



MARIHUANA FACILITY LICENSING

APPLICATION PROCESS
INSTRUCTION BOOK

Table of Contents

Application and Disclosure Form Authorization	6
Application Process	6
Fees.....	7
Application Fee.....	7
Regulatory Assessment.....	7
Paper Versus Online Application	7
Online Application Submission - Creating a User Account.....	7
Note to Applicant ACA Users	8
Note to Supplemental Applicant ACA Users.....	9
General Instructions for Completing and Submitting Application Documents	9
ENTITY/INDIVIDUAL PREQUALIFICATION PACKET INSTRUCTIONS	10
Prequalification Document Checklist	10
LICENSE TYPES & ASSOCIATED FEES	10
DEMOGRAPHIC INFORMATION	10
PERSON COMPLETING APPLICATION/PERSON COMPLETING ONLINE FORM	11
ATTESTATION A: APPLICANT’S ACKNOWLEDGMENT, AGREEMENT, & CONSENT	11
ATTESTATION B: APPLICANT’S AUTHORIZATION TO RELEASE INFORMATION.....	11
ATTESTATION C: APPLICANT’S VERIFICATION & AFFIDAVIT OF FULL DISCLOSURE.....	12
ATTESTATION D: ATTESTATION & DISCLOSURE OF SUBMITTER.....	12
ATTESTATION E: TEMPORARY OPERATION OF EXISTING FACILITY ATTESTATION	12
ATTESTATION F: APPLICANT’S ACKNOWLEDGMENT OF FEDERAL LAW & WAIVER.....	13
DISCLOSURE 1—APPLICANT ENTITY INFORMATION.....	13
(1) Entity Structure	13
(2) Michigan Residency	13
(3) Governmental Affiliation	13
(4) Entity Organizational Structure.....	14
(5) Entity’s Prior Names & Addresses.....	14
Supplemental Documentation	14
(a) Official Business Registration Document.	14
(b) Copy of Bylaws or Other Governing Documents.	14
(c) Certificate of Good Standing.....	14
(d) Approval to Conduct Business Transactions in Michigan.	15
(e) Any Trademark, Service Mark or Insignia Registration Documents (if applicable)	15
Trademark	15
Service Mark	15
Trade Name.....	15
Insignia.....	15

(f) Copy of Organizational Structure (if applicable)	15
(g) Authorizing Resolution (if applicable).....	16
(h) Certificate of Assumed Name (if applicable).....	16
DISCLOSURE 2A—OWNERSHIP INTERESTS.....	16
DISCLOSURE 2B—OWNERSHIP INTERESTS PUBLIC OFFICIALS.....	16
DISCLOSURE 2C—TRUE PARTY OF INTEREST	17
True parties of interest in the applicant’s proposed marihuana facility.....	18
DISCLOSURE 2D—MARIHUANA BUSINESS OWNERSHIP INTERESTS	18
DISCLOSURE 2E—OTHER INTERESTS	19
DISCLOSURE 3A—FINANCIAL INFORMATION	20
Supplemental Documentation	20
The following supplemental documentation must accompany DISCLOSURE 3A:	20
DISCLOSURE 3B—REAL PROPERTY INTERESTS	20
Supplemental Documentation	20
The following supplemental documentation must accompany Disclosure 3B:	20
DISCLOSURE 4—DEBT, INSOLVENCY, OR BANKRUPTCY ACTIONS	20
Supplemental Documentation	21
DISCLOSURE 5—TAX & TAX COMPLIANCE QUESTIONS	21
Past Taxation Compliance History Questions	21
Supplemental Documentation	21
DISCLOSURE 6—GOVERNMENT REGULATION	22
Supplemental Documentation	23
DISCLOSURE 7—CRIMINAL HISTORY	23
Criminal History Questions	23
Supplemental Documentation	23
DISCLOSURE 8—LITIGATION HISTORY	23
SUPPLEMENTAL APPLICANT PREQUALIFICATION PACKET(SAPP).....	24
Prequalification Document Checklist	24
Application in Support Of	24
Demographic Information	24
Responsible Person for Application Completion.....	25
ATTESTATION A-SA: SUPPLEMENTAL APPLICANT’S ACKNOWLEDGMENT, AGREEMENT, & CONSENT.....	25
ATTESTATION B-SA: SUPPLEMENTAL APPLICANT’S AUTHORIZATION TO RELEASE INFORMATION	25
ATTESTATION C-SA: SUPPLEMENTAL APPLICANT’S VERIFICATION & AFFIDAVIT OF FULL DISCLOSURE	26
ATTESTATION D-SA: SUPPLEMENTAL ATTESTATION & DISCLOSURE	26
ATTESTATION F-SA: SUPPLEMENTAL APPLICANT’S ACKNOWLEDGMENT OF FEDERAL LAW & WAIVER	27
DISCLOSURE 1-SA: SUPPLEMENTAL APPLICANT ENTITY INFORMATION	27

(1) Entity Structure	27
(2) Michigan Residency	27
(3) Governmental Affiliation	27
(4) Entity Organizational Structure	28
(5) Entity's Prior Names & Addresses	28
Supplemental Documentation	28
(a) Official Business Registration Document.	28
(b) Copy of Bylaws or Other Governing Documents.	28
(c) Certificate of Good Standing.....	28
(d) Approval to Conduct Business Transactions in Michigan.	28
(e) Any Trademark, Service Mark or Insignia Registration Documents (if applicable)	29
Trademark	29
Service Mark	29
Trade Name	29
Insignia	29
(f) Copy of Organizational Structure (if applicable)	29
(g) Authorizing Resolution (if applicable)	30
(h) Certificate of Assumed Name (if applicable)	30
DISCLOSURE 2A-SA: OWNERSHIP INTERESTS	30
DISCLOSURE 2B-SA: OWNERSHIP INTERESTS PUBLIC OFFICIALS	30
DISCLOSURE 2C-SA: TRUE PARTY OF INTEREST	31
DISCLOSURE 2D-SA: MARIHUANA BUSINESS OWNERSHIP INTERESTS	32
DISCLOSURE 2E-SA: OTHER INTERESTS	33
DISCLOSURE 3A-SA: FINANCIAL INFORMATION	33
Supplemental Documentation	34
The following supplemental documentation must accompany Disclosure 3A-SA:	34
DISCLOSURE 3B-SA: REAL PROPERTY INTERESTS	34
Supplemental Documentation	34
The following supplemental documentation must accompany Disclosure 3B:	34
DISCLOSURE 4-SA: DEBT, INSOLVENCY, OR BANKRUPTCY ACTIONS	34
Supplemental Documentation	34
DISCLOSURE 5-SA: TAX & TAX COMPLIANCE	35
Past Taxation Compliance History Questions	35
Supplemental Documentation	36
DISCLOSURE 6-SA: GOVERNMENT REGULATION	36
Supplemental Documentation	37
DISCLOSURE 7-SA: CRIMINAL HISTORY	37
Criminal History	37
Supplemental Documentation	37

DISCLOSURE 8-SA: LITIGATION HISTORY	38
MARIHUANA FACILITY LICENSE APPLICATION INSTRUCTIONS	38
Step Two: License Application	38
Marihuana Facility License Document Checklist.....	38
PERSON COMPLETING APPLICATION/PERSON COMPLETING ONLINE FORM	38
BUSINESS PREMISES & MUNICIPALITY INFORMATION.....	38
(1) APPLICATION FOR LICENSE TYPE	39
Secure Transporter:	39
(2) BUSINESS SPECIFICATIONS	39
A. Business Open Date	39
B. Proof of Ownership/Lease Agreement	39
C. Estimated Income	40
D. Submit Marihuana Facility Plan.....	40
E. Technology Plan.....	40
F. Marketing Plan	40
G. Inventory & Recordkeeping Plan.....	40
(3) EMPLOYEE INFORMATION	40
Staffing Plan	40
(4) PROOF OF FINANCIAL RESPONSIBILITY	40
ATTESTATION G: ACKNOWLEDGEMENT AND CONSENT TO INVESTIGATIONS, STATUTE & RULE COMPLIANCE	41
ATTESTATION H: APPLICANT’S INTEREST & EXPERIENCE ATTESTATION	41
ATTESTATION I: CONFIRMATION OF SEC. 205 COMPLIANCE	41
APPLICATION SUBMISSION METHODS.....	41
Mailing Instructions:	42
GLOSSARY/DEFINITION OF TERMS	42

Application and Disclosure Form Authorization

The application is authorized under Public Act 281 of 2016, the Medical Marihuana Facilities Licensing Act (MMFLA). Failure to provide information as requested in the application could result in rejection of or delay in the processing of the license application. The applicant should respond to the questions and provide supplemental documentation to the best of his/her knowledge. Any misrepresentation or omission may be grounds for application delay or denial.

An applicant may claim any privilege afforded by the Constitution or laws of the United States or of the State of Michigan in refusing to answer questions or provide information requested by the Michigan Department of Licensing and Regulatory Affairs (LARA), Bureau of Medical Marihuana Regulation (Bureau). However, a claim of privilege with respect to any testimony or evidence pertaining to eligibility, qualifications, or suitability of an applicant to be granted or hold a license under the act and rules may constitute cause for denial, suspension, revocation, or restriction of a marihuana facility license.

The applicant shall provide all information, documents, materials and certifications at the applicant's sole expense. Note: The Bureau, in its discretion, may also require the applicant to furnish additional information or complete and submit additional forms.

Application Process

Definitions for terms used in this instruction booklet are in the glossary at the end of this booklet.

Persons may apply for a marihuana facility license in the following categories:

License Type	Description of License
Grower Class A	Grower license for 500 marihuana plants
Grower Class B	Grower license for 1,000 marihuana plants
Grower Class C	Grower license for 1,500 marihuana plants
Processor	License authorizes purchase of marihuana from a grower and sale of infused-products or marihuana to a provisioning center.
Secured Transporter	License authorizes storage and transportation of marihuana and associated money between facilities.
Provisioning Center	Licensee can sell marihuana to a qualified patient or registered primary caregiver.
Safety Compliance Facility	License authorizes the facility to receive marihuana from, test marihuana for, and return marihuana to only a marihuana facility.

See MCL § 333.27501 - § 333.27505.

The Bureau is utilizing a two-step application process for marihuana facility licensing in Michigan. The two-step process will allow applicants to begin the application process while still seeking a location for the proposed marihuana facility. Applicants with identified proposed locations may also submit step one and step two materials at the same time.

The first step in this application process is called "prequalification." The prequalification step encompasses a full background investigation of the applicant and all supplemental applicants. The entity or individual seeking a marihuana facility license will complete the Entity/Individual Prequalification Packet (EIPP). All other individuals or entities identified by the entity or individual filing the EIPP are required to complete the Supplemental Applicant Prequalification Packet (SAPP). Those persons will be further identified in this instruction booklet.

Processing of the prequalification packets will not begin until all EIPP and SAPP packet documents, applicable supporting documentation, and payment of a nonrefundable application fee are received by the Bureau.

The second step in the application process is called “license qualification” In the Marihuana Facility Application (FLA), the applicant will identify the specific facility for which they are applying (grower, processor, provisioning center, safety compliance facility, or secure transporter) and provide information specific to the license sought.

NOTE: A license, once issued, is for the specific license type issued. Each license is exclusive to the licensee. The attempted transfer, sale or other conveyance of an interest of more than 1% in the license without board approval is grounds for suspension, revocation or other appropriate sanction. *See* MCL § 333.27406.

Fees

The MMFLA authorizes the Bureau to collect two separate fees: an application fee and a regulatory assessment.

Application Fee

The application fee is a non-refundable, state-level fee paid at the time of filing to defray the costs associated with the background investigations and fingerprint processing. The application fee – which must be submitted before the application can be processed – is \$6,000.

Regulatory Assessment

The annual regulatory assessment is a nonrefundable, state-level fee which offsets LARA’s annual operational costs to implement, administer, and enforce the MMFLA as well as the expenses of medical-marihuana-related services provided by the Attorney General, the State Police, and Treasury. The regulatory assessment also covers support costs of the statewide monitoring system and provides \$500,000 annually toward licensing substance abuse disorder programs, as required by statute.

The regulatory assessment must be submitted before a license can be issued. Applicants who are applying for more than one type of facility license must pay a separate regulatory assessment for each license type prior to issuance of each license.

Paper Versus Online Application

The application for a marihuana facility license utilizing the paper application may be submitted in person, by mail, or via the online platform (Accela). To submit the application online, the applicants must complete the paper application, save the documents not needing signatures individually, and print the attestations to allow notarized signatures. **AN ONLINE APPLICATION IS NOT COMPLETE WITHOUT SUBMISSION OF ALL REQUIRED DOCUMENTS.**

If the applicant completed and submitted all forms online, it is not necessary to submit a paper application in person or via US Mail.

Online Application Submission - Creating a User Account

Anyone can create an online user account in Accela Citizen Access (ACA). The account will be used for email and online correspondence with applicants and supplemental throughout the application process, during licensure, and during renewals.

Applicants, supplemental applicants and those persons involved in the administration of prospective marihuana entities are encouraged to create a user account.

Creating an account can be done by following the process below:

Creating a User Profile

- Click "Register Now" to create online profile for application completion

Creating a User Profile

- You will also need to create a security question and answer
- Make sure to save your information for future login use

User Profile & Business Contact Information

- Anyone can create an online account
- You will be able to select whether the account is for an individual or an organization
- Information Required:
 - Business/Individual Name
 - Valid Email Address
 - Valid Mailing Address

Once the user account is created, it can be used to login immediately. Be sure to retain your login information in a safe place in case it is needed for the user's future reference.

Note to Applicant ACA Users

When applicants are filling out information regarding the supplemental applicants, it is important to use the correct contact information for the supplemental applicant (e.g., email address, last name, first name, etc.)

to aid in the efficient processing of the application.

Note to Supplemental Applicant ACA Users

When the Supplemental Applicant is filling out information on ACA, it is important to use the SAME contact information that the applicant provided for the supplemental applicant to aid in the efficient processing of the application.

General Instructions for Completing and Submitting Application Documents

All required information must be provided in the format supplied in the application and disclosure forms. Completely answer all questions. If a question is not applicable, check the appropriate box or write “N/A” in the space provided.

If using pen, use **BLACK** or **BLUE** ink **ONLY** and print clearly.

WHERE SIGNATURES ARE REQUIRED, ALL SIGNATURES MUST BE HANDWRITTEN SIGNATURES. AN ELECTRONIC SIGNATURE IS NOT SUFFICIENT.

When submitting a paper application, please follow these instructions:

1. Documents must be submitted in the order listed on the respective EIPP (Entity/Individual Prequalification Packet), SAPP (Supplemental Applicant Prequalification Packet), or FLA (Facility License Application).
2. An individual reference title page should be created and placed before each required document. For example:
Page 2 of the EIPP should be identified with a page titled “Demographic Information” and will be followed by the completed page 2 of the EIPP.
Page 3 of the EIPP should be identified with a page titled “Attestation A” and will be followed by the completed Attestation A.
Disclosure 5 requires the submission of income tax returns for the past three years. A title page should be created for “Income Tax Returns 2016” followed by that years’ tax returns, and so on.
3. Please do not use staples to secure any documents or title pages submitted. Paperclips and binder clips are acceptable, but are not necessary.

Please make a copy of your completed EIPP, SAPP, FLA, and all supporting documentation before you send it to the Bureau. Once it is in the Bureau’s possession, it cannot be returned or copied for you.

The most current forms must be completed. If you are not sure if this is the most current form, please check our website at www.michigan.gov/medicalmarihuana, or contact the Bureau at (517) 284-8599.

ENTITY/INDIVIDUAL PREQUALIFICATION PACKET INSTRUCTIONS

The application for a marihuana facility license (license) is begun by the filing of the EIPP (Entity/Individual Prequalification Packet) by the applicant desiring a license.

Each applicant must provide 1 passport qualify photo with the EIPP and a copy of the applicant's government issued identification (ID).

EIPP Page 1

Prequalification Document Checklist

The first page of the EIPP provides the document checklist. This checklist indicates the required attestations, disclosures, and supporting documentation in the order in which the EIPP should be submitted to the Bureau.

EIPP Page 2

LICENSE TYPES & ASSOCIATED FEES

Please indicate the type of license for which the applicant intends to apply, if known. If unknown, please leave blank for purposes of prequalification. The applicant will be required to identify the type of proposed marihuana facility in the FLA.

DEMOGRAPHIC INFORMATION

Required under MCL § 333.27401

In this section, provide information regarding the entity or individual seeking a facility license.

1. **Applicant Name:** Provide the name of the entity as the name appears on the official business document. This will be the name on the Articles of Incorporation, Operating Agreement, Charter, Bylaws, Partnership Agreement, Trust, or other official document. If the applicant is an individual intending to operate a sole proprietorship, please provide that individual's name.
2. **Doing Business As (d/b/a):** List a d/b/a/ as used in conducting business in relation to the entity/individual seeking the marihuana facility license. For example, if "Green Enterprises, LLC" is the entity but intends to do business as "Green Acres," the applicant is "Green Enterprises, LLC" and the d/b/a is "Green Acres." If "Sam Smith" is the individual, but intends to do business as "Smith's Great Provisioning Center," "Sam Smith" is the applicant name and the d/b/a is "Smith's Great Provisioning Center." If there is no d/b/a, indicate "N/A"
3. **Entity Mailing Address:** Provide the mailing address for official correspondence for the entity. This address will be used by the licensing board for official communication. Indicate if the address is a P.O. Box.
4. **FEIN/SSN:** Provide the Federal Employer Identification Number (FEIN) or Social Security Number (SSN) for the entity or individual seeking licensure.
5. **D.O.B. (Date of Birth):** For individual applicants, or applicants otherwise registered under an applicant's SSN, please provide the applicant's date of birth.
6. **Business Physical Address:** Provide the physical location of this facility, including suite or apartment number as appropriate. Do NOT list P.O. Boxes for the physical address. This can be different than the entity mailing address.
7. **Business Email Address:** Provide an official entity email address or other frequently checked email that can be used for correspondence with the Bureau, the application system, and the statewide medical marihuana monitoring system (METRC).
8. **Business Website:** If applicable, or available, please provide the official website for the applicant's entity. Applicants should also include in this section any social media links it uses.

PERSON COMPLETING APPLICATION/PERSON COMPLETING ONLINE FORM

Provide demographic information about the person completing the paper application.

This can be the applicant itself, or the applicant may designate a professional to represent it such as an attorney or certified public accountant (CPA).

If the responsible person for application completion/person completing the online submission is an attorney or CPA, please provide the attorney's or CPA's professional license number in the appropriate box.

EIPP Page 3

ATTESTATION A: APPLICANT'S ACKNOWLEDGMENT, AGREEMENT, & CONSENT

Authority for Request: MCL § 333.27402(4); MCL 333.27401(3), MMFLA Emergency Administrative Rule 5(3)(c)

This attestation must be completed by the applicant, not a representative This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

In this attestation, the applicant acknowledges the obligation to act in candor with the Bureau and provide any requested additional documentation in a timely fashion; waives any claim of damages as a result of a marijuana facility application; attests that the applicant has no interest prohibited by the MMFLA; affirms the applicant's continuing duties; consents to inspections, searches, and seizures as required or allowed by the MMFLA and MMFLA Emergency Rules, and consents to the review of tax records under the Michigan Revenue Act.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

EIPP Page 4

ATTESTATION B: APPLICANT'S AUTHORIZATION TO RELEASE INFORMATION

Authority for Request: MCL § 333.27401

This attestation must be completed by the applicant, not a representative This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

A valid signature on this form affirms that the applicant authorizes the release of information from: any and all courts, probation departments, selective service boards, employers, educational institutions, banks, financial institutions, and all governmental agencies federal, state and local, without exception, both foreign and domestic, for purposes of determining the applicant's eligibility for a marijuana facility license.

The release of the information is valid during the pendency of the applicant's application with the Bureau.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

EIPP Page 5

ATTESTATION C: APPLICANT'S VERIFICATION & AFFIDAVIT OF FULL DISCLOSURE

Authority for Request: MCL § 333.27402

This attestation must be completed by the applicant, not a representative. This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

A valid signature on this form affirms that the applicant has completed the application with full candor. If applicable, the applicant authorizes an individual to be the representative and contact person for purposes of the licensure process with Bureau.

The applicant also affirms that it has no agreements with third-parties in relation to an interest in the application or licensure process.

A handwritten signature is **REQUIRED** on this form. An electronic signature is insufficient and will not be accepted.

EIPP Page 6

ATTESTATION D: ATTESTATION & DISCLOSURE OF SUBMITTER

This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

This attestation must be completed by the PERSON COMPLETING APPLICATION if different than the entity or individual seeking licensure. If the EIPP is being completed by the entity or individual seeking licensure, please indicate N/A on the form and complete it with the EIPP.

A valid signature on this attestation affirms that the person completing the online form is responsible for the application completion and has no interest in the applicant other than what is reported in the application.

A handwritten signature is **REQUIRED** on this form. An electronic signature is insufficient and will not be accepted.

EIPP Page 7

ATTESTATION E: TEMPORARY OPERATION OF EXISTING FACILITY ATTESTATION

Authority for Request: MMFLA Emergency Rule 19

This attestation is to be completed **ONLY** if the applicant's entity was in operation prior to December 15, 2017, and the entity is seeking to temporarily operate during the application process.

Please consult an attorney if you have any questions about the substance of this attestation.

Please see MMFLA Emergency Administrative Rule 19 for more information on the requirements for temporary operation.

This document must be completed in **BLUE** or BLACK ink only. Part A of this attestation must be completed by the municipality clerk or designee and must be signed in the presence of a notary public. Part B must be signed by the applicant, not a representative.

A valid signature on this signature affirms that the applicant will comply with the requirements for temporary operation and that the application is submitted no later than February 15, 2018.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

EIPP Page 8

ATTESTATION F: APPLICANT'S ACKNOWLEDGMENT OF FEDERAL LAW & WAIVER

This attestation must be completed by the applicant, not a representative. This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

EIPP Page 9

DISCLOSURE 1—APPLICANT ENTITY INFORMATION

Authority for Request: MCL § 333.27401; MCL § 333.27402(f)-(g); MCL § 333.27301(12) MMFLA Emergency Rule 5

This disclosure requests all information related to an entity or individual applying for a marijuana facility license. All listed supporting documentation is required unless otherwise indicated. Add additional pages as necessary, appropriately labeled.

(1) Entity Structure

Select the structure that aligns with the applicant. If the applicant's entity structure is not available, select the OTHER box and provide the structure in the blank provided.

(2) Michigan Residency

Indicate the amount of time the applicant has been a resident of Michigan.

Note: Under MCL § 333.27402(2)(g), if the applicant is an individual, the individual must have been a resident of Michigan for not less than a continuous 2-year period immediately preceding the date of filing the application.

(3) Governmental Affiliation

Indicate by checking yes or no whether the applicant has any of the specified governmental affiliation.

Note: Under MCL 333.27402(2)(f), an applicant is ineligible to receive a license if the applicant holds an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government; or is employed by a governmental unit of this state. This provision *does not* apply to an elected officer of or employee of a federally recognized Indian tribe. The provision also *does not* apply to an elected precinct delegate.

Under MCL 333.27301(12) A member of the board, executive director, or key employee shall not hold any direct or indirect interest in, be employed by, or enter into a contract for services with an applicant, a board licensee, or a marihuana facility for a period of 4 years after the date his or her employment or membership on the board terminates. “Key employee” as determined by LARA, includes any person employed with the Bureau of Medical Marihuana Regulation, Facilities Licensing Division.

(4) Entity Organizational Structure

Explain in the space provided, the entity’s chain of command. An organization’s chain of command refers to the company’s hierarchy of reporting relationships from the bottom to top of who must answer to whom. The chain of command establishes accountability, and lays out the lines of authority and decision-making power. Attach additional pages if necessary for explanation.

Example: Purple Kush Products, Inc. (PKP Inc.) is a corporation with 3 business analysts and 3 testers. Each analyst reports to the business analyst manager. Each of the testers report to the quality assurance manager. Each of the managers report to the Chief Executive Officer (CEO). PKP Inc. is a subsidiary of Kush International, and the CEO of PKP, Inc. reports to the CEO of Kush International. The CEO of Kush International reports to the Kush International board of directors.

(5) Entity’s Prior Names & Addresses

Include information pertaining to prior addresses of the entity. If there are no prior addresses, write “N/A” on the top blank.

For entity applicants, this pertains to the business name of the entity. For individual applicants, this will be the individual’s name, any prior names, and corresponding addresses.

Supplemental Documentation

The following supplemental documentation must accompany DISCLOSURE 1:

- (a) Official Business Registration Document.** From Michigan, or any other jurisdiction. This document should demonstrate the applicant’s business entity registration status. The type of registration document should match the type of entity. For example, the Certificate of Incorporation, an LLC Operating Agreement, or similar document that establishes the registration of the entity with its principal place of business. **Provide a certified or official copy of the document from the authority that authorized the business.**

For further inquiry, business entities in Michigan can visit the LARA website under the Corporations Division link. <http://www.michigan.gov/corporations>.

- (b) Copy of Bylaws or Other Governing Documents.** For a corporation, provide a copy of your most current bylaws. For other entities, please include the most current copy of internal-working documents if applicable. This document should be the internal working documents of the entity/individual.
- (c) Certificate of Good Standing.** Provide a certificate of good standing (or home state equivalent) from the business’ certifying authority. The applicant is required to provide an official or certified copy of a good-standing document from an authority that certified the business. (e.g., state or county documentation demonstrating applicant is in good standing as a business with the authority).

For further inquiry, business entities in Michigan can visit the LARA website under the Corporations Division link. <http://www.michigan.gov/corporations>.

- (d) **Approval to Conduct Business Transactions in Michigan.** For any entity whose principal operation exists outside of Michigan, the applicant is required to provide documentation of the entity's approval to conduct business transactions in Michigan.

For further inquiry, visit the LARA website under the Corporations Division link for information relating to Foreign Corporations. <http://michigan.gov/corporations>.

- (e) **Any Trademark, Service Mark or Insignia Registration Documents (if applicable).** If the applicant has a preexisting trademark or insignia, the applicant must provide a copy of authenticating documents with this Disclosure.

In Michigan, mark registration is governed under the Trademarks and Service Marks Act, 1969 PA 242; MCL 429.31 *et seq.*, as amended. The Act provides for the registration of trademarks and service marks, prescribes the powers and duties of certain officers and agencies, and the remedies for infringement. The Act is modeled after the federal law governing trademarks known as the Lanham Act.

Trademark

Michigan defines a trademark as any word, name, symbol, or device, or any combination thereof, other than a trade name in its entirety, adopted and used by a person to identify their goods and distinguish them from similar goods made or sold by others. It normally appears on the product or its packaging.

Service Mark

Michigan defines a service mark as any word, name, symbol, or device, or any combination thereof, other than a trade name in its entirety, adopted and used by a person in the sale or advertising of services to identify *their services* and distinguish them from similar services of others. It normally appears on advertising for the services.

Trade Name

Michigan defines a trade name as any word or group of words used by any person to identify a sole proprietorship, firm, partnership, corporation, association, union, or other organization. A trade name is an actual or assumed name of a business entity, not a name for a specific product or service.

Insignia

Pursuant to Section 1 of the Registration of Names and Insignia Act, 1927 PA 281, MCL 430.1 *et seq.*, any association, lodge, order, fraternal society, beneficial association, or fraternal and beneficial society or association, historical, military or veteran's organization, labor union, foundation, federation, or any other society, organization, or association, degree, branch subordinate lodge or auxiliary thereof, whether incorporated or unincorporated may register in the office of the administrator, a facsimile, duplicate, or description of its name, badge, button, decoration, charm, emblem, rosette, or other insignia.

- (f) **Copy of Organizational Structure (if applicable).** If the applicant has a hierarchy of authority, or a decision-making power structure, the applicant is required to provide a copy of or description of the organizational structure.

Example 1: If applicant is a subsidiary of a corporation, please include information related to the parent corporation and any other subsidiary corporations of the same parent.

Example 2: If the applicant is a corporation without subsidiaries, but is a large organization with many levels of supervision and approval markers, include information related to the applicant's authority structure.

(g) **Authorizing Resolution (if applicable).** Please include a copy of the applicant's authorizing resolution. For Michigan, this document is available at: https://www.michigan.gov/documents/cis_ofis_fis_2054_69634_7.pdf.

(h) **Certificate of Assumed Name (if applicable).** If an individual/entity conducts business under an assumed name, it is considered to have an assumed name. If the applicant is in this situation, it must provide a copy of the Certificate of Assumed name, or related Doing Business As (D/B/A) form on file with the state or the county of business.

EIPP Page 10

DISCLOSURE 2A—OWNERSHIP INTERESTS

Authority for Request: MCL § 333.27401(1)(b)

Each individual or entity listed on DISCLOSURE 2A must submit a supplemental applicant prequalification packet.

Pursuant to MCL 333.27401(1)(b), the applicant must provide:

The identity of every person having any ownership interest in the applicant with respect to the license sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all shareholders, officers, and directors; if a partnership or limited liability partnership, the names and addresses of all partners; if a limited partnership or limited liability limited partnership, the names of all partners, both general and limited; or if a limited liability company, the names and addresses of all members and managers.

Persons with an ownership interest include those whose ownership interests are direct or indirect. See MCL 333.27102(c)

If the person is an individual, identify the individual by name, address, indicate the percentage of ownership in the proposed marihuana facility and the individual's social security number.

If the person is an entity, identify the entity by name, address, indicate the percentage of ownership in the proposed marihuana facility and the entity's FEIN.

Add additional pages as necessary, providing the requested information in the manner listed in Disclosure 2A.

EIPP Page 11

DISCLOSURE 2B—OWNERSHIP INTERESTS PUBLIC OFFICIALS

Authority for Request: MCL 333.27401(1)(g)

Only those persons listed on DISCLOSURE 2B who, directly or indirectly, own any financial interest in the applicant must submit a Supplemental Applicant Prequalification Packet.

Pursuant to MCL 333.27401(1)(g), the applicant must provide:

A statement listing the names and titles of all public officials or officers of any unit of government, and the spouses, parents, and children of those public officials or officers, who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with an applicant. As used in this subdivision, public official or officer does not include a person who would have to be listed solely because of his or her state or federal military service.

Provide a Disclosure 2B form for each public official or officer of any unit of government who individually or through a listed family member have a listed interest.

1. List the name of the public official or officer of any unit of government and that individual's title.
2. Indicate by choosing yes or no if the interest is that of the public official or officer of any unit of government.
3. If yes, indicate the percentage of the financial or beneficial interest or indicate the capacity of the interest as a creditor of the applicant, the holder of any debt instrument issued by an applicant, or if the public official or officer holds or has any interest in any contractual or service relationship with the applicant.
4. If the interest is that of the spouse, parent, or child of the public official or officer of a unit of government:
 - a. List the name of the family member
 - b. State the relationship of the family member to the public official or officer of a unit of government
 - c. Provide the family member's date of birth
 - d. Provide the family member's address
 - e. Indicate the percentage of the financial or beneficial interest or indicate the capacity of the interest as a creditor of the applicant, as the holder of any debt instrument issued by an applicant, or family member holds or has any interest in any contractual or service relationship with the applicant.
 - f. Provide the family member's SSN or FEIN if the family member's interest is through the family member's business entity.

Add additional pages as necessary, providing the requested information in the manner listed in Disclosure 2B.

EIPP Page 12

DISCLOSURE 2C—TRUE PARTY OF INTEREST

Authority for Request: MCL 333.27404(2)(a)-(f)

Each individual or entity listed on DISCLOSURE 2C must submit a supplemental applicant prequalification packet.

Pursuant to MCL 333.27404(1), the board shall issue a license only in the name of a true party of interest. MCL 333.27404(2) identifies the indicated individuals as true parties of interest and requires the same disclosures required of an applicant or licensee.

True parties of interest in the applicant's proposed marihuana facility:

1. For a sole proprietorship – The individual and his or her spouse
2. For a partnership and limited liability partnership - All partners and their spouses
3. For a limited partnership and limited liability limited partnership – All general and limited partners and their spouses
4. For a limited liability company (LLC)—All members, managers and their spouses
5. For a privately held corporations—All corporate officers (or equivalent) and their spouses and all stockholders and their spouses
6. For a publicly held corporations – All corporate officers (or equivalent) and their spouses
7. For a multi-level ownership enterprise - Any entity or person that receives or has the right to receive a percentage of gross or net profit during any full or partial calendar or fiscal year
8. For a nonprofit corporation – All individuals and entities with membership or shareholder rights under the articles of incorporation or bylaws and their spouses

A true party of interest is **not** a person receiving rent payments on a fixed basis (i.e. a landlord) unless the lessor or property manager exercises control over or participates in management of the applicant's business. MCL § 333.27404(3)(a).

A true party of interest party is **not** a person who receives a bonus as an employee, if the employee is on a fixed wage or salary and the bonus is not more than 25% of the employee's pre-bonus annual compensation or if the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered. MCL § 333.27404(3)(b).

EIPP Page 13

DISCLOSURE 2D—MARIHUANA BUSINESS OWNERSHIP INTERESTS

Authority for Request: MCL 333.27401(1)(c)

Each individual or entity listed on DISCLOSURE 2D must submit a supplemental applicant prequalification packet.

Pursuant to MCL 333.27401(1)(c), the applicant must provide:

[I]dentification of any business that is directly or indirectly involved in the growing, processing, testing, transporting, or sale of marihuana, including, if applicable, the state of incorporation or registration, in which an applicant or, if the applicant is an individual, the applicant's spouse, parent, or child has any equity interest. If an applicant is a corporation, partnership, or other business entity, the applicant shall identify any other corporation, partnership, or other business entity that is directly or indirectly involved in the growing, processing, testing, transporting, or sale of marihuana in which it has any equity interest, including, if applicable, the state of incorporation or registration. An applicant may comply with this subdivision by filing a copy of the applicant's registration with the Securities and Exchange Commission if the registration contains the information required by this subdivision.

If the applicant is an individual – Disclose any equity interest of the individual, the individual's spouse, parent or child in any other business that is directly or indirectly involved in the ***growing, processing, testing, transporting, or sale of marihuana***.

1. Indicate the name of the other marihuana business entity and the state of incorporation or registration.
2. Provide the address of the marihuana business entity and the SSN or FEIN.
3. Provide the name of the individual, spouse, parent, or child, who holds the interest; the relationship to the applicant; the percentage of equity interest in the other marihuana business entity; and the SSN or FEIN.

If the applicant is a corporation, partnership, or other business entity – Disclose any equity interest that the entity has in any other corporation, partnership or other business entity that is directly or indirectly involved in the ***growing, processing, testing, transporting, or sale of marihuana***.

1. Indicate the name of the other marihuana business entity and the state of incorporation or registration.
2. Provide the address of the marihuana business entity and FEIN.
3. Provide the relationship of the other marihuana business entity to the applicant and the percentage of equity interest in the other marihuana business entity.

An applicant may comply with this requirement by filing a copy of the applicant's registration with the Securities and Exchange Commission if the registration contains the information required by this Disclosure.

EIPP Page 14

DISCLOSURE 2E—OTHER INTERESTS

Authority for Request: MCL § 333.27102(c), MMFLA Emergency Administrative Rule 5(3)(e), MCL § 333.27303(1)(g)

Only those persons identified as an officer, director, or managerial employee on Disclosure 2E, must submit a Supplemental Applicant Prequalification Packet.

Pursuant to MCL 333.27102(c), with respect to disclosures or for purposes of ineligibility for a license under section 402 (MCL 333.27402), the term “applicant” includes an officer, director, and managerial employee of the applicant.

Pursuant to MMFLA Emergency Administrative Rule 5(3)(e) requires the disclosure by the applicant of the identity of any other person who meets either of the following: (1) controls, directly or indirectly, the applicant or (2) is controlled, directly or indirectly, by the applicant or by a person who controls, directly or indirectly, the applicant.

Pursuant to MCL 333.27303(1)(g) requires the disclosure of a list of the stockholders or other persons having a 1% or greater beneficial interest in the marihuana facility in addition to any other information the board considers necessary to effectively administer the MMFLA, rules, orders, and final decisions made under the MMFLA.

In Disclosure E, list the name of any person meeting any of the above required disclosures **who have not otherwise been identified** in a disclosure statement, the person's address, capacity of the interest, and the person's SSN or FEIN.

EIPP Page 15

DISCLOSURE 3A—FINANCIAL INFORMATION

Authority for Request: MCL 333.27401(1)(i), MMFLA Emergency Administrative Rule 5(3)(a); Rule 11

Provide the required information for each bank, credit union, savings and loan association, stock brokerage firm, or other financial institution (foreign or domestic) in which the entity has or has had an account over the last 3-year period. Provide this information regardless of whether such account was held in the name of the entity, a nominee of the entity or was otherwise under the direct or indirect control of the entity.

Supplemental Documentation

The following supplemental documentation must accompany DISCLOSURE 3A:

- (a) CPA attested financial statement including foreign attested CPA statement or its equivalent, if applicable, documenting the sources and total amount of the applicant's capitalization to operate and maintain proposed marihuana facility, including any pecuniary interest, any deposit of value of the applicant, or made directly or indirectly to the applicant, or both.
- (b) Copy of statements for each listed account for the past 3 years.

For entity applicants, the financial statements should pertain to the entity's business practice. If the applicant is a new business, the applicant should include information pertaining to the business' principal members/owners.

For individual applicants, the financial statements should pertain to the individual's business practice. If the individual is a new business, the applicant should provide information pertaining to the individual's personal finances.

EIPP Page 16

DISCLOSURE 3B—REAL PROPERTY INTERESTS

Authority for Request: MMFLA Emergency Administrative Rule 5(3)(b)

Provide the information requested on Disclosure 3B for any real property in which the applicant has an ownership or in which the applicant has an interest related to the use of real property.

Supplemental Documentation

The following supplemental documentation must accompany Disclosure 3B:

- (a) Copies of any deed, lease, rent, real estate trusts, purchase agreements, any document related to the exchange of anything of value for the use of real property, institutional investors, or any other document related to the property disclosed

EIPP Page 17

DISCLOSURE 4—DEBT, INSOLVENCY, OR BANKRUPTCY ACTIONS

Authority for Request: MCL 333.27402(3)(e), MMFLA Emergency Administrative Rule 5(3)(a)

If the applicant filed, or had filed against it/him/her, a proceeding for bankruptcy or been involved in any formal process to adjust, defer, suspend or otherwise work out payment of a debt in the past seven years, provide: the date of filing; the name and location of the court that issued the order; the case number; and

the disposition of the case (i.e. how the case was resolved).

Add additional pages as necessary, providing the requested information in the manner listed on Disclosure 4.

Supplemental Documentation

- 1) Copy of any debt, insolvency, or bankruptcy order from the appropriate court or jurisdiction (if applicable)

EIPP Page 18

DISCLOSURE 5—TAX & TAX COMPLIANCE QUESTIONS

Authority for Request: MCL 333.27401(1)(f), MMFLA Emergency Administrative Rule 5(3)(c)

Provide the following information, being as thorough as possible. If the applicant has not yet filed a tax return with any jurisdiction, indicate “N/A” on the appropriate blanks in Disclosure 5.

1. **Applicant FEIN:** Provide the applicant’s current Federal Employer Identification Number (FEIN) number in the appropriate box
2. **Applicant State Tax ID:** Provide the applicant’s current State Tax ID, including the state in which it was issued. If this number is the same as the applicant’s FEIN, include the FEIN number again in this box.
3. **Name on IRS Return:** Provide the name that was used on the most recent federal income tax return for the applicant. If the applicant has not yet filed a return, indicate what name it will be filing under for the current tax year.
4. **Name on State Return:** Provide the name that was used on the most recent state income tax return for the applicant. If the applicant has not yet filed a return, indicate what name it will be filing under for the current tax year.

Past Taxation Compliance History Questions

The applicant should answer the questions as they relate to the applicant’s business or personal taxation history.

Add additional pages as necessary, providing the requested information in the manner listed on DISCLOSURE 5.

NOTE: If the applicant’s status as a business began the same year of this application, indicate by checking the appropriate box on Disclosure 5. For question (2) provide information related to the anticipated jurisdictions of taxation.

Example: New, LLC formed in Michigan in November 2017. New, LLC has not yet filed taxes in any jurisdiction. New, LLC will conduct and transact business exclusively in Michigan. New, LLC will disclose that it will anticipate paying applicable taxes to the IRS, Michigan, and municipality.

Supplemental Documentation

1. Copy of the applicant’s tax returns for the past 3 years.

The applicant must provide a copy of the business tax returns for the past 3 years. This includes information related to any deduction, credit, forgiveness of indebtedness, or other release or modification of tax liability.

This documentation includes tax returns from any federal, state, local, or foreign jurisdiction in which the applicant conducted business.

Entity applicants should provide these documents for its business practices. If the entity is in its first year of formation, the applicant should provide these documents for the principal members or owners of the entity.

Individual applicants should provide these documents related to business practice. If the individual does not have documents for its business practice, personal tax return information should be provided.

2. **Copy of the applicant's W2s and/or 1099s for the past 3 years.**

The applicant must provide a copy of W2s/1099s for the past 3 years.

Entity applicants should provide these documents for its business practices. If the entity is in its first year of formation or does not have W2s/1099s, the applicant should provide these documents for the principal members or owners of the entity.

Individual applicants should provide these documents related to business practice. If the individual does not have documents for its business practice, personal W2s and 1099s should be provided.

3. **Copy of any notices of tax liability due (if applicable).**

If the applicant has any current or outstanding tax liability for any jurisdiction, provide a copy of documentation related to the tax liability.

This includes any information or documentation related to an offer in compromise or currently not collectable information.

Example: If the applicant has filed Form 656 and accompanying documentation with the IRS, include copies of all the files and any decisions rendered.

EIPP Page 19

DISCLOSURE 6—GOVERNMENT REGULATION

Authority for Request: MCL§ 333.27402(3)(g), MMFLA Emergency Administrative Rule 5(4)(f)-(g)

Applicants are required to submit Disclosure 6. If an applicant has no history of other regulatory compliance, the applicant must indicate so on Disclosure 6 and return it with the EIPP.

The applicant must provide the name and location of all regulating public agencies with which the applicant has a licensure and indicate the type of regulation.

The applicant must provide the name and location of all regulating public agencies with which the applicant has had an application or licensure denied, restricted, suspended, revoked or not renewed and indicate the type of regulation.

For each application or licensure that has been denied, restricted, suspended, revoked, or not renewed, provide the following: the name and location of the public agency, the type of regulation, the license number

or other identifying number, the date and action taken, and the reason for each action. Provide a summary of the facts and circumstances concerning the denial, restriction, suspension, or nonrenewal.

Supplemental Documentation

1. Copy of any other commercial license held by the applicant (if applicable)
2. Copy of any comparable license (e.g. marihuana license from another jurisdiction (if applicable)

EIPP Page 20

DISCLOSURE 7—CRIMINAL HISTORY

Authority for Request: MCL 333.27401(1)(d), MCL 333.27402(4), MMFLA Emergency Administrative Rule 5(4)

***** The applicant will be required to submit fingerprints as part of the criminal history background investigation. After submission of prequalification documents, await further instruction from the Bureau on when and where to be fingerprinted. *****

The Applicant is required to provide criminal history information. Any intentional or accidental omission or misrepresentation may result in the application being delayed or denied. It is in the applicant's best interest to disclose information about which the applicant is uncertain should be disclosed.

Criminal History Questions

- (1) The applicant must indicate by way of yes or no whether any of the listed circumstances apply.
- (2) If the applicant answers **yes** to any of the listed circumstances, the applicant must complete the corresponding table and provide all information, attaching additional pages as necessary to fully explain the circumstance. If the applicant was arrested but not charged, the applicant's matter was expunged or otherwise set aside, the applicant must attach an additional page and provide the information relevant to related to this status and explain the nature of the offense.
- (3) Please provide length, location of, and date of release from any corresponding incarceration.

Supplemental Documentation

The applicant must include the following as part of the criminal history background check

1. Evidence of charge/dismissal/conviction/expungement (if applicable)
2. Copy of parole or probation information (if applicable)

EIPP Page 21

DISCLOSURE 8—LITIGATION HISTORY

Authority for Request: MCL § 333.27402(3)(h)

The applicant must submit Disclosure 8 as part of its application. If an applicant has no history of litigation, the applicant must indicate so on Disclosure 8 and return it with the application.

If the application provides a YES answer to any of the questions on DISCLOSURE 8, the applicant must provide the following information in relation to any active or closed litigation:

1. Case Caption
2. Docket Number or Case Number
3. Court
4. Location of Court

Current Case Example:

Albert v. Smith, Docket 17-0002-ND. 17th Circuit Court
180 Ottawa Ave. NW Grand Rapids, MI 49503

Smith was involved in a car accident while delivering goods to a retailer.

SUPPLEMENTAL APPLICANT PREQUALIFICATION PACKET(SAPP)

Persons identified in the Entity/Individual Prequalification Packet on Disclosures 2A, 2C, 2D; only those persons listed on DISCLOSURE 2B who, directly or indirectly, own any financial interest in the applicant; and only those persons identified as an officer, director, or managerial employee on Disclosure 2E, must submit a Supplemental Applicant Prequalification Packet.

Those persons identified in the Supplemental Applicant Prequalification Packet on Disclosures 2A-SA and 2D-SA; only those persons listed on DISCLOSURE 2B-SA who, directly or indirectly, own any financial interest in the applicant; and only those persons identified as an officer, director, or managerial employee on Disclosure 2E-SA must submit a Supplemental Applicant Prequalification Packet.

SAPP Page 1

Prequalification Document Checklist

The first page of the SAPP provides the document checklist. This checklist indicates the required attestations, disclosures, and supporting documentation in the order in which the SAPP should be submitted to the Bureau.

SAPP Page 2

Application in Support Of

The supplemental applicant must provide the name of the entity/individual applicant so that the supplemental applicant's SAPP can be linked with the appropriate EIPP. The supplemental applicant should contact the entity/individual applicant for information necessary to complete this section.

Demographic Information

Required under MCL § 333.27401

In this section, provide information regarding the entity or individual supplemental applicant.

1. **Supplemental Applicant Name:** Provide the name of the entity as the name appears on the official business document. This will be the name on the Articles of Incorporation, Operating Agreement, Charter, Bylaws, Partnership Agreement, Trust, or other official document. If the supplemental applicant is an individual, please provide that individual's name.
2. **Doing Business As (d/b/a):** List a d/b/a as used if used to conduct business in relation to the marijuana facility license. For example, if the supplemental applicant entity is "Green Enterprises, LLC" is the entity but does business as "Green Acres," the supplemental applicant is "Green Enterprises, LLC" and the d/b/a is "Green Acres." If "Sam Smith" is the individual supplemental applicant, but does business as "Smith's Great Provisioning Center," "Sam Smith" is the supplemental applicant name and the d/b/a is "Smith's Great Provisioning Center." If there is no dba, indicate "N/A"
3. **Business Mailing Address:** Provide the mailing address for official correspondence for the business. This address will be used by the licensing board for official communication. Indicate if the address is a P.O. Box.
4. **FEIN/SSN:** Provide the Federal Employer Identification Number (FEIN) or Social Security Number (SSN) for the supplemental applicant.
5. **D.O.B.** (Date of Birth): For individual supplemental applicants, or supplemental applicants otherwise registered under a supplemental applicant's SSN, please provide the supplemental applicant's date of birth.
6. **Supplemental Applicant's Physical Address:** Provide the physical address of the individual

supplemental applicant's home or d/b/a business location or entity supplemental applicant's business address. Include suite or apartment number as appropriate. Do NOT list P.O. Boxes for the physical address. This address may be different than the business mailing address.

7. **Email Address:** Provide an official business email address or other frequently checked email that can be used for correspondence with the Bureau.
8. **Website:** If applicable, or available, please provide the official website for the supplemental applicant's entity or d/b/a. Supplemental Applicants should also include in this section any social media links it uses.

Responsible Person for Application Completion

Provide demographic information about the person completing the paper application.

This can be the supplemental applicant itself, or the supplemental applicant may designate a professional to represent it such as an attorney or certified public accountant (CPA).

If the responsible person for application completion is an attorney or CPA, please provide the attorney's or CPA's professional license number in the appropriate box.

SAPP Page 3

ATTESTATION A-SA: SUPPLEMENTAL APPLICANT'S ACKNOWLEDGMENT, AGREEMENT, & CONSENT

Authority for Request: MCL § 333.27402(4); MCL § 333.27401(3); MMFLA Emergency Rule 5(3)(c)

This attestation must be completed by the supplemental applicant, not a representative. This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

In this attestation, the supplemental applicant acknowledges the obligation to act in candor with the Bureau and provide any requested additional documentation in a timely fashion; waives any claim of damages as a result of a marijuana facility application; attests that the supplemental applicant has no interest prohibited by the MMFLA; affirms the supplemental applicant's continuing duties; consents to inspections, searches, and seizures as required or allowed by the MMFLA and MMFLA Emergency Rules, and consents to the review of tax records under the Michigan Revenue Act.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

SAPP Page 4

ATTESTATION B-SA: SUPPLEMENTAL APPLICANT'S AUTHORIZATION TO RELEASE INFORMATION

Authority for Request: MCL § 333.27401

This attestation must be completed by the supplemental applicant, not a representative. This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

A valid signature on this form affirms that the supplemental applicant authorizes the release of information from: any and all courts, probation departments, selective service boards, employers, educational

institutions, banks, financial institutions, and all governmental agencies federal, state and local, without exception, both foreign and domestic, for purposes of determining the supplemental applicant's eligibility as a supplemental applicant for a marihuana facility license.

The release of the information is valid during the pendency of the supplemental applicant's application with the Bureau.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

SAPP Page 5

ATTESTATION C-SA: SUPPLEMENTAL APPLICANT'S VERIFICATION & AFFIDAVIT OF FULL DISCLOSURE

Authority for Request: MCL § 333.27402

This attestation must be completed by the supplemental applicant, not a representative. This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

A valid signature on this form affirms that the supplemental applicant has completed the application with full candor. If applicable, the supplemental applicant authorizes an individual to be the representative and contact person for purposes of the licensure process with Bureau.

The supplemental applicant also affirms that it has no agreements with third-parties in relation to an interest in the application or licensure process.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

SAPP Page 6

ATTESTATION D-SA: SUPPLEMENTAL ATTESTATION & DISCLOSURE

This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

This attestation must be completed by the PERSON COMPLETING APPLICATION if different than the entity or individual seeking licensure. If the EIPP is being completed by the entity or individual seeking licensure, please indicate N/A on the form and complete it with the EIPP.

A valid signature on this attestation affirms that the person completing the online form is responsible for the application completion and has no interest in the applicant other than what is reported in the application.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

SAPP Page 7

**ATTESTATION F-SA: SUPPLEMENTAL APPLICANT'S ACKNOWLEDGMENT OF
FEDERAL LAW & WAIVER**

This attestation must be completed by the supplemental applicant, not a representative. This document must be completed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

SAPP Page 8

DISCLOSURE 1-SA: SUPPLEMENTAL APPLICANT ENTITY INFORMATION

Authority for Request: MCL 333.27401; MCL 333.27402(f)-(g); MCL § 333.27301(12); MMLFA Emergency Rule 5.

This disclosure requests all information related to an entity or individual supplemental applicant. All listed supporting documentation is required unless otherwise indicated. Add additional pages as necessary, appropriately labeled.

(1) Entity Structure

Select the structure that aligns with the supplemental applicant. If the supplemental applicant's entity structure is not available, select the OTHER box and provide the structure in the blank provided.

(2) Michigan Residency

Indicate the amount of time the applicant has been a resident of Michigan.

Note: Under MCL 333.27402(2)(g), if the supplemental applicant is an individual, the individual must have been a resident of Michigan for not less than a continuous 2-year period immediately preceding the date of filing the application.

(3) Governmental Affiliation

Indicate by checking yes or no whether the supplemental applicant has any of the specified governmental affiliation.

Note: Under MCL 333.27402(2)(f), a supplemental applicant is ineligible to receive a license if the supplemental applicant holds an elective office of a governmental unit of this state, another state, or the federal government; is a member of or employed by a regulatory body of a governmental unit in this state, another state, or the federal government; or is employed by a governmental unit of this state. This provision *does not* apply to an elected officer of or employee of a federally recognized Indian tribe. The provision also *does not* apply to an elected precinct delegate.

Under MCL 333.27301(12) A member of the board, executive director, or key employee shall not hold any direct or indirect interest in, be employed by, or enter into a contract for services with an supplemental applicant, a board licensee, or a marihuana facility for a period of 4 years after the date his or her employment or membership on the board terminates. "Key employee" as determined by LARA, includes any person employed with the Bureau of Medical Marihuana Regulation, Facilities Licensing Division.

(4) Entity Organizational Structure

Explain in the space provided, the entity's chain of command. An organization's chain of command refers to the company's hierarchy of reporting relationships from the bottom to top of who must answer to whom. The chain of command establishes accountability, and lays out the lines of authority and decision-making power. Attach additional pages if necessary for explanation.

Example: Purple Kush Products, Inc. (PKP Inc.) is a corporation with 3 business analysts and 3 testers. Each analyst reports to the business analyst manager. Each of the testers report to the quality assurance manager. Each of the managers report to the Chief Executive Officer (CEO). PKP Inc. is a subsidiary of Kush International, and the CEO of PKP, Inc. reports to the CEO of Kush International. The CEO of Kush International reports to the Kush International board of directors.

(5) Entity's Prior Names & Addresses

Include information pertaining to prior addresses of the entity. If there are no prior addresses, write "N/A" on the top blank.

For entity supplemental applicants, this pertains to the business name of the entity. For individual supplemental applicants, this will be the individual's name, any prior names, and corresponding addresses.

Supplemental Documentation

The following supplemental documentation must accompany DISCLOSURE 1:

- (a) **Official Business Registration Document.** From Michigan, or any other jurisdiction. This document should demonstrate the supplemental applicant's business entity registration status. The type of registration document should match the type of entity. For example, the Certificate of Incorporation, an LLC Operating Agreement, or similar document that establishes the registration of the entity with its principal place of business. **Provide a certified or official copy of the document from the authority that authorized the business.**

For further inquiry, business entities in Michigan can visit the LARA website under the Corporations Division link. <http://www.michigan.gov/corporations>.

- (b) **Copy of Bylaws or Other Governing Documents.** For a corporation, provide a copy of your most current bylaws. For other entities, please include the most current copy of internal-working documents if applicable. This document should be the internal working documents of the entity/individual.

- (c) **Certificate of Good Standing.** Provide a certificate of good standing (or home state equivalent) from the business' certifying authority. The supplemental applicant is required to provide an official or certified copy of a good-standing document from an authority that certified the business. (e.g., state or county documentation demonstrating supplemental applicant is in good standing as a business with the authority).

For further inquiry, business entities in Michigan can visit the LARA website under the Corporations Division link. <http://www.michigan.gov/corporations>.

- (d) **Approval to Conduct Business Transactions in Michigan.** For any entity whose principal operation exists outside of Michigan, the supplemental applicant is required to provide documentation of the entity's approval to conduct business transactions in Michigan.

For further inquiry, visit the LARA website under the Corporations Division link for information relating to Foreign Corporations. <http://michigan.gov/corporations>.

- (e) **Any Trademark, Service Mark or Insignia Registration Documents (if applicable).** If the supplemental applicant has a preexisting trademark or insignia, the supplemental applicant must provide a copy of authenticating documents with this Disclosure.

In Michigan, mark registration is governed under the Trademarks and Service Marks Act, 1969 PA 242; MCL 429.31 *et seq.*, as amended. The Act provides for the registration of trademarks and service marks, prescribes the powers and duties of certain officers and agencies, and the remedies for infringement. The Act is modeled after the federal law governing trademarks known as the Lanham Act.

Trademark

Michigan defines a trademark as any word, name, symbol, or device, or any combination thereof, other than a trade name in its entirety, adopted and used by a person to identify their goods and distinguish them from similar goods made or sold by others. It normally appears on the product or its packaging.

Service Mark

Michigan defines a service mark as any word, name, symbol, or device, or any combination thereof, other than a trade name in its entirety, adopted and used by a person in the sale or advertising of services to identify *their services* and distinguish them from similar services of others. It normally appears on advertising for the services.

Trade Name

Michigan defines a trade name as any word or group of words used by any person to identify a sole proprietorship, firm, partnership, corporation, association, union, or other organization. A trade name is an actual or assumed name of a business entity, not a name for a specific product or service.

Insignia

Pursuant to Section 1 of the Registration of Names and Insignia Act, 1927 PA 281, MCL 430.1 *et seq.*, any association, lodge, order, fraternal society, beneficial association, or fraternal and beneficial society or association, historical, military or veteran's organization, labor union, foundation, federation, or any other society, organization, or association, degree, branch subordinate lodge or auxiliary thereof, whether incorporated or unincorporated may register in the office of the administrator, a facsimile, duplicate, or description of its name, badge, button, decoration, charm, emblem, rosette, or other insignia.

- (f) **Copy of Organizational Structure (if applicable).** If the supplemental applicant has a hierarchy of authority, or a decision-making power structure, the supplemental applicant is required to provide a copy of or description of the organizational structure.

Example 1: If supplemental applicant is a subsidiary of a corporation, please include information related to the parent corporation and any other subsidiary corporations of the same parent.

Example 2: If the supplemental applicant is a corporation without subsidiaries, but is a large organization with many levels of supervision and approval markers, include

information related to the supplemental applicant's authority structure.

- (g) **Authorizing Resolution (if applicable).** Please include a copy of the supplemental applicant's authorizing resolution. For Michigan, this document is available at:
https://www.michigan.gov/documents/cis_ofis_fis_2054_69634_7.pdf.
- (h) **Certificate of Assumed Name (if applicable).** If an individual/entity conducts business under an assumed name, it is considered to have an assumed name. If the supplemental applicant is in this situation, it must provide a copy of the Certificate of Assumed name, or related Doing Business As (D/B/A) form on file with the state or the county of business.

SAPP Page 9

DISCLOSURE 2A-SA: OWNERSHIP INTERESTS

Authority for Request: MCL 333.27401(1)(b)

Each individual or entity listed on DISCLOSURE 2A-SA must submit a supplemental applicant prequalification packet.

Pursuant to MCL 333.27401(1)(b), the applicant must provide:

The identity of every person having any ownership interest in the supplemental applicant with respect to the license sought. If the disclosed entity is a trust, the application shall disclose the names and addresses of the beneficiaries; if a corporation, the names and addresses of all shareholders, officers, and directors; if a partnership or limited liability partnership, the names and addresses of all partners; if a limited partnership or limited liability limited partnership, the names of all partners, both general and limited; or if a limited liability company, the names and addresses of all members and managers.

Persons with an ownership interest include those whose ownership interests are direct or indirect. See MCL § 333.27102(c)

If the person is an individual, identify the individual by name, address, indicate the percentage of ownership in the proposed marihuana facility and the individual's social security number.

If the person is an entity, identify the entity by name, address, indicate the percentage of ownership in the proposed marihuana facility and the entity's FEIN.

Add additional pages as necessary, providing the requested information in the manner listed in Disclosure 2A-SA.

SAPP Page 10

DISCLOSURE 2B-SA: OWNERSHIP INTERESTS PUBLIC OFFICIALS

Authority for Request: MCL 333.27401(1)(g)

Only those persons listed on DISCLOSURE 2B-SA who, directly or indirectly, own any financial interest in the supplemental applicant must submit a Supplemental Applicant Prequalification Packet.

Pursuant to MCL 333.27401(1)(g), the applicant must provide:

A statement listing the names and titles of all public officials or officers of any unit of

government, and the spouses, parents, and children of those public officials or officers, who, directly or indirectly, own any financial interest in, have any beneficial interest in, are the creditors of or hold any debt instrument issued by, or hold or have any interest in any contractual or service relationship with an applicant. As used in this subdivision, public official or officer does not include a person who would have to be listed solely because of his or her state or federal military service.

Provide a Disclosure 2B-SA form for each public official or officer of any unit of government who individually or through a listed family member have a listed interest.

1. List the name of the public official or officer of any unit of government and that individual's title.
2. Indicate by choosing yes or no if the interest is that of the public official or officer of any unit of government.
3. If yes, indicate the percentage of the financial or beneficial interest or indicate the capacity of the interest as a creditor of the applicant, the holder of any debt instrument issued by an applicant, or if the public official or officer holds or has any interest in any contractual or service relationship with the applicant.
4. If the interest is that of the spouse, parent, or child of the public official or officer of a unit of government:
 - a. List the name of the family member
 - b. State the relationship of the family member to the public official or officer of a unit of government
 - c. Provide the family member's date of birth
 - d. Provide the family member's address
 - e. Indicate the percentage of the financial or beneficial interest or indicate the capacity of the interest as a creditor of the applicant, as the holder of any debt instrument issued by an applicant, or family member holds or has any interest in any contractual or service relationship with the applicant.
 - f. Provide the family member's SSN or FEIN if the family member's interest is through the family member's business entity.

Add additional pages as necessary, providing the requested information in the manner listed in Disclosure 2B-SA.

SAPP Page 12

DISCLOSURE 2D-SA: MARIHUANA BUSINESS OWNERSHIP INTERESTS

Authority for Request: MCL 333.27401(1)(c)

Each individual or entity listed on DISCLOSURE 2D-SA must submit a supplemental applicant prequalification packet.

Pursuant to MCL 333.27401(1)(c), the applicant must provide:

[I]dentification of any business that is directly or indirectly involved in the growing, processing, testing, transporting, or sale of marihuana, including, if applicable, the state of incorporation or registration, in which an applicant or, if the applicant is an individual, the applicant's spouse, parent, or child has any equity interest. If an applicant is a corporation, partnership, or other business entity, the applicant shall identify any other corporation, partnership, or other business entity that is directly or indirectly involved in the growing, processing, testing, transporting, or sale of marihuana in which it has any equity interest, including, if applicable, the state of incorporation or registration. An applicant may comply with this subdivision by filing a copy of the applicant's registration with the Securities and Exchange Commission if the registration contains the information required by this subdivision.

If the supplemental applicant is an individual – Disclose any equity interest of the individual, the individual's spouse, parent or child in any other business that is directly or indirectly involved in the ***growing, processing, testing, transporting, or sale of marihuana***.

1. Indicate the name of the other marihuana business entity and the state of incorporation or registration.
2. Provide the address of the marihuana business entity and the SSN or FEIN.
3. Provide the name of the individual, spouse, parent, or child, who holds the interest; the relationship to the supplemental applicant; the percentage of equity interest in the other marihuana business entity; and the SSN or FEIN.

If the supplemental applicant is a corporation, partnership, or other business entity – Disclose any equity interest that the entity has in any other corporation, partnership or other business entity that is directly or indirectly involved in the ***growing, processing, testing, transporting, or sale of marihuana***.

1. Indicate the name of the other marihuana business entity and the state of incorporation or registration.
2. Provide the address of the marihuana business entity and FEIN.
3. Provide the relationship of the other marihuana business entity to the supplemental applicant and the percentage of equity interest in the other marihuana business entity.

A supplemental applicant may comply with this requirement by filing a copy of the applicant's registration with the Securities and Exchange Commission if the registration contains the information required by this Disclosure.

SAPP Page 13

DISCLOSURE 2E-SA: OTHER INTERESTS

Authority for Request: MCL 333.27102(c), MMFLA Emergency Administrative Rule 5(3)(e),
MCL § 333.27303(1)(g)

Each individual or entity listed on DISCLOSURE 2E-SA must submit a supplemental applicant prequalification packet.

Pursuant to MCL 333.27102(c), with respect to disclosures or for purposes of ineligibility for a license under section 402 (MCL 333.27402), the term “applicant” includes an officer, director, and managerial employee of the applicant.

Pursuant to MMFLA Emergency Administrative Rule 5(3)(e) requires the disclosure by the applicant of the identity of any other person who meets either of the following: (1) controls, directly or indirectly, the applicant or (2) is controlled, directly or indirectly, by the applicant or by a person who controls, directly or indirectly, the applicant.

Pursuant to MCL 333.27303(1)(g) requires the disclosure of a list of the stockholders or other persons having a 1% or greater beneficial interest in the marihuana facility in addition to any other information the board considers necessary to effectively administer the MMFLA, rules, orders, and final decisions made under the MMFLA.

In Disclosure 2E-SA, list the name of any person meeting any of the above required disclosures **who have not otherwise been identified** in a disclosure statement, the person’s address, capacity of the interest, and the person’s SSN or FEIN.

SAPP Page 14

DISCLOSURE 3A-SA: FINANCIAL INFORMATION

Authority for Request: MCL 333.27401(1)(i), MMFLA Emergency Administrative Rule 5(3)(a),
MMFLA Emergency Administrative Rule 11

Provide the required information for each bank, credit union, savings and loan association, stock brokerage firm, or other financial institution (foreign or domestic) in which the supplemental applicant has or has had an account over the last 3-year period. Provide this information regardless of whether such account was held in the name of the supplemental applicant, a nominee of the supplemental applicant or was otherwise under the direct or indirect control of the supplemental applicant.

Supplemental Documentation

The following supplemental documentation must accompany Disclosure 3A-SA:

- (a) CPA attested financial statement including foreign attested CPA statement or its equivalent, if applicable, documenting the sources and total amount of the supplemental applicant's capitalization to operate and maintain proposed marihuana facility, including any pecuniary interest, any deposit of value of the applicant, or made directly or indirectly to the applicant, or both.
- (b) Copy of statements for each listed account for the past 3 years.

For entity supplemental applicants, the financial statements should pertain to the entity's business practice. If the applicant is a new business, the applicant should include information pertaining to the business' principal members/owners.

For individual supplemental applicants, the financial statements should pertain to the individual's business practice. If the individual is a new business, the supplemental applicant should provide information pertaining to the individual's personal finances.

SAPP Page 15

DISCLOSURE 3B-SA: REAL PROPERTY INTERESTS

Authority for Request: MMFLA Emergency Administrative Rule 5(3)(b)

Provide the information requested on Disclosure 3B for any real property in which the supplemental applicant has an ownership or in which the supplemental applicant has an interest related to the use of real property.

Supplemental Documentation

The following supplemental documentation must accompany Disclosure 3B:

- (a) Copies of any deed, lease, rent, real estate trusts, purchase agreements, any document related to the exchange of anything of value for the use of real property, institutional investors, or any other document related to the property disclosed

SAPP Page 16

DISCLOSURE 4-SA: DEBT, INSOLVENCY, OR BANKRUPTCY ACTIONS

Authority for Request: MCL 333.27402(3)(e), MMFLA Emergency Administrative Rule 5(3)(a)

If the supplemental applicant filed, or had filed against it/him/her, a proceeding for bankruptcy or been involved in any formal process to adjust, defer, suspend or otherwise work out payment of a debt in the past seven years, provide: the date of filing; the name and location of the court that issued the order; the case number; and the disposition of the case (i.e. how the case was resolved).

Add additional pages as necessary, providing the requested information in the manner listed on DISCLOSURE 4.

Supplemental Documentation

- 1) Copy of any debt, insolvency, or bankruptcy order from the appropriate court or jurisdiction (if applicable)

SAPP Page 17

DISCLOSURE 5-SA: TAX & TAX COMPLIANCE

Authority for Request: MCL 333.27401(1)(f), MMFLA Emergency Administrative Rule 5(3)(c)

Provide the following information, being as thorough as possible. If the supplemental applicant has not yet filed a tax return with any jurisdiction, indicate "N/A" on the appropriate blanks in Disclosure 5.

1. **Supplemental Applicant FEIN:** If the supplemental applicant is an individual, provide the supplemental applicant's SSN. If the supplemental applicant is an entity, provide the supplemental applicant's current Federal Employer Identification Number (FEIN) number in the appropriate box
2. **Applicant State Tax ID:** If the supplemental applicant is an individual, provide the supplemental applicant's SSN. If the supplemental applicant is an entity, provide the supplemental applicant's current State Tax ID, including the state in which it was issued. If this number is the same as the supplemental applicant's FEIN, include the FEIN number again in this box.
3. **Name on IRS Return:** Provide the name that was used on the most recent federal income tax return for the supplemental applicant. If the supplemental applicant has not yet filed a return in that business name, indicate what name it will be filing under for the current tax year. If the supplemental applicant is an individual, indicate "N/A." If the supplemental applicant is an individual d/b/a, indicate the name that was used on the most recent federal income tax return for the supplemental applicant. If the supplemental applicant d/b/a has not yet filed a return in that business name, indicate what name it will be filing under for the current tax year.
4. **Name on State Return:** Provide the name that was used on the most recent state income tax return for the supplemental applicant. If the supplemental applicant has not yet filed a return, indicate what name it will be filing under for the current tax year. If the supplemental applicant is an individual, indicate "N/A." If the supplemental applicant is an individual dba, indicate the name that was used on the most recent federal income tax return for the supplemental applicant. If the supplemental applicant d/b/a has not yet filed a return in that business name, indicate what name it will be filing under for the current tax year.

Past Taxation Compliance History Questions

The supplemental applicant should answer the questions as they relate to the supplemental applicant's business or personal taxation history.

Add additional pages as necessary, providing the requested information in the manner listed on Disclosure 5-SA.

NOTE: If the supplemental applicant's status as a business began the same year of this application, indicate by checking the appropriate box on Disclosure 5-SA. For question (2) provide information related to the anticipated jurisdictions of taxation.

Example: New, LLC formed in Michigan in November 2017. New, LLC has not yet filed taxes in any jurisdiction. New, LLC will conduct and transact business exclusively in Michigan. New, LLC will disclose that it will anticipate paying applicable taxes to the IRS, Michigan, and municipality, if applicable.

Supplemental Documentation

1. Copy of the supplemental applicant's tax returns for the past 3 years.

The supplemental applicant must provide a copy of the business tax returns for the past 3 years. This includes information related to any deduction, credit, forgiveness of indebtedness, or other release or modification of tax liability.

This documentation includes tax returns from any federal, state, local, or foreign jurisdiction in which the supplemental applicant conducted business.

Entity supplemental applicants should provide these documents for its business practices. If the entity is in its first year of formation, the supplemental applicant should provide these documents for the principal members or owners of the entity.

Individual supplemental applicants should provide these documents related to business practice. If the individual does not have documents for its business practice, personal tax return information should be provided.

2. Copy of the supplemental applicant's W2s and/or 1099s for the past 3 years.

The supplemental applicant must provide a copy of W2s/1099s for the past 3 years.

Entity supplemental applicants should provide these documents for its business practices. If the entity is in its first year of formation or does not have W2s/1099s, the supplemental applicant should provide these documents for the principal members or owners of the entity.

Individual supplemental applicants should provide these documents related to business practice. If the individual does not have documents for its business practice, personal W2s and 1099s should be provided.

3. Copy of any notices of tax liability due (if applicable).

If the supplemental applicant has any current or outstanding tax liability for any jurisdiction, provide a copy of documentation related to the tax liability.

This includes any information or documentation related to an offer in compromise or currently not collectable information.

Example: If the supplemental applicant has filed Form 656 and accompanying documentation with the IRS, include copies of all the files and any decisions rendered.

SAPP Page 18

DISCLOSURE 6-SA: GOVERNMENT REGULATION

Authority for Request: MCL§ 333.27402(3)(g), MMFLA Emergency Administrative Rule 5(4)(f)-(g)

Supplemental applicants are required to submit Disclosure 6-SA. If a supplemental applicant has no history of other regulatory compliance, the supplemental applicant must indicate so on Disclosure 6-SA and return it with the SAPP.

The supplemental applicant must provide the name and location of all regulating public agencies with which the supplemental applicant has a licensure and indicate the type of regulation.

The supplemental applicant must provide the name and location of all regulating public agencies with which the supplemental applicant has had an application or licensure denied, restricted, suspended, revoked or not renewed and indicate the type of regulation.

For each application or licensure that has been denied, restricted, suspended, revoked, or not renewed, provide the following: the name and location of the public agency, the type of regulation, the license number or other identifying number, the date and action taken, and the reason for each action. Provide a summary of the facts and circumstances concerning the denial, restriction, suspension, or nonrenewal.

Supplemental Documentation

1. Copy of any other commercial license held by the supplemental applicant (if applicable)
2. Copy of any comparable license (e.g. marijuana license from another jurisdiction (if applicable)

SAPP Page 19

DISCLOSURE 7-SA: CRIMINAL HISTORY

Authority for Request: MCL 333.27401(1)(d), MCL 333.27402(4), MMFLA Emergency Administrative Rule 5(4)

***** The supplemental applicant may be required to submit fingerprints as part of the criminal history background investigation. After submission of prequalification documents, supplemental applicants who must submit fingerprints as part of the criminal history background check will received instruction from the Bureau on when and where to be fingerprinted. *****

The supplemental applicant is required to provide criminal history information. Any intentional or accidental omission or misrepresentation may result in the application being delayed or denied. It is in the supplemental applicant's best interest to disclose information about which the supplemental applicant is uncertain should be disclosed.

Criminal History

The supplemental applicant must indicate by way of yes or no whether any of the listed circumstances apply.

- (1) If the supplemental applicant answers **yes** to any of the listed circumstances, the supplemental applicant must complete the corresponding table and provide all information, attaching additional pages as necessary to fully explain the circumstance.
- (2) If the supplemental applicant was arrested but not charged, the supplemental applicant's matter was expunged or otherwise set aside, the supplemental applicant must attach an additional page and provide the information relevant to related to this status and explain the nature of the offense.
- (3) Please provide length, location of, and date of release from any corresponding incarceration.

Supplemental Documentation

The supplemental applicant must include the following as part of the criminal history background check

1. Evidence of charge/dismissal/conviction/expungement (if applicable)
2. Copy of parole or probation information (if applicable)

SAPP Page 20

DISCLOSURE 8-SA: LITIGATION HISTORY

Authority for Request: MCL 333.27402(3)(h)

The supplemental applicant must submit Disclosure 8 as part of its application. If a supplemental applicant has no history of litigation, the supplemental applicant must indicate so on Disclosure 8 and return it with the application.

If the application provides a YES answer to any of the questions on Disclosure 8, the supplemental applicant must provide the following information in relation to any active or closed litigation:

1. Case Caption
2. Docket Number or Case Number
3. Court
4. Location of Court

Current Case Example: Albert v. Smith, Docket 17-0002-ND. 17th Circuit Court
180 Ottawa Ave. NW Grand Rapids, MI 49503

Smith was involved in a car accident while delivering goods to a retailer.

MARIHUANA FACILITY LICENSE APPLICATION INSTRUCTIONS

Step Two: License Application

The second step in the application process is called “license qualification” In the Marihuana Facility Application (FLA), the applicant will identify the specific facility for which they are applying (grower, processor, provisioning center, safety compliance facility, or secure transporter) and provide information specific to the license sought.

Marihuana Facility License Document Checklist

The first page of the FLA provides the document checklist. This checklist indicates the required attestations, disclosures, and supporting documentation in the order in which the FLA should be submitted to the Bureau.

FLA Page 2

PERSON COMPLETING APPLICATION/PERSON COMPLETING ONLINE FORM

Enter demographic information about the person completing the FLA.

This can be the applicant itself, or the applicant may designate a professional to represent it such as an attorney or certified public accountant (CPA).

If the person completing the application/person completing the online form is the same person as entered in the demographic information section above, provide this information again.

If the responsible person for application completion/person completing the online form is an attorney or CPA, please provide the attorney’s or CPA’s professional license number in the appropriate box.

BUSINESS PREMISES & MUNICIPALITY INFORMATION

Authority for Request: MCL 333.27205(1)-(3).

Provide demographic information for the entity/individual seeking licensure. This information should be

consistent with the demographic information provided in step one, except for information regarding the specific proposed marihuana facility. In addition, provide information related to the municipality of the business.

1. **Name of Local Governing Municipality.** Applicant is to provide the name of the city, township, or village where the applicant will operate the proposed marihuana facility.
2. **Municipal Authority Address.** Applicant is to provide the address of the local municipal authority. The address may correspond to a municipal clerk, municipal attorney, or other municipal authority who is authorized to carry out the municipal requirements of the MMFLA.
3. **Contact Name for Municipality.** Provide the name of the municipal clerk or his or her designee who is authorized to carry out the municipal requirements of the MMFLA. (e.g., municipal clerk, municipal attorney).
4. **Municipality Phone Number.** Provide the contact phone number of the named municipal contact.
5. **Municipality Fax Number.** Provide the fax number of the named municipal authority.
6. **Date of Municipal Application.** If the municipality where the applicant seeks to operate has an application process, provide the date which applicant applied for a license or approval with the municipality (Format: mo/dd/year).
7. **County of Business.** Provide the county name where applicant will operate the proposed marihuana facility.
8. **Business Location Zoning Category.** Provide the zoning category or special use permit information about where applicant will operate the proposed marihuana facility.

The applicant is required to notify the municipality that it is applying for a state marihuana facility license. The applicant MUST do this via certified mail within 10 days of its application for a marihuana facility license from BMMR. Indicate whether this task has been or will be completed by selecting YES or NO.

FLA Page 3

(1) APPLICATION FOR LICENSE TYPE

Indicate the license type for which the applicant is applying. If the applicant is applying for multiple licenses, a separate FLA must be submitted for each requested license.

For Example: If an applicant is looking to have a grower and a processor license, the applicant must submit a Grower FLA and a Processor FLA.

Secure Transporter:

In addition to the information required in this FLA, an applicant for a secure transporter license must provide proof of auto insurance, vehicle registration, and registration as a commercial motor vehicle as applicable for any transporting vehicles used to transport marihuana product.

(2) BUSINESS SPECIFICATIONS

Authority for Request: MCL § 333.27903, MMFLA Emergency Administrative Rule 8

A. Business Open Date

The applicant must provide the first date of business at the location. If this date is unknown, applicant should estimate the date for opening its business.

B. Proof of Ownership/Lease Agreement

The applicant must provide supporting documentation establishing its ownership of the premises to be licensed or a lease agreement with landlord and tenant signatures.

C. Estimated Income

The applicant should select the box corresponding to its estimated gross annual income in Michigan.

D. Submit Marihuana Facility Plan

Submit a marihuana facility plan providing the information required in MMFLA Emergency Administrative Rule 8(2)(a)-(j).

E. Technology Plan

Provide an explanation in the space provided AND supplemental documentation demonstrating the applicant's technology plan including (1) any third-party systems being used to interface with METRC; and (2) systems and procedures for internal loss/theft/destruction reporting.

F. Marketing Plan

Provide a description AND supporting documentation of the applicant's advertising and marketing plan.

G. Inventory & Recordkeeping Plan

Provide a description AND supporting documentation of the applicant's plan for acquiring, storing, and transporting medical marihuana products.

Also, provide a description of how inventory records will be maintained.

FLA Page 4

(3) EMPLOYEE INFORMATION

Applicants need to provide answers to the following question and provide any supplemental documentation as necessary to support the answers:

- A. How many employees will work at the facility
- B. How many managerial employees will work for the facility
- C. Whether the business will employ independent contractors (employees reported on a 1099 form)

Staffing Plan

Provide a description of the staffing plan for the proposed marihuana facility and provide supporting documentation demonstrating applicant's staffing plan for the business including: Job Descriptions, Hiring Procedures Employee Training Storage and Security of Employee Records, Day to Day Operations & Operation Hours, and Patient Education Plans

(4) PROOF OF FINANCIAL RESPONSIBILITY

Authority for Request: MCL § 333.27408

The applicant is required to demonstrate proof of responsibility for liability for bodily injury to lawful users resulting from the manufacture, distribution, transportation, or sale of adulterated marihuana or adulterated marihuana-infused product in an amount not less than \$100,000.00.

The applicant must demonstrate proof of financial responsibility before the board grants or renews any license. The applicant can demonstrate the proof of financial responsibility in the form of cash, unencumbered securities, a liability insurance policy, or a constant value bond executed by a surety company authorized to do business in Michigan.

FLA Page 5

ATTESTATION G: ACKNOWLEDGMENT AND CONSENT TO INVESTIGATIONS, STATUTE & RULE COMPLIANCE

This attestation must be completed by the applicant itself, not a representative. This document must be completed and signed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

In this attestation, the applicant acknowledges the obligation to act in candor with the Bureau and provide any requested additional documentation in a timely fashion; attests that the application information related to the municipality is complete and accurate, attests to notifying the municipality as required, and consents to inspections, searches, and seizures as required or allowed by the MMFLA and MMFLA Emergency Rules.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

FLA Page 6

ATTESTATION H: APPLICANT'S INTEREST & EXPERIENCE ATTESTATION

This attestation must be completed by the applicant itself, not a representative. This document must be completed and signed in **BLUE** or BLACK ink only and must be signed in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

In this attestation, the applicant attests and affirms that the applicant will meet the requirements for the specific marijuana facility license for which the applicant is applying.

A handwritten signature is REQUIRED on this form. An electronic signature is insufficient and will not be accepted.

FLA Page 6

ATTESTATION I: CONFIRMATION OF SEC. 205 COMPLIANCE

This attestation must be completed by the applicant itself, not a representative. Part A must be completed by the municipality authority, signed in **BLUE** or BLACK ink only in the presence of a notary public.

Please consult an attorney if you have any questions about the substance of this attestation.

In this attestation, the municipal authority attests that the municipality has adopted an ordinance in compliance with MMFLA MCL 333.27205 and provides ordinance and zoning information. Part B is signed by the applicant and the applicant attests that the applicant is submitting the attestation in compliance with MCL 333.27205.

APPLICATION SUBMISSION METHODS

The applicant may submit this paper application online through the Accela Citizen Access (ACA) Portal. The ACA portal is available on the bureau website at www.michigan.gov/mmfl.

OR

Paper application submissions are also accepted via mail and in person.

NOTE: APPLICATIONS MAILED PRIOR TO DECEMBER 15, 2017, WILL BE RETURNED UNOPENED.

Mailing Instructions:

If enclosing payment with your application, mail to:

Department of Licensing & Regulatory Affairs
 Bureau of Medical Marihuana Regulation
 Marihuana Facility Licensing
 P.O. Box. 30205
 Lansing, MI 48909

In Person:

Department of Licensing & Regulatory Affairs
 Bureau of Medical Marihuana Regulation
 Marihuana Facility Licensing
 611 W. Ottawa
 Lansing, MI 48933

GLOSSARY/DEFINITION OF TERMS

For a full list of statutory definitions, refer to Sec. 102 of 2016 P.A. 281; MCL § 333.27102 and the Bureau of Medical Marihuana Regulation Medical Marihuana Facilities Licensing Act Emergency Rules.

Rules and statutory documents are available at: www.michigan.gov/mmfl

Applicant.....A person who applies for a state operating license. With respect to disclosures in an application, or for purposes of ineligibility for a license under section 402, the term applicant includes an officer, director, and managerial employee of the applicant and a person who holds any direct or indirect ownership interest in the applicant. MCL § 333.27102(c).

Building.....Means a combination of materials forming a structure affording a facility or shelter for use or occupancy by individuals or property. Building includes a part or parts of the building and all equipment in the building. A building shall not be construed to mean a building incidental to the use for agricultural purposes of the land on which the building is located.

EIPP.....Entity/Individual Prequalification Packet.

Employee.....Means a person performing work or service for compensation.

FLA.....Facility Licensing Application.

Municipality.....A city, township, or village. MCL § 333.27102(m).

Person.....Means an individual, corporation, limited liability company, partnership, limited partnership, limited liability partnership, limited liability partnership, trust, or other legal entity.

Supplemental Applicant.....Means those persons identified on Disclosures 2A through 2E and Disclosures 2A-SA through 2E-SA who are required to provide the same disclosures required from the applicant.

SAPP.....Supplemental Applicant Prequalification Packet.