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MMCC
MARYLAND MEDICAL CANNABIS COMMISSION

MEDICAL CANNABIS PROCESSOR LICENSE APPLICATION
GENERAL INSTRUCTIONS

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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)(i)(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. The award of Stage One Pre-Approvals and licenses are subject to the laws and regulations of Maryland.

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 processor, 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 must be paid in the form of a cashier's check or money order made payable to "MMCC" or "Maryland Medical Cannabis Commission."

The cashier's check or money order must be mailed or hand delivered to:

Maryland Medical Cannabis Commission
Attn: Ugo Osoh
849 International Drive, 4th Floor
Linthicum, MD 21090

Payment must be received by the Commission prior to the Application deadline. 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.

TERM	DEFINITION
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 Occupations and Professions 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 household income that is 80% or less of the average median household income in the State; 2) An unemployment rate that is at least 150% of the unemployment rate in the State; 3) A health uninsured rate that is at least 150% of the health uninsured rate in the State; 4) A food stamp or Supplemental Nutrition Assistance Plan rate that is at least 150% of the food stamp or Supplemental Nutrition Assistance Plan rate in the State; and 5) A poverty rate that is at least 150% 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, an entity, or a site registered by the Commission that offers or performs tests related to the inspection and testing of medical cannabis and products containing medical 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. Applies to both owners and investors.
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 and assess 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.

TASK	DATE/TIME
Application Posted on MMCC Website	March 25, 2019
Application Submission Deadline	May 24, 2019
Application Evaluation, Scoring and Ranking Period by Third Party Reviewers and the Commission	May 25 – July 24, 2019
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 on the provisions governing processor licensing and operations.

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.

- 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).

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 Attachments**:

   Attachment Copy #1 – Unredacted

   Attachment Copy #2 – Redacted for Trade Secret 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.

   Attachment Copy #3 – Evaluation
   This copy must be devoid of all identifying information pertaining the Applicant as described below:
   i. The Applicant's name;
   ii. The Applicant's Business/Organization name;
   iii. The name of any owner, investor, agent, employee, contractor, or consultant; and
   iv. The name of any corporate parent, subsidiary, and affiliate.

3. **Two electronic copies of the Application** (Parts A-D) in the form of a fillable PDF document must be completed. Part D of the Application **must** be devoid of all identifying information pertaining to the Applicant as described below:
   i. The Applicant's name;
   ii. The Applicant's Business/Organization name;
   iii. The name of any owner, investor, agent, employee, contractor, or consultant; and
   iv. The name of any corporate parent, subsidiary, and affiliate.

   To ensure the integrity of the evaluation process, identifying information in Parts A through C of the Application will be automatically encrypted. However, Part D of the Application will not be encrypted, and therefore, it is the Applicant's responsibility to be careful **NOT**

to include any of the above-described Applicant identifying information in Part D of the Application in order to avoid disqualification.

A second copy of the Application redacted for trade secret and confidential financial data must be completed and submitted as the last step in the Application process.

Important: **Addresses must not be redacted from any submission. All addresses must be viewable in the Application and Attachments. Conversely, an Applicant must not include any photo identification in the Application or Attachments.**

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_05.15.2019_Unredacted Attachment B."

The Application package, which is comprised of the Application fee, the Application, and all Attachments and supporting documentation, must be submitted on or before 5:00 PM on May 24, 2019. **Except for documents or information expressly requested by the Commission, any Application, related documents, and fees received after the deadline will not be accepted.**

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.

The award of a Stage One 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. A copy of the Application will be retained by Commission for its records.

C. SUBMITTING THE APPLICATION

Applicants are required to submit the Application through the Commission's online document management system located at mmcc.maryland.gov. The online system for Application submission will provide the Applicant with ongoing instructions and prompts to guide the Applicant through the entire process of submitting the Application and uploading Attachments. The system requires specified questions to be completed and required Attachments to be uploaded in order for an Applicant to proceed to submit.

Each part of the Application and Attachments **may not** be saved while in progress and re-visited at a later date/time. The Application is divided into three parts: 1) Parts A-C, 2) Part D and Attachments, and 3) Part D and Attachments (redacted of trade secrets/confidential financial data) and Attachments (unredacted). Each Applicant has up to 10 hours to work on the online

Application before the session times out. Each part is saved only after the Applicant clicks Submit for each part. Once a part is submitted, the Applicant is unable to amend or revise any information included in the part.

An overview of the Application process is illustrated below.

Step 1: View the Application PDF copy and all attachments. Applicants **may not** save a part while in progress and continue at a later time/date or revise a part after each submission. Please prepare answers and attachments in advance.

Step 2: Go to the following link(s):

Processor Application Parts A-C: https://mmcc.seamlessdocs.com/f/processor_parts_a_c

Step 3: Complete "Application – Parts A-C," the "Affirmation Section," and the "Application Fee" acknowledgment page. Click "Submit and Sign."

Step 4: The Applicant will be re-directed to "Application – Part D." Complete each question and upload a copy of each required attachment redacted of Applicant identifying information (Redacted – Evaluation Copy). Click "Submit." However, if the Applicant wishes to complete Step 4 at a later time, the Applicant may access the Application Part D at the link immediately below:

Processor Application Part D: https://mmcc.seamlessdocs.com/f/processor_part_d

Step 5: Complete the "MMCC Processor License Application – Attachments" page.

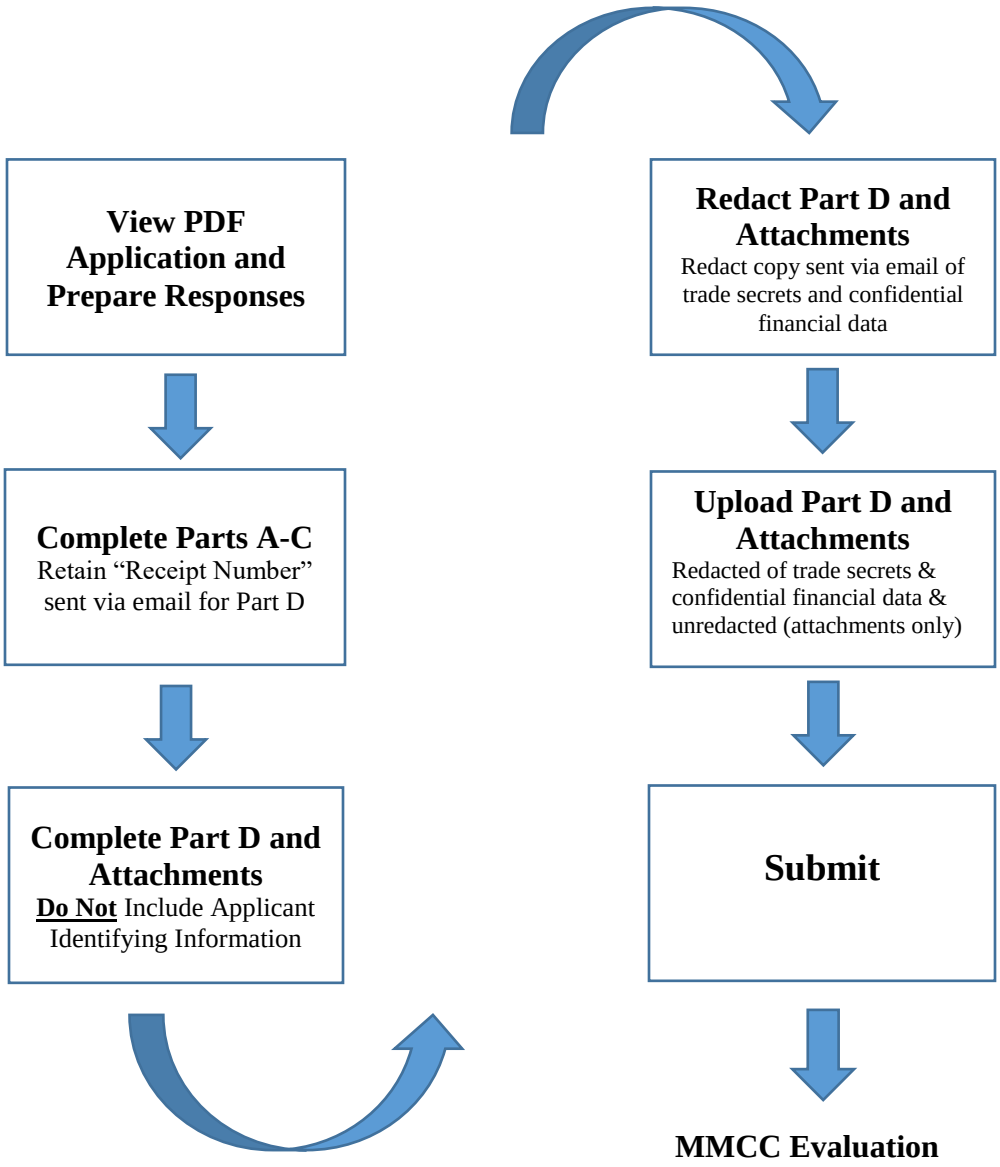
1. The Applicant will be directed to upload a copy of the "Application – Part D" redacted for trade secrets and confidential financial data. Please go to your email to retrieve a copy of the "Application – Part D." Download the "Application – Part D" and redact the "Application – Part D" for trade secrets and confidential financial data. If the Application does not include any trade secrets or confidential financial data write "None" on the first page of the Application. Upload the file. However, if the Applicant wishes to complete Step 5 at a later time, the Applicant may access this final part of the of the Application at the link immediately below:

Processor Application Attachment: https://mmcc.seamlessdocs.com/f/processor_attachments

2. The Applicant will be directed to upload two copies of each Attachment: (1) unredacted, and (2) redacted for trade secrets and confidential financial data. Upload each file and click "Submit."

Step 6: Pay the required $2,000 Application fee. Failure to submit timely payment will result in the disqualification of the Application.
Remember: the Application and Attachments may not contain any photo identification.

Application Process



D. ATTACHMENTS

An asterisk* indicates a required Attachment. The Attachments for the Application are:

- **Attachment A:** Diversity Attestation
  This form must be completed and signed by each individual for whom status as a minority or a disadvantaged individual is relied upon in the Applicant's Diversity Plan. The form must be notarized.
- **Attachment B:** Affidavit of Certification of Disadvantaged Equity Applicant Status
  This form must be completed and signed by each owner and investor for whom status as a Disadvantaged Equity Applicant is relied. The form must be notarized.
- **Attachment C:** Personal Net Worth Statement
  This form must be completed and signed by each individual for whom an Applicant is seeking to qualify as a Disadvantaged Equity Applicant/Member of one of the Most Disadvantaged Groups in the Medical Cannabis Industry. The form must be notarized. Attachment C is not required for Applicants (1) certified as a disadvantaged owner of a Minority Business Enterprise (MBE) or 2) demonstrating Good Faith Efforts to have a specified percent of an Applicant's ownership interest held by Disadvantaged Equity Applicants/Members of the Most Disadvantaged Groups in the Medical Cannabis Industry.
- **Attachment D:** Good Faith Efforts Documentation
  This form must be completed and signed by each Applicant who seeks to demonstrate the Applicant took necessary and reasonable steps to have a specified percent of its ownership interest held by Disadvantaged Equity Applicants or the most disadvantaged members in the medical cannabis industry even though the Applicant was unable to achieve the specified percent of disadvantaged ownership interest.
- **Attachment E:** Affidavit of Certification of Members of the Most Disadvantaged Groups in the Medical Cannabis Industry
  This form must be completed and signed by each owner and investor for whom status as a member of one of the most disadvantaged groups in the medical cannabis industry is relied. The form must be notarized.
- **Attachment F*:** Authorization for Release of Information – Investor/Processor Agent
  This form must be signed by each owner, investor, and processor agent. The form must be notarized.
- **Attachment G*:** Authorization for Release of Information – Business Entity
  Only one representative of the Applicant business (the Primary Contact) must complete and sign this form. The form must be notarized.
- **Attachment H*:** Trade Secret & Financial Data Notification
  Only one representative of the Applicant business (the Primary Contact) must complete and sign this form.
- **Attachment I*:** Business Interest Identification & Authorization
  Only one representative of the Applicant business (the Primary Contact) must complete and sign this form which lists information on any license the Applicant or any affiliate, parent, or subsidiary has in any jurisdiction. An Applicant who does not have an interest in any

cannabis business must complete this form indicating that the Applicant does not have an interest in any cannabis business.

- **Attachment J*:** Owner and Investor Certification
  This form must be completed and signed by each owner and investor. The form must be notarized.
- **Attachment K*:** Letter of Intent
  This form must be completed and signed by each employee and contractor who intends to work for the Applicant should the Applicant become licensed. The form must also be signed by the Applicant (the Primary Contact).
- **Supporting documentation for the following Application questions:**
  - **PART B** – "Owners, Investors, and Managing Directors (Cont'd)" (If needed)
  - **PART C** – Employees and Contractors (Cont'd) (If needed)
  - **PART D, Section III, Question 1** – Commercial Laboratory, Pharmaceutical Manufacturing, and Consumer Products Production Factors – May add relevant CV/résumés.
  - **PART D, Section V, Question 1** – Business History – May add relevant CV/résumés.
  - **PART D, Section V, Question 2*** – Business Plan – Must add budget spreadsheet, chart, or table, including costs for physical structures and operating expenses.
  - **PART D, Section V, Question 3*** – Capitalization – Must add supporting documentation of sources of capitalization.
  - **PART D, Section VI, Question 1 –** Diversity Plan – May add any documentation that demonstrates the Applicant's commitment to ownership, investment, management, employment, and contracting diversity.
  - **PART D, Section VI, Question 2 –** Disadvantaged Equity Applicants
    1. If the Applicant submitted Attachment C – Personal Net Worth Statement you must add supporting documentation of assets and liabilities.
    2. If the Applicant submitted Attachment D – Good Faith Efforts Documentation you must provide supporting documentation for each disadvantaged owner/investor interviewed via attestations.
  - **PART D, Section VI, Question 3* –** Economically Disadvantaged Applicants – Must add supporting documentation of evidence of: 1) Living in an Economically Disadvantaged Area; 2) Median Household Income; and/or 3) Experiences or business practices that promote economic development and empowerment in Economically Disadvantaged Areas.
  - **PART E*** – Supporting Documentation – Attachments – Required Addenda:
    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/or authorization to do business in Maryland.
    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, if applicable.

Please note that Attachment A applies to Part D, Section VI, Question 1 (Diversity Plan) and Attachments B through E apply to Part D, Section VI, Question 2 (Disadvantaged Equity Applicants/Members of the Most Disadvantaged Groups in the Medical Cannabis Industry).

E. COMMUNICATON WITH COMMISSION

The Commission responded to all questions received during the 30-day question period (ending February 11, 2019). Responses may be viewed at mmcc.maryland.gov. Questions submitted after February 11, 2019, to applications.mmcc@maryland.gov will only be answered if the Commission determines it would benefit all Applicants.

All technical issues may be directed to applications.mmcc@maryland.gov. However, please allow at least 24 hours for a response. Questions raised within 24 hours of Application submission may not be answered prior to the Application deadline.

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 14 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, Attachments, and the Application fee on or before the submission deadline of May 24, 2019 at 5:00 pm (ET).
- Failure to complete all questions in Part D of the Application.
- Failure to submit an Application and all of the Attachments devoid of all identifying information as specified in Section II (above).
- Inclusion of any photo identification in the Application submission.
- Failure to provide any additional information requested by the Commission within 14 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 in Part A – Primary Contact. Information about the Application will not be released except to this email.
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 confidential financial data to the extent provided by law. Any decision by the State to disclose information determined to be trade secret information or confidential 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. Redact any trade secret or confidential financial data from the Copy # 2 of the Attachments and uploaded version of the Application titled "Application – Trade Secret or Confidential Financial Data Information."
3. Satisfy the statutory burden of justifying any claim of trade secret information and/or confidential financial data.
4. 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
5. Fill out and submit Attachment H entitled "Trade Secret & Financial Data Notification," which is an addendum to the Application. If no materials are designated as trade secret information or confidential financial data, a statement of "None" should be listed.

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 review every Application to ensure that it meets the minimum mandatory qualification criteria, which consists of the three following points:

1. All questions are completed in PART D (Operational Factors; Safety and Security Factors; Commercial Horticultural and Agricultural Factors; Production Control Factors; Business and Economic Factors; and Diversity & Social and Economic Equity Factors);
2. The Affirmation Section is completed; and
3. The Application and Attachments Copy #3 are devoid of identifying information about the Applicant in accordance with instructions on redaction set forth in Section II.B. and 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. 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, each question has a set character count. The character count for the question may not be exceeded.

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.

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
5 Points	**Exemplary Commitment to Diversity**	• At least 2/3 diversity representation of owners, investors, and managers. • At least 2/3 diversity representation of employees in management or other leadership roles. • Plan to use diverse employees and contractors, including at least one in a leadership role. • Multiple diverse individuals represented across the business. • Adopted internal numerical diversity goals and method to track progress toward their achievement. • Official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors. • Proposed timelines and benchmarks for achieving diversity goals outlined in the plan.

		• Any other information that demonstrates an exemplary commitment to ownership, investment, management, employment, and contracting diversity such as: - Consistent efforts to promote diversity such as providing community outreach, mentoring, training, or professional development programs or other opportunities to cultivate diversity - Regularly participating in outside organizations, i.e., civic and professional groups that promote diversity.
4 Points	**Significant Commitment to Diversity**	• At least 1/2 diversity representation of owners, investors, and managers. • At least 1/2 diversity representation of employees, including at least one in a leadership role. • Plan to use diverse employees and contractors, including at least one in a leadership role. • Internal numerical diversity goals and method to track progress toward their achievement. • Official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors. • Proposed timelines and benchmarks for achieving diversity goals outlined in the plan. • Any other information that demonstrates a significant commitment to ownership, investment, management, employment, and contracting diversity such as: - 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. - Participating in outside organizations, i.e., civic and professional groups that promote diversity.
3 Points	**Moderate Commitment to Diversity**	• At least 1/3 diversity representation of owners, investors, and managers. • At least 1/3 diversity representation of employees. • Plans to use some diverse employees and contractors. • Internal numerical diversity goals. • Official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors. • Proposed timelines and benchmarks for achieving diversity goals outlined in the plan. • Any other information that demonstrates at least a commitment to ownership, investment, management, employment, and contracting diversity such as: - 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. - Occasionally participates in outside organizations, i.e., civic and professional groups that promote diversity.
2 Points	**Some Commitment to Diversity**	• No diverse owners, investors, and managers. • Some diverse employees. • Plan to use some diverse employees and contractors. • No internal numerical diversity goals. • No official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors. • Weak or no proposed timelines and benchmarks for achieving diversity goals outlined in the plan.

		• Minimal efforts to promote diversity. • Minimal information that demonstrates a commitment to ownership, investment, management, employment, and contracting diversity.
1 Point	**Nominal Commitment to Diversity**	• No diverse owners, investors, and managers. • Few diverse employees. • No plans to use diverse employees and contractors. • No internal numerical diversity goals. • No official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors. • Weak or no timelines and benchmarks for achieving diversity goals outlined in the plan. • Minimal efforts to promote diversity. • Minimal information that demonstrates a commitment to ownership, investment, management, employment, and contracting diversity.
0 Points	**No Commitment to Diversity**	• No diverse owners, investors, and managers. • Few diverse employees. • No plans to use diverse employees and contractors. • No official plan for outreach or events to recruit, utilize, and promote diverse owners, investors, employees, and contractors. • No effort to promote diversity. • No other information that demonstrates a commitment to ownership, investment, management, employment, and contracting diversity.

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

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) 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) 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) African American, or American Indian/Native American, and (2) qualify under the personal net worth cap.

Please note that Applicants seeking to demonstrate that a specified percentage of ownership interest is held by one or more individuals who are 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. An Applicant receiving points under one of the categories listed above may still receive up to a maximum of 5 points for demonstrating adequate good faith efforts.

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.