business entity name before the files are sent to the evaluators for review.

**2) Question.** Please advise if a conviction for a misdemeanor drug offense of an Applicant or investors, consultants, or agents will result in the Application being disqualified or if there will be a reduction in points on the Application.

**Answer.** An individual with a misdemeanor drug conviction is not prohibited from being an owner, investor, manager, or employee of a medical cannabis Applicant or licensee. However, certain individuals who have been convicted of a felony drug offense may not be an owner, investor, manager, or employee. The Commission may not register an individual who has been convicted of a felony drug offense if:

- (1) The individual submitted an Application earlier than 7 years after the individual satisfied the sentence imposed for the conviction, including parole, probation, or mandatory supervision; or
- (2) The individual was convicted of a violation of §5-612 (volume drug dealer) or §5-613 (drug kingpin) of the Criminal Law Article.

**3) Question.** What are the differences between the grower and processor Applications in 2019 vs. 2015?

**Answer.** The Commission has comprehensively re-worked the Application for the upcoming 2019 Application period. Some of the key differences reflected in the 2019 grower and processor Applications include:

- Reduced Number of Questions: Grower Application: 117 questions to 25 questions  
Processor Application: 122 questions to 21 questions  
In the 2019 Application, there are fewer questions which are divided by broad subject matter and require longer narratives (e.g. Operational Factors, etc.).
- Longer Application Period: 60 days instead of 39 days.
- Separate Guidance Materials/Instructions.
- Checklist for Submission of Materials (Tip: Be sure to complete each item on the checklist to help ensure that your Application will not get disqualified.).
- New Diversity and Socioeconomic Questions – 15 of out 100 points across 3 categories: (1) Diversity Plan (5 points); (2) Disadvantaged Equity Applicants (5 points); and (3) Economically Disadvantaged Areas (5 points).
- Permitted to pay the Application fee by credit card vs just cashier's check or money order.
- No paper Application. Instead 3 electronic copies to be submitted via the Commission's online document management system.
- Application specifically lists grounds for the mandatory and discretionary denial or disqualification of an Application.
- Draft Application Period: January 11, 2019 – February 11, 2019 at 5 pm.

**4) Question.** Do endorsements from community associations, neighbors, and government officials enhance an Application?

**Answer.** No. Please do not include additional information in the Application beyond what is specifically asked for in the Application questions and Attachments. Any additional information such as endorsements/letters of recommendation will not be evaluated for scoring purposes.

**5) Question.** Since many of Application questions have a limited word count for responses (e.g. 5,000 words), and there may be a need to cite references throughout the Application, where should citations be placed?

**Answer.** Any cites to references or other authority may either be included in the narrative responses or footnoted and then listed in the supporting documentation. Please note that the word count limits apply to the entire response for the particular question whether the cites appear in the narrative or in an Addendum. An Applicant may not circumvent the word count for a question by placing cites into an Addendum.

## **Growers and Processors**

**6) Question.** Would there be an impact in either a negative or positive way with respect to an Applicant's qualifications if the Applicant already has a medical cannabis license or involvement with the medical cannabis industry in any capacity such as by being a grower, processor, or dispensary agent, consultant, employee, etc.?

**Answer.** Individuals and entities may only hold ownership in one license in each license category. Individuals who have experience growing or processing cannabis in Maryland or other states will not receive preference or additional points. However, for grower Applications, up to 10 points will be awarded for horticultural and agricultural experience and level of knowledge demonstrated in the grower Application, including by any owner, officer, director, or employee, in horticultural and agricultural production. For processor Applications, up to 10 points will be awarded for experience, knowledge and training demonstrated in the processor Application, including by any owner, officer, director, or employee, in (1) chemical plant management, (2) pharmaceutical manufacturing, and (3) consumer product production. For both grower and

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processor Applications, up to 2.5 points will be awarded based upon the grower or processor's business history and ability of the Applicant, including any owner, officer, director, or employee, to plan and maintain a successful and financially sustainable medical cannabis grower or processor operation, respectively. Therefore, Applicant experience is relevant to the Application evaluation.

**7) Question.** Will there be a zoning map for the processing Application?

**Answer.** No. The Commission does not regulate the physical siting of a proposed facility. Rather, county and municipal zoning ordinances determine whether a proposed site is permissible. An Applicant for a processor license should consult with the Applicant's local zoning board to determine permissible locations for a processing facility.

**8) Question.** What certifications does a master grower need in order to grow medical cannabis in Maryland?

**Answer.** Although a business needs to be licensed by the Commission to grow medical cannabis, there is currently no certification required for "master growers" in Maryland. Nonetheless, an Applicant should have education, training, and/or experience in agriculture or horticulture and an understanding of medical cannabis strains and plant care. Other areas of relevant expertise include:

- Proficiency in various cultivation and plant maintenance techniques.
- Knowledge of environmental control systems, various growing and flower development techniques, with an understanding of environmental modifications within the production areas.
- Knowledge of hydroponic growing systems and methodology, including micronutrients and nutrient implementation.

- Knowledge and experience with commercial plant cultivation including nutrient requirements, mediums, light requirements, temperature control, air flow, and harvesting/trimming, drying, curing, and manicuring.
- Technical knowledge in product moisture level control, curing, and packaging stages of medical cannabis products.

**9) Question.** What is the Commission including in the Application process which will allow new growers and processors to flourish rather than be economically disadvantaged by existing medical cannabis businesses and/or monopolies?

**Answer.** State law limits the number of grower licenses to 22 and the number of processor licenses to 28. The limit on licenses provides some protection to businesses operating in this space. However, the medical cannabis program is a market, and it is possible that businesses may fail.

Pursuant to State law, the Commission took several steps to assist economically disadvantaged individuals and entities. The Commission issued five grants to entities to develop and implement medical cannabis educational and business development programs that address the medical cannabis licensing and Application process as well as medical cannabis business operations. While the training classes are targeted to small, minority, and women business owners and entrepreneurs seeking to become licensed in the medical cannabis industry, all interested persons are welcomed to attend. These courses are free to attend and include information on the laws and regulations in Maryland and the nuts and bolts of developing a medical cannabis business. Please visit the Commission's website at [mmcc.maryland.gov](http://mmcc.maryland.gov) under the link entitled "Register for Medical Cannabis Educational and Business Development Training Programs" under the Licensee Application Information heading. Limited registration is still available.

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Additionally, the Commission, in collaboration with the Legislative Black Caucus of Maryland, conducted 12 outreach events across the State to small minority and women businesses and business owners in November/December 2018. These events were attended by more than 400 Maryland small, minority, and women business owners and entrepreneurs as well as other interested individuals. The Commission, in collaboration with the Legislative Black Caucus of Maryland, have hosted three Application workshops - with a 4th scheduled for February 19 - to help small, minority, and women business owners understand the Application requirements and submission process. Each of the first three events has attracted more than 100 attendees. The purpose of all of these training is to encourage more diversity in the medical cannabis industry and also to assist any interested new Applicant to be more successful both during the Application process and after entering the medical cannabis market.

Lastly, Maryland law currently permits an individual or entity to hold only one license in each licensing category (e.g. one grower, one processor, and one dispensary license).

**10) Question.** Will an Applicant score better on the Application if the Applicant offers a larger variety of products as a way to represent future growth?

**Answer.** The Application will be evaluated based upon the quality of the total Application. There is no automatic benefit for offering a larger array of products.

## **Financing**

**11) Question.** Please provide the names of banking institutions in Maryland providing banking services to the State's medical cannabis industry.

**Answer.** The Commission is unable to provide a list of entities who lend to medical cannabis businesses. Since cannabis remains federally illicit, many banking institutions do not lend or provide other banking services to medical cannabis businesses.

**12) Question.** Please provide the names of any State agencies providing financial resources to State certified MBEs (minority business enterprises), DBEs (disadvantaged business enterprises), and SBEs (small business enterprises) seeking financial assistance to enter into the medical cannabis industry.

**Answer.** There are currently no State agencies offering financial assistance to medical cannabis license Applicants.

### **Diversity Factors.**

**13) Question.** My spouse is the sole owner of a certified minority business enterprise (MBE) firm. Can I use my spouse's MBE status to demonstrate that I do not exceed the personal net worth (PNW) cap?

**Answer.** No. MBE certification is determined in part by determining that the owner of the certified MBE does not exceed the MBE PNW cap. PNW of a married individual equals 100 percent of individual assets less liabilities plus 50 percent of the individual's assets held jointly or as community property with the individual's spouse less liabilities. Therefore, it is possible for a spouse to have a different PNW from his or her spouse.

**14) Question.** To receive to 5 points for diversity factors based upon the Disadvantaged Equity Application category, the Application states that the Applicant needs to demonstrate that at least

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51% of its ownership must consist of individuals who are specified minorities. As such, how many owners/investors does an Applicant need to have to meet this 51% ownership interest requirement in order to receive these diversity points? If there are a number of owners/investors named in an Application, does the Applicant need to provide information on each of the owners/investors?

**Answer.** To achieve the up to 5 points for diversity factors for 51% minority ownership an Applicant would need at least one owner/investor who:

- (1) meets the definition of a "Disadvantaged Equity Applicant" in COMAR 10.62.01.01B(10) (African American, American Indian/Native American, Asian, Hispanic, or Women and meets the PNW that does not exceed \$1,713,333) OR
- (2) is a member of the most disadvantaged groups in the medical cannabis industry as identified by the Commission, which means is African American or Native American/American Indian, and has a PNW that does not exceed \$1,713,333.

An Applicant is required to provide contact information for each of its owners and equity investors under Part B of the Application, an organizational chart with a preamble that summarizes the owners and investor, and documentation that supports the capitalization for each owner and investor. Each investor must also complete Attachment F entitled "Authorization for Release of Information: Investor/Grower Agent." Attachment F enables the Commission to (1) verify all information provided in the license Application documents; (2) conduct a background investigation; and (3) access information that each investor has provided to any other jurisdiction seeking a similar license in that jurisdiction as well as any other information that another jurisdiction may have obtained during the course of any investigation that may have been conducted on the investor.

**15) Question.** What are the North American Industry Classification System (NAICS) codes for the various cannabis specialty areas?

**Answer.** Nothing in the Maryland’s regulations or statutes requires a specific NAICS code to be used when an Applicant applies for a grower or processor license. NAICS codes are not relevant to the 2019 grower and processor Applications.

The Office of Management and Budget’s North American Industry Classification System (NAICS) is a system for classifying individual businesses by type of economic activity in Canada, Mexico, and the United States. Its purposes are: (1) to facilitate the collection, tabulation, presentation, and analysis of data relating to businesses, and (2) to promote uniformity and comparability in the presentation and analysis of statistical data describing the North American economy. For further information about NAICS codes, visit the U.S. Census Bureau website at <https://www.census.gov> and click on the tab entitled “Find a Code.”