

APPLICATION FAQ'S

PLEASE NOTE THERE WILL BE NO APPLICATION EXTENSIONS. THE DEADLINE FOR ALL APPLICATIONS IS 4:00 P.M. ON FRIDAY, NOVEMBER 6, 2015, PER THE APPLICATION INSTRUCTIONS.

A. FINANCIAL

1a. What are the first stage application fees for each application?

- Grower Application - \$2,000.00
- Processor Application - \$ 2,000.00
- Dispensary Application- \$1,000.00

For further information about application and license fees refer to the Fee Schedule in COMAR 10.62.35.

2a. Can the participation of investors identified in an application be contingent upon award of a pre-approval of a license?

Yes. Applications need to document sources of capitalization. Capitalization that is contingent upon the award of a pre-approval could be a documented source of capitalization.

3a. What if I am an individual as an investor, but not a business entity as an investor? How do I satisfy the requirement to produce an audited financial statement?

The information the Commission requires is evidence to assure them that the investor/agent has a source of adequate capitalization which is founded on legitimate, legal sources. This evidence can include the following documentation:

- 1) Personal Tax Returns for the past five years;
- 2) Tax returns for any business which they hold a majority interest for the past five years;
- 3) Audited Current, Independent Financial Statement;
- 4) Credit History; and
- 5) Evidence of any lines of credit, etc.

4a. What qualifies as 'documentation & source of adequate capitalization'? Do bank accounts count? Do Tax returns? If an investor is a corporation, does it need to provide its financial statements?

The term “audited financial statement” is defined as:

“Audited financial statement” means an audited financial statement that is:

- (a) Performed by a certified public accountant licensed or with practice privileges in Maryland pursuant to Business Occupations and Professions Article, Title 2, Annotated Code of Maryland;
- (b) Prepared in accordance with the Professional Standards of the American Institute of Certified Public Accountants; and
- (c) In the case of a publicly owned corporation, in conformity with the standards of the Public Company Oversight Board.

If an investor is a corporation, then the corporation must supply the above documents as well.

5a. If an applicant is a newly formed entity, do each of the investor members have to submit tax returns?”

If an applicant is a newly formed entity, they are still required to submit audited financial statements demonstrating adequate capitalization. In addition, the individual investor members each may be asked to provide the following additional documentation:

- a. Personal Tax Returns for the past five years;
- b. Tax returns for any business which they hold a majority interest for the past five years;
- c. Audited Current, Independent Financial Statement;

6a. Do all financial statements submitted with the application have to be audited?

Yes. COMAR 10.62.08 & 10.62.19 requires audited financial statements.

7a. What are the minimum capitalization requirements for each license category?

The regulations do not establish mandatory capitalization requirements for any license category. We recommend applicants meet with an expert in the field of financial planning to determine what should be adequate capitalization for their license category.

8a. To whom shall the cashier’s check or money order be made payable?

The check or money order shall be made payable to the Maryland Medical Cannabis Commission.

9a. If I do not receive Stage 1 approval, will my application fee be refunded? If not, what will the money be used for?

No. Application fees are not refundable. All fees are absorbed by the administrative costs associated with the application review process

10a. If an applicant is a newly formed business entity, does an investor that is a business entity have to submit tax returns?

If an individual investor does not have an audited financial statement, the Commission will accept, in lieu of the audited financial statement, the following items: 1) Personal tax returns for the last 5 years; 2) Tax returns for any business entity in which they have held a majority interest for the past 5 years; 3) Current audited independent financial statement; 4) Credit history; and 5) Evidence of any lines of credit.

11a. In Stage 1 of the application, what is sufficient “documentation of adequate capitalization”?

The term “adequate capitalization” is not defined in the regulations. Likewise, what adequate capitalization is dependent on the nature of the license. For all applications, for stage 1 of the application, examples of documentation of capitalization, whether adequate or not, include: 1) Financial statements; 2) Deeds; 3) Evidence of any lines of credit; or 4) Annual Reports.

We expect applicants to discern which of the above, or information like the above, supports their application and demonstrates that as a licensee, the business entity responsible for running the grower/processor/dispensary will have sufficient capitalization to sustain the operations. In the event that an applicant is unclear what adequate capitalization will be needed, we recommend that the applicant consult with an expert in the financial planning field.

12a. In the FAQ's there is a reference to "audited financial statements". There is no reference to this in the cited COMAR section, nor in the body of the application itself. Outside of Question 3 which requires certification of adequate capitalization, is there an absolute requirement that any investor provide an audited financial statement?

For example, if a group is capitalized through a line of credit (the line of credit has no ownership stake in the business), would the line of credit and proof of funds in an account satisfy stage one application requirements?

For the purposes of Stage 1, applicants need not provide an audited financial statement, but are obligated to demonstrate adequate capitalization. An audited financial statement is one manner in which an applicant may endeavor to demonstrate adequate capitalization. Evidence of a line of credit and proof of funds may be considered indicia of capitalization. Applicants are also obligated to demonstrate the adequacy of the capitalization such that it is sufficient to sustain the proposed operations.

In Stage 2, an applicant will be required to provide the audited financial statements of any investors holding 5% or more of the company's interest, as well as the company's audited financial statement. "Audited financial statement" is defined in 10.62.08.01 relating to Grower applicants; 10.62.19.01 relating to the Processor applicants; and 10.62.25.01 relating to the Dispensary applicants.

13a. If an applicant is a newly formed business entity, do the individual investors have to prove they are personally not in arrears regarding any tax obligation? If yes, will the following suffice as proof: a letter from the tax accountant and a report from our service bureau?

Both the business entity and the individual investors holding an interest of five percent or more must demonstrate that they are not in arrears regarding any tax obligation. For new businesses, a certificate of good standing from the State in which the entity is registered will suffice. For individual investors, a statement from the tax accountant certifying that all returns have been filed and that no arrearage will exist will be sufficient to demonstrate that the individuals are current on their tax obligations, but this alone will be insufficient to demonstrate adequate capitalization. A payment plan to pay taxes owed is considered an arrearage.

Keep in mind that businesses must demonstrate adequate capitalization in stage 1, but must also provide an audited financial statement in stage 2 of the application.

14a. If a grower applicant will lease a facility that is to be built by the landlord, is the grower application required to provide in the grower application proof of adequate capitalization or financial statements for the landlord?

The financial condition/situation of the landlord is immaterial to the application unless the landlord holds a five percent or more interest in the business entity applying for the license. In that event, the Commission does not consider him or her as a landlord, but as an individual investor.

15a. If a landlord will provide a grower applicant the financing for operating costs for the grower facility, is the grower applicant required to provide proof of adequate capitalization or financial statements for the landlord?

The financial condition/situation of the landlord is immaterial to the application unless the landlord holds a five percent or more interest in the business entity applying for the license. In that event, the Commission does not consider him or her as a landlord, but as an individual investor.

16a. Are there any mandatory insurance requirements for grower, processor, or dispensary?

The Commission has not established any regulations establishing insurance requirements. Licensees are expected to use their best business judgment in determining their

insurance coverage needs, and if there are any applicable insurance requirements of State or Local law.

17a. Regarding potential disqualification of an applicant based on tax arrears: does this apply for investors, agents and owners, or does that also include physicians, security consultants, etc.?

Generally, no. Disqualification due to tax arrears applies only to investors, agents and owners with a 5% interest or greater.

18a. What is the required documentation needed to ensure that we are not in arrears regarding any tax obligation?

If the business entity applying for licensure is registered in Maryland with the State Department of Assessments and Taxation, the applicant may obtain a "Certificate of Good Standing" as evidence of payment of taxes. If the applicant is a business entity from outside the sState of Maryland, the applicant should contact the appropriate equivalent agency in that state to obtain documentation that the applicant is in good standing and no tax arrears exist in that state.

10/9/15

19a. What documents are required to establish adequate capitalization for stage 1 of the application process. If the document is extensive, do we need to supply it in its entirety?

The Commission has previously provided examples of documents which may show capitalization. For a response to that question, we refer you to our earlier FAQ. As far as how to prove adequate capitalization, this is the individual applicant's burden of proof. In other words, it is up to the individual applicant to discern which documents they believe demonstrate/prove that there is "adequate" capitalization.

10/14/15

20a. Will a letter of intent be sufficient proof of adequate capitalization with an agreement that the parties participate in providing capital during stage 2 of the application?

No. Proof of adequate capitalization is a requirement to obtain a Stage 1 pre-approval license. While the entity applying need not have an audited financial statement, the entity must demonstrate that if selected to proceed to Stage 2, the entity is financially capable of operating. A letter of intent alone will not be sufficient documentation of adequate capitalization.

21a. Will a letter of intent be sufficient proof of a background investigation with an agreement that the parties participate in the background check during stage 2 of the application?

No. A promise to cooperate in a background check is insufficient for stage 1. Applicants must begin the background investigation as a part of the stage 1 application.

10/15/15

22a. In order to demonstrate adequate capitalization, are we required to pool all of our resources into one account prior to filing the application, or can we provide documentation demonstrating that the funding sources are available to fund the operations?

For purposes of the Stage One application, applicants may, but need not, pool their resources into joint accounts to demonstrate adequate capitalization. Instead, they may supply the Commission with documentation which supports their proposition that, if selected, there are adequate funds to conduct the operations. The Commission recommends that applicants seek the assistance and advice of a Certified Public Accountant.

23a. We are lawfully engaged in the Cannabis Industry in another state and will be relying on the assets in that company to help establish adequate capitalization. Due to other legal considerations, those funds are in liquid form and are not in a bank account. How do we demonstrate the adequacy of these funds?

The Commission recommends that applicants seek the assistance and advice of a Certified Public Accountant.

10/21/15

24a. Can we provide a copy of an LOC to show that we have the capitalization to proceed successfully?

Among other documents, a line of credit may be indicia of adequate capitalization.

25a. When do we need the money to pay for stage 2 licenses?

Information regarding Stage Two of the application process is available in the regulations. We recommend applicants review the regulations prior to submitting their application for a Stage One, pre-approval license. More specifically, detailed information regarding Stage Two timelines will be shared with successful applicants after the pre-approval licenses have been issued.

26a. If an entity is newly created but is comprised of three sub-entities, can each of the sub-entities provide a certificate of good standing to demonstrate they are not in arrears on any tax obligations?

Yes.

25a. Are alternative means of demonstrating tax compliance only required in cases where the applicant is an individual?

Yes.

B. LEGAL

1b. Stage 2 of the application for a license requires a “determination that the proposed premises are under the legal control of the applicant.” (COMAR 10.62.08.07B(2)(a)) Does a letter of intent or a memorandum of understanding lead to such a determination?

No. After a pre-approval of a license, in order to obtain a license, the applicant must have legal control of the proposed premises to be licensed in order for the premises to be inspected. Legal control of premises is not required to be demonstrated in stage 1 of the application process.

2b. Stage 2 of the application for a license requires a “determination that the proposed premises comply with all zoning and planning requirements.”(COMAR 10.62.08.07B(2)(b)) Does this require a formal action by the zoning and planning authorities?

Whatever the evidence that the local authority provides that the activities that will be carried out under the license are permitted under the local zoning and planning code is sufficient evidence. Evidence that would satisfy a mortgage lender, for example, would be equivalent evidence.

3b. What is a “resident”?

A resident is one who lives in Maryland. A person may demonstrate Maryland residency by providing one or more of the following: 1) Most recent Maryland tax return; 2) Most recent Maryland

property tax bill; 3) Local gas and electric bill that is no more than 4 months old; 5) Valid Maryland Driver's license; or 6) Another record that corroborates the Maryland residency.

A business may be registered to conduct business in the State of Maryland. They may be either an out-of-state company which is establishing its Maryland existence, and its principal place of business may or may not be Maryland. Alternatively, the business entity could be a "grass roots" company, meaning a business that was founded in Maryland and maintains its principal place of business in Maryland. In either eventuality, a business entity may demonstrate its ability to conduct business in the State of Maryland by providing the following: 1) Articles of Incorporation or Articles of Organization; 2) Certificate of Status (also referred to as a Certificate of Good Standing); and 3) Identification of the Resident Agent.

4b. Are Maryland corporations and LLCs treated as Maryland residents?

We construe the term "resident" to apply to a person, and not to a business entity. Business entities, such as Maryland Corporations and LLCs that are registered with the State Department of Assessments & Taxations are entities that are legally permitted to conduct business in the State of Maryland. An applicant may demonstrate their business entity's ties (whether deeply rooted in the State or merely registered) to the State of Maryland through the application process.

5b. For purposes of evaluating residency, if an investor is a Maryland corporation, will the residency of that corporation's individual members be taken into account?

An investor can be a corporation, however, for purposes of the applications such corporations are referred to as "investors". Applicant Business Entities (which may include corporations as investors) are not required to be "Maryland" business entities to apply for a grower, dispensary or processor license. However, to conduct business in the State of Maryland, the business entity must be lawfully registered with the State Department of Assessments and Taxation.

If an applicant wishes to demonstrate their business entity's ties, to the State of Maryland, (whether deeply rooted in the State or merely registered) they may do so through the application process. See, COMAR §§ 10.62.08.05(l)(6)(a); 10.62.19.04(l)(6)(a); 10.62.25.05(l)(6)(a). "Demonstrated Maryland residency among the owners and investors" is one of several factors which will be weighted.

6b May an application remain confidential?

The MMCC is a Commission of the State of Maryland and is therefore obligated to comply with the terms of the Maryland Public Information Act ("MPIA"). See Md. Code, Gen'l Prov. §§4-101-601. Applications are public to the extent required by the MPIA.

7b. Do I need to obtain a business license before applying for a license?

No, an applicant does not have to be a licensed business to apply. However, prior to operating in the State of Maryland, whether a business or a sole proprietorship, the person or entity is required to register with the Maryland State Department of Assessments and Taxation. More information can be found at www.dat.state.md.us.

8b. If I am not 21 years of age, can I still be an investor in a grower, processor or dispensary operation?

No. All grower/processor/dispensary agents, including investors, shall be 21 years old or older.

9b. Once a license has been awarded, will my application be published on the MMCC website?

Once license awards have been made, the awardees' applications will be posted. The contents will be redacted pursuant to the Maryland Public Information Act.

10b. Is Maryland residency required among all owners and investors?

No.

11b. I would like to know if the applicant's business is required to be registered in the state of Maryland, or if it can be registered in another state, such as Nevada?

No. A business does not need to be registered in the State of Maryland for the application process. A business must be registered with the State Department of Assessments and Taxation in order to conduct business in the State of Maryland. However, you may wish to review COMAR 10.62.08.04(1)(6).

12b. Is it legal to smoke medical cannabis outside or is it for use only within the residence?

One may not smoke medical cannabis in a public place. One may smoke medical cannabis on private property (regardless of outside or inside) so long as the property is not a rental property or an attached dwelling (e.g., townhouse). However, if it is a rental property or an attached dwelling, then the governing body, such as the Homeowners Association or the apartment building may have a policy which could prohibit smoking.

13b. The term processor agent is absent from the definitions, however a dispensary agent and grower agent does appear in the regulations – shall we assume that a processor agent is also defined as one who is a member, etc. ?

A processor agent is defined as an owner, a member, an employee, a volunteer, an officer or a director of a licensed processor. The definition may also include a "transportation agent" depending on the structure of the processor. COMAR 10.62.01.01(B)(31). See also, COMAR 10.62.01.01(B)(28); COMAR 10.62.20.

14b. Is there any information on what the state sales tax rate for medical cannabis is/will be?

The sales tax in the State of Maryland is 6%, generally. However, the standard sales tax currently does not apply to sales of medical cannabis.

15b. If an LLC uses an advisory committee to assist with decision making, do the members of the advisory committee need to be fingerprinted?

So long as the advisory committee is acting in a consultant capacity, and will not have access to the facility (or will be treated as a visitor when on site; see COMAR regulations), then the committee members need not be fingerprinted as long as they are not otherwise employees, owners, volunteers, officers, etc.).

16b. What does the term "invasion" mean?

Please apply the common use of the phrase "invasion". The word is not used as a term of art.

17b. I see that there is a records requirement in the regulations, COMAR 10.62.32; Will I be held to these standards as well?

Yes, COMAR 10.62.32 applies to growers, processors and dispensaries. These records may be part of an announced or unannounced inspection and may be the basis of an action for discipline or enforcement if the entity fails to adhere to the obligations of this requirement, or any other requirement. See COMAR 10.62.32-34.

10/9/15

18b. If an applicant has been charged with, but not convicted, or has received a probation before judgment (or equivalent), do they have to check the box "yes"?

The applicant who has been charged with a felony or received a probation before judgment "pbj", should check the box in the affirmative. If the applicant wishes, he or she may supply as a .pdf document an explanation of the charge/pbj. Applicants must understand that this additional form will not be scored.

10/13/15

19b. While the applications require a "Trade Secret & Financial Data Notification" would the Maryland Public Information Act control what may or may not be disclosed in the future?

Yes, the application of the MPIA will ultimately control what may or may not be disclosed.

20b. Would signing the "Trade Secret & Financial Data Notification" acknowledgement nullify any confidentiality an applicant may otherwise properly attach to a document?

The execution of the Trade Secret & Financial Data Notification is intended to require applicants to acknowledge that *regardless of their definition of confidentiality, the State may have an obligation to produce records in accordance with the MPIA*. If an applicant attaches a claim of confidentiality to a document, for that document to be withheld from an MPIA request, it must fall within the exceptions to production contained in the MPIA. Generally, the only types of data in the application which will find such refuge are the Trade Secret or Financial Data references. Applicants are encouraged to review the MPIA.

10/15/15

21b. Among the owners and investors, how many residents does it take to check the residency box "yes" under the additional factors? Does everyone have to be a Maryland resident?

In order to check the Maryland Resident box "yes", applicants must have at minimum one owner or investor who is a Maryland resident. Not every owner or investor is required to be a Maryland Resident. Please see other FAQ's regarding the scoring for this question.

10/19/15

22b. Does a licensed physician, nurse practitioner, or pharmacist have any protection in the law, or is their license subject to forfeiture as soon as they engage in business operations?

While we cannot speak to any federal rules or regulations, the State of Maryland has enacted a law which prohibits the arrest, prosecution, or civil or administrative penalty, including disciplinary proceedings by a professional licensing board, for the medical use of cannabis. Please review Md. Code, Health Gen- §13-3313. Therefore, we believe these persons have adequate protection from any State action or penalty.

23b. The Commission is requiring applicants to release all financial institutions, etc., from any contractual or common law confidentiality to provide background information to the Commission. Does this release apply to investors holding an interest of 5% or more?

Yes.

24b. The "background check" section indicates that the applicants must release "other parties" which may provide information to the Commission during its review. Who are the "other parties"?

This is a catchall intended to include any parties not specifically identified, but which may hold relevant information revealed during the background process.

25b. My investors have extensive financial relationships and are reluctant to sign the waiver permitting the background check. Can their application still be considered?

No. If an applicant refuses to participate in the background check process, they will not be issued a license.

26b. Can background information on an applicant be “oral” instead of “written”?

Background information which the Commission receives may be either oral or written.

27b. I don't believe the Commission should be concerned with background information from States other than Maryland, or for amounts in dispute under \$500,000.00. Will the Commission accept my application if I limit my consent to only events occurring in Maryland or only disputes over \$500,000.00?

No. The Commission will complete a thorough, nationwide, background check on applicants. If the applicant limits his or her consent, the applicant will remove themselves from consideration for an application.

28b. I believe the Commission should create a protocol for electronic storage of information and tell applicants that they must comply, instead of making applicants create their own standard operating procedures. If we leave this to the Commission and write this in our application, what point value will we receive for any relevant questions?

You will receive a zero point value for any related questions. All applicants have the burden of proving that they are qualified. If the applicant fails to answer the question asked, or lacks sufficient detail, then this will have a direct, negative effect on their score for that question.

29b. How long will you keep my information after the award of the licenses?

All applications will be held for a minimum of three years after the final award has been issued. For applicants that are awarded pre-approval licenses, their applications will be held indefinitely.

30b. Can information be withheld under the Maryland Public Information Act for purposes other than Trade Secret Information or Financial Data?

Yes, but we cannot provide specific legal advice on what may or may not fall under an exception to production. We recommend applicants review the Maryland Public Information Act "MPIA". Md. Code Gen'l Prov. §§4-101-601. It can be found online, free of charge at www.lexisnexis.com/hottopics/mdcode/.

31b. What will happen if a public information request is made for my application? Will the Commission agree not to produce the information until notifying the applicant?

Unfortunately, the State's obligation to produce information under a MPIA request is dictated by statute, and not based on the applicant's opinion. Not every document which the applicant believes to be confidential may, legally, be confidential. We also expect that the majority of the applications will be subject to one or more MPIA requests. However, we understand that much of the information contained in the applications will be of a sensitive nature, whether or not confidential. The Commission will endeavor to alert an applicant when a MPIA request has been made which relates to their specific application. The applicant, however, may not dictate what is and is not produced under the statute. Please review Form 3, "Trade Secret & Financial Data Notification."

10/21/15

32b. Would a medical cannabis-use recommendation from another State constitute "medically justified" use of cannabis?

It would depend on the nature of the certification. If an agent has been issued a certification as a patient qualified to use medical cannabis by a State recognizing the legal use of medical cannabis, then, in that event, the Commission would recognize it as a permissible, medically justified use. If, however, an agent provides an identification form which is not independently verifiable as having been issued by a State recognizing the legal use of medical cannabis, then in that event, no.

10/22/15

33b. Can an employee of the State of Maryland hold a position as an advisor, investor, owner, etc. on an application, or is there a conflict?

While the Commission is not banning such a relationship, we cannot speak to employer requirements or ethical obligations.

10/23/15

34b. Can dispensaries sell medical cannabis to other medical dispensaries?

No. Please review the applicable law and regulations. For example, Md. Code, Health Gen. §13-3307 (e) permits that a licensed dispensary or its authorized agent “may not be penalized or arrested under State law for acquiring, possessing, processing, transferring, transporting, selling, distributing, or dispensing cannabis, products containing cannabis, related supplies, or educational materials for *use by a qualifying patient or caregiver.*” (Emphasis supplied.) The law and the regulations permit the sale of medical cannabis to a qualified patient or caregiver. The regulations do not authorize dispensaries to sell medical cannabis to other dispensaries.

35b. What is the context for questions 73-86 in the Dispensary application?

The applicant is acting as the receiving licensee in these questions. Please review COMAR 10.62.28.03 “Licensed Dispensary Operations – Receipt of Products Containing Cannabis.”

36b. Is a nurse anesthetist also a nurse practitioner, and therefore, may he/she serve as the Clinical Director?

We recommend that you refer your inquiry to the Nursing Licensing Board (Department of Health & Mental Hygiene) to determine if your potential candidate is also a nurse practitioner.

37b. I have concerns about a conflict of interest based on my business connections to another State. Can I serve as a consultant to a State government in a State other than Maryland and a consultant to an applicant?

While we cannot speak to any conflict of interest or applicable laws, in any other State, the Commission is not offended by any such consultants advising applicants on their Maryland applications.

10/26/15

38b. Question 4 under 10.62.08.05, (Page 34 of the Grower Application), states, “Please certify residency for owners and investors in the State of Maryland and attach relevant documentation. (Emphasis added). What are examples of satisfactory evidence of residency for the Commission?

Please see existing FAQs for this response.

39b. Does the licensing requirement for dispensary clinical director require that the license be active in Maryland (or another state) or can the dispensary clinical director be a retired

practitioner who had been licensed? There may be many nurses and pharmacists who would not be permitted by their employer to work part-time in a medical cannabis dispensary, or who are licensed in a state that would not permit a currently licensed nurse practitioner or pharmacist to participate in dispensing medical cannabis, and would therefore surrender their license or let it expire in order to do this work.

Yes. The license should be current and valid, and the licensee in good standing with the licensing authority. The Commission is not concerned with the current employment status, e.g., retired or not retired. The Commission is concerned with the license status and that the knowledge-base of the individual meets the standard to remain licensed. A person whose license to be a physician, nurse practitioner or pharmacist is not current, not valid or not in good standing cannot serve as a dispensary clinical director. Again, the Commission urges the applicants to contact the respective licensing for the profession.

40b. Is the dispensary for profit or non-profit?

We cannot answer this question as this relates to the applicant's choice on how they want to form the business entity. We presume that most applicants prefer a for profit structure for the business entity.

41b. Is the dispensary for medical or recreational sales?

The Natalie M. LaPrade Medical Cannabis Commission permits only MEDICAL USE ONLY and NOT RECREATIONAL. We would invite you to review the website, read the applicable law and the regulations.

42b. What kind of business entity is required to operate as a dispensary in Maryland?

We cannot answer this question as this relates to the applicant's choice on how they want to form the business entity.

43b. Does Question 4 specifically exclude 'agents and a managing director' for residency purposes?

The regulation speaks only to residency among the owners and investors. Please see COMAR 10.62.28.05(6)(a). The question and point value assigned to the question arises from the language of the regulation.

Question 5 under 10.62.08.05, (Page 34 of the Grower Application), states "Please certify that the Applicant is not in arrears regarding any tax obligation in Maryland and other jurisdictions and attach relevant documentation."

10/27/15

44b. Will the Commission consider geographic diversity among the grower applicants?

COMAR 10.62.08.05 (J) provides that the Commission *may* take into account the geographic location of the growing operation to ensure there is geographic diversity in the award of licenses.”

10/29/15

45b. I have been charged, but not convicted of a crime. Does this mean I can't apply or be a licensee? Does it matter if I am only part of a group of investors?

No, being charged with a crime, or having a "contact" with the criminal justice system does not mean a person cannot apply, or that they may not be awarded a license. Having a contact with the criminal justice system, whether you are a sole applicant, or part of a group, does not mean that the application will be denied on that basis.

Persons who have had contact with the criminal justice system, but that have not been convicted, will not be barred from becoming licensees unless there is some other information which demonstrates an absence of good moral character. For those who have been convicted of crimes other than felony drug charges, the existence of a conviction is not an immediate disqualification of the application, but will be a factor in the Commission's evaluation of the applicant's good moral character, or absence thereof.

The only conviction which is an immediate disqualifier is a felony drug conviction. If an applicant has been convicted of a felony drug offense, then the entire application will be denied, whether applying as an individual or a group. This immediate disqualification is based on the statute.

The Commission can also consider whether an applicant has an absence of good moral character. In doing so, the Commission may consider the number of contacts with the criminal justice system, types of crimes charged with, or number of convictions as indicators of an absence of good moral character. However, a person's good moral character is not measured by criminal contacts or convictions alone. For example, the thorough background check may reveal that a licensee has an

absence of moral character, and therefore, the Commission may decide not to issue a final license on that basis.

You may find it helpful to review our previous FAQ relating to this issue (#17). If an applicant has had a contact (whether a charge, PBJ, or conviction) with the criminal justice system, but wishes to explain the circumstances of the contact, he or she may provide a written explanation with their application. That explanation will not receive a scored value, but will be considered by the Commission in their review of applicants to determine whether an applicant has an absence of good moral character.

C. OPERATIONS

1c. Does the Stage 1 application requirement that an applicant submit “(7) A description of the proposed premises, including a preliminary site plan” require a blueprint?

A detailed blueprint of the site plan is not required **and will not be scored**. A simple drawing, however, may help the evaluator identify various features of the premises, such as the proposed security plan. **The site plan should be provided as a hard copy and a .pdf. (FAQ edited 10/14/2015: edits are in bold type.)**

2c. Are applicants required to submit their standard operating procedures (SOPs)?

No; applicants are not required to submit copies of their SOPs as part of their application. SOPs will be reviewed in depth as part of the pre-approval inspection before the license is issued.

3c. If our organization obtains a license to be a dispensary and a license to be a processor, may we locate both of the operations to be carried out under these separate licenses at a single location?

Yes, so long as the building is constructed so that the processor and dispensary are two completely different units, each with an address which is independent of the other, they may share one common roof. However, the two premises must each have a separate means of ingress and egress, and under no circumstances may the two premises have any means of internal ingress or egress between the dispensary or processor.

4c. Where can I obtain information about potential locations and properties for grower, processor or dispensary operations?

It is the responsibility of an applicant to identify appropriate sites for potential license sites.

5c. The regulations require that a Grower license applicant shall provide "A detailed plan evidencing how the grower will distribute to dispensaries and processors;". Can you please tell me where that is in the Grower Application?

The regulations and the application do not necessarily track line-for-line. There may be a section of the regulation that is broken into multiple sub-questions at a variety of locations throughout the application. With respect to this specific inquiry, you should refer to the Grower Application, questions, 100-117, 34-39; 52-54, 60-71, 77, 91, and 99.

6c. Can a processor manufacture capsules or pills utilizing processed dry materials only?

The regulations do not limit the manufacture of capsules or pills to only dry material, but to usable cannabis. Medical cannabis is defined as "any product containing usable cannabis (which is defined as the dried leaves and flowers of the cannabis plant) or medical cannabis finished product." COMAR 10.62.01.01(B)(18), (31). Medical cannabis concentrate is defined as "a product derived from medical cannabis that is kief, hashish, bubble hash, oil, wax, or other product, produced by extracting cannabinoids from the plant through the use of:

- (a) solvents;
- (b) carbon dioxide; or
- (c) heat, screens, presses, or steam distillation." COMAR 10.62.01.01(B)(19).

Medical cannabis infused product means, an "oil, wax, ointment, salve, tincture, capsule, suppository, dermal patch, cartridge or other product containing medical cannabis that has been processed so that the dried leaves and flowers are integrated into other material." COMAR 10.62.01.01(B)(21)(a). It does not include food items. COMAR 10.62.01.01(B)(21)(b).

7c. Will supply be able to keep up with demand? There only 15 grower licenses, but up to 109 dispensary licenses?

We are limited by statute to issue 15 grower licenses. We may evaluate supply and demand as the industry becomes established. We have the ability to issue more grower licenses in 2018, should the demand outweigh the supply.

8c. Where can a processor plant be located?

The regulations do not require processor plants be located in any specific area. However, you must comply with local zoning regulations.

9c. Can a processing plant be moved after the license is issued?

Yes, but the move is subject to the Commission's approval. Please see COMAR 10.62.19.08.

10c. Can a dispensary be moved at any time?

Please review COMAR 10.62.25.09. A licensee may change the location of a dispensary operation upon approval of the Commission and upon passing of all inspections. The Commission will consider, among other factors, if the proposed move to the new location is in a different Senatorial district than the original approved location.

11c. What fencing requirements are there for growers?

The security requirements of a grower facility is listed in COMAR 10.62.10.01-.08. Applicants are encouraged to read those sections for assistance with required specifications. Generally, though, there are three main types of facilities for growers, however two (field grow and greenhouse grow) have additional security requirements: 1) field grown; or 2) greenhouse cultivated.

(i) Field Grown-“Licensed premises shall be situated to maintain the greatest achievable level of privacy and security.” COMAR 10.62.10.03(A).

(ii) An area of cultivation (field or greenhouse) “shall be securely surrounded by fencing and gates constructed to prevent unauthorized entry.” COMAR 10.62.10.03(B).

1. Fencing and gates shall be equipped with a security alarm system which covers the entire perimeter, is continuously monitored, and is capable of detecting power loss.
2. A video surveillance system is also required. It must maintain surveillance: of the entire perimeter of the area of cultivation, all portions of the security fence and all gates; and adhere to COMAR 10.62.10.07 (additional video surveillance requirements).

There are corresponding security requirements for dispensaries, COMAR 10.62.27.01- 09, and for processors, COMAR 10.62.21.01-.07. Neither of these sections speaks to fencing.

12c. Can a patient get medical cannabis from more than one dispensary, or from a dispensary outside of their Senatorial District?

Yes. Dispensaries should expect that patients will obtain medical cannabis from multiple dispensaries, the location of which is irrelevant. Dispensaries are responsible for ensuring that they comply with COMAR 10.62.30.03 “Procedure for Dispensing Medical Cannabis.” You may find that a review of the regulations is helpful in ensuring that your application is complete.

13c. Can a license be approved if the facility is on the first-level of a multi-story building with a separate entrance and no other means of ingress/egress between the other businesses in the building? What about a sprinkler system?

Any facility which will receive approval from the Commission must adhere at all times to the restrictions in COMAR.

15c. In the grower application, pertaining to Reference #48, is it the intent of question #48 that the green waste to be disposed of in a licensed landfill as a hazardous by-product, or can the green waste be composted (if using organic materials) on site?

It is the responsibility of the applicant to describe how green waste will be weighed, disposed of and destroyed within lawful means and industry standards.

10/9/15

16c. In the Grower Application, section 10.62.08.05, question 6 is asks for “demonstrated success” of the proposed strains in “alleviating symptoms of specific diseases or conditions”. What does this mean?

The demonstration of the success of the specific, proposed strain may be met by explaining the various strains the applicant intends to grow and why the applicant believes those strains are helpful to alleviate symptoms, and/or are preferable to other available strains. Responses should endeavor to include examples of patients who have benefitted from treatment by the specified strain and what symptoms the treatment alleviated. Applicants should also describe why the strain is preferable among other available strains.

17c. Questions in the processor application refer to “shipping” and “receiving” licensees. I am confused as to the proper context of the phrase as used in the question.

We understand that the applications are extremely detailed, and from time to time, the applicant may lose the context of the question. In this example, a processor may act as both a shipping and a receiving licensee, depending on the context. When an applicant loses context of the question, we encourage them to review the applicable regulation to establish the appropriate context.

For example, question 49 refers to a receiving licensee and ensuring their compliance. The COMAR reference for that question is 10.62.22.03. When one reviews 10.62.22.03, the subject of the question generally, is Processor operations and receipt of products containing cannabis. The section continues to charge the licensee with duties. Section .03 relates to activities when the licensee is acting as the receiving licensee (e.g., they are receiving raw materials to process), and therefore, question 49 relates to the Applicant as the receiving licensee.

10/13/15

18c. Page 45 of the grower application, question 49 states, "Please describe the maintenance method the grower will use to prevent contamination of equipment that comes in contact with medical cannabis". What does this mean?

This question contains wording which makes the question difficult to answer. Applicants should answer the question as it is asked, but with a view toward addressing their processes to prevent contamination, generally.

19c. As it is referenced numerous times in the regulations as well as various applications, what is the distinction between a "batch" and a "lot" and how are each term specifically defined?

The definition for "batch" and "lot" are both included in COMAR 10.62.01. The term batch refers to the plant, and the term lot refers to the processed product.

10/14/15

20c. How does a grower applicant meet the requirements for transportation agents and vehicles?

Applicants should refer to the regulations for this information. Any additional questions regarding the regulation of transportation vehicles may be answered by the Maryland Department of Labor Licensing and Regulation. The DLLR website is <http://dllr.state.md.us/>

10/15/15

21c. With regard to Section 10.62.31.01; would it be acceptable to select and appoint a Maryland-licensed physician, nurse practitioner, or pharmacist *after* the license is granted?

The Commission will want to know that the applicant has considered and selected a party to serve on their reserve team as a Clinical Director in advance of a pre-award license in Stage 1. The selection of a Maryland-licensed physician, nurse practitioner, or pharmacist as a Clinical Director of a dispensary will ultimately affect the weight/score for the dispensary application.

10/16/15

22c. Referring to Question #73 on the Grower Application; does “accuracy of day-to-day production” mean all daily tasks are correctly carried out by agents OR that daily production targets, meaning quantities of cannabis harvest are achieved?

Typically, the grower will create a master plan which will guide the growing, harvest and cultivation of medical cannabis. Then, that master plan becomes the template for the batch record which is created for each batch.

23c. Is a grower responsible for assigning expiration dates that will be passed on to patients? A grower cannot ensure that a dispensary properly re-packages cannabis. It is thus impossible to assign an expiration date to the cannabis that extends beyond when the product can be opened and re-packed by dispensaries or used by processors to make infused products.

The grower is responsible for establishing the expiration date for the product as it is produced and packaged at the grow facility. If the dispensary repackages for the patient, then the date on the patient’s package should be either one year from the date of repackaging, or the date on the grower package if less than one year out.

24c. Referring to Question #92c and Question #112 on the Grower Application; how would a grower have access to a patient’s physician?

It is expected that the grower licensee will work with the Commission and the dispensary licensee(s) to have access to the necessary physician information. As for Question #112, working in conjunction with the dispensary, the grower will provide the necessary batch information to the dispensary, who will, in turn, provide that information to the certifying physician.

10/19/15

25c. Do the fencing requirements apply to warehouse (not greenhouse) grown product? For example, question #13 on page 37 speaks to fencing requirements. If the facility is totally contained inside a hard walled building (not a greenhouse), is fencing required?

No. If you are proposing a warehouse growing facility, the fencing requirements for the greenhouse or field growing facilities do not apply.

26c. Do the pesticide requirements apply to field-grown product?

Yes. Please see COMAR 10.62.11.03. Among other requirements, pesticide applications must follow State and federal pesticide requirements.

27c. What does “commence operations within 365 days” mean?

It means that the premises must be fully operational and conducting business within 365 days of the award of the pre-approval license. This includes obtaining all required permits, licenses, etc.

28c. How is “word count” counted? Do supporting documents count against a word count?

Generally, if the question provides a word count, the applicant should not supply supporting documents. The supporting documents will not be evaluated or scored. If a question provides a word count, then the response should be a narrative. Each word “counts” as a word against the balance of the word count limitation.

29c. Is Maryland livescan fingerprinting in Glen Burnie endorsed by the Commission?

Absolutely not.

30c. For growers, does the Commission consider a warehouse facility and a greenhouse facility to be the same type of grow facility?

No. The Commission believes there are three separate and independent types of grow facilities: 1) warehouse; 2) greenhouse; and 3) field.

31c. If we are proposing to build a warehouse facility, does COMAR 10.62.10.03 apply?

No. COMAR 10.62.10.03 does not apply to warehouse facilities. This is because indoor cultivation presents many opportunities to create a controlled environment well-suited to consistently produce sanitary, high quality cannabis. The fact that there is a separate regulation with "Additional Provisions" for field or greenhouse cultivation and no specific regulation for indoor cultivation is not intended to eliminate indoor cultivation.

32c. Does Section T require attachment of documents such as “Detailed Quality Control Plan; Detailed Inventory” “Control Plan”, “Detailed Medical Cannabis Waste Disposal Plan”, etc.?

No. Section T is to outline to the applicants the categories of questions and relevant weights of these sections in relation to the overall application. It is intended as a guidepost; it does not solicit addenda.

33c. How will licenses be awarded in the event of a numerical tie?

The Commission members make the final determination of which applicant receives a pre-approval license. This process will also remain anonymous, but may include a review of other factors as provided in the applicable law and regulations. For grower and dispensary applicants, if “there are more qualified applicants than the number of licenses available and there is a numerical tie for the last license to be issued, the last pre-approval license shall be determined by public lottery.” See COMAR 10.62.08.06, 10.62.25.05.

10/21/15

34c. How does the Commission recommend that applicants develop cannabinoid profiles including varieties with high cannabidiol content when we are not sure what the local growers will have?

The Commission cannot assist with a response to this question, as the question relates to a business decision/operating procedure. Applicants are encouraged to use their best business judgment, based on their knowledge of the industry to respond to the question.

10/22/15

35c. As a processor, if our intention is only to use CO2 extraction, is it necessary to have a “spark-free environment”? According to numerous CO2 MSDS sheets it is listed as non-flammable. If it is not necessary, should we indicate as “Not Applicable”?

No. As an applicant for a processor license who plans to use CO2 as the extraction technique, you would not be required to demonstrate a spark-free environment. Additionally, the subject matter expert evaluating these applications will be instructed by RESI to make appropriate adjustments so that applicants are not penalized and do not forfeit points.

36c. Do we have to follow FDA stability testing procedures when setting an expiration date? If so, will we have to wait for the testing period to finish (additional 6-12 months) for an expiration date to be confirmed, before making the medical cannabis available for patients? Instead, only for the first batch of product, can we utilize the expiration dates of similar products in the market as a guide to setting our own, to ensure patients have access to medicine as soon as possible?

The Commission understands that stability data on batches produced by the licensee will not be available until the first batches are completed, packaged, and stability testing commences. The licensee may use a conditional expiration date until it can be confirmed with data from the first production batches.

37c. Can a dispensary be used as off-site storage for growing and cultivation?

No. A dispensary may not act as a growing/cultivation or processing location.

38c. Can a dispensary hold cannabis from a grower or processing facility?

Yes, if it is inventory and is subject to all applicable regulations, including, COMAR 10.62.27. The dispensary, however, may not serve as a warehouse.

10/26/15

39c. In the processor application, question 85 requires a description of how an expiration date will be assigned and a label for a particular batch. Can this be a contingent and variable set of expiration dates? If recalled or returned cannabis can be reworked, is this allowed?

No and no. The product expiration dating question has been addressed in a previous FAQ. Returned or recalled material which has left the control of the processor may not be reworked, and can only be destroyed.

40c. If an applicant intends to use an abundance of automation, which mechanical or electronic equipment must be calibrated under item 51 below? The way the requirement is written one would think all electronic and mechanical systems would be required to be 3rd party lab calibrated reading item 51 literally. We understand that scales should be 3rd party calibrated. But what about nutrient control systems, plant health monitoring, temperature, humidity and other systems and sensors? We would be deploying hundreds or perhaps thousands of sensors and automated devices throughout the operation. These systems would be designed to be self-calibrating or would have partnered system to cross calibrate themselves. Few if any 3rd party labs would have the ability to calibrate many of the electronic and mechanical systems. If we intend to perform internal chemical profiling and contaminant testing that is redundant to outside lab testing, will those devices also need to be calibrated if they are not used for reporting but for additional quality control and early detection of contaminants? Would face detection/recognition software, heat/smoke/fire detection system need 3rd party calibration? Or would in house testing be sufficient? Is there a short or limited list of equipment that would need to be calibrated and the required frequency of each?

Question 51 is not intended for equipment which has internal calibration capabilities. Typically, measuring devices such as scales and balances require periodic calibration by an outside tester. In

most labs, technicians can perform internal monthly calibration checks, and then use the outside service quarterly or twice a year based on usage.

41c. Questions 52 and 55, and perhaps others, items use the term "cuttings or seeds". If we use another better propagation technique such as tissue culture can we just track receipt of that material. Typically tissue culture starter material will be minute compared to both seed and cuttings.

It was not our intent to limit or otherwise define the starting material or technique. Please describe/provide sufficient detail regarding any propagation technique chosen, so that the reviewer can make a proper evaluation.

42c. For Processor Question #100, can we say that our standard operating procedures dictate that we will never re-work or re-process? We believe this to be a safe operating procedure. Will the state grade this response negatively?

This is an acceptable Standard Operating Procedure.

43c. Will written certifications contain the patient's unique identifying number?

We expect that it will.

10/27/15

44c. In the Grower application, Question #85 asks for a description as to how an expiration date will be assigned and labeled for a particular batch. Can this be a contingent and variable set of expiration dates?

The regulations require stability testing to assure product potency and purity, and a demonstration that the product maintains all characteristics throughout the labeled expiration period.

45c. Will processors be allowed to use the more commonly available 95% pure ethanol for winterization, or do the regulations require the use of >99% purity ethanol for winterization, even though that is not part of the initial extraction process? Similarly, would processors be allowed to make tinctures by soaking the plant in ethanol that is <99% pure?

95% pure ethanol is acceptable.

10/27/15

46c. In the Grower application, Question 39 is confusingly worded: “Please describe how the requirement for receipt of material mandating that material may not be released from quarantine until the material (1) passes inspection and (2) is determined to be acceptable for use as intended.”

The question references COMAR 10.62.11.02 “Medical Cannabis Growing Controls- *Standard Operating Procedures*”. Please do your best to answer the question as it is asked. Both the requirement of not releasing the material, and method of ensuring that the requirements (of not releasing the material) are met, may be within Standard Operating Procedures.

10/30/15

47c. If handled, cannabis oil can seep into one’s pores and enter the bloodstream. This affects growers and processors. If a business chooses to hire an experienced person from another state, they will test positive for cannabis just from handling the plants. How can this be overcome so that local businesses have the ability to hire qualified individuals and still meet the state’s regulations?

Should this extremely unlikely hypothetical ever come to pass, then in that event, the licensee would need to demonstrate how or why they believe the employee tested positive for cannabis.

D. OWNERSHIP

1d. Does an applicant have to be a corporation?

No. COMAR 10.62.08.02F provides that “A party applying for a grower/processor/dispensary license shall have an interest in only one grower/processor/ dispensary license application.”

2d. What does “party” mean?

For this regulation, a party is an investor. An investor may have an interest in only one application. This carries out the legal requirement of Health General Article 13- 3306(a)(2)(iv).

3d. May an applicant or investor apply for multiple licenses in the same category?

Yes, an applicant, including an investor, may apply, or be a part of numerous applications for the same license category (**except for** applications for a grower’s license). However, the applicant or investor may ultimately only have an interest in one license, meaning that despite the number of

applications, they will only be awarded one license in each category, if they are the applicant selected. They may not hold an interest in another license within the same category. (FAQ edited 10/28/15: edits are in bold type.)

4d. May an applicant or investor hold multiple licenses in the same category?

No, an applicant or investor may not hold multiple licenses in the same category. One license in each category: grower, processor, and dispensary. They may not hold multiple licenses in the same category.

5d. May an applicant or investor hold multiple licenses?

Yes, an applicant or investor may only hold multiple licenses so long as they are only one license in each category: grower, processor, and dispensary. They may not hold multiple licenses in the same category.

6d. Can a single group of investors apply for separate dispensary licenses? For example, in order to potentially improve their chances of being awarded a license, could a group of investors applying for a grower license apply for 3-4 dispensary licenses in a separate jurisdiction to the where the grow operation would be?

Yes, an applicant, including an investor, may apply, or be a part of, numerous applications for the same license category or multiple applications for multiple categories. However, the applicant or investor may ultimately only have an interest in one license in each category, despite the number of applications made. They may not hold an interest in another license within the same category.

7d. Will any preference be given to those awarded a grower license if they also want to operate a dispensary?

No. In the interest of fairness to all applicants the Commission will not give any preference to an applicant that obtains or seeks to obtain multiple licenses.

8d. Does it matter if an employee, who is not an investor or owner, is not current on their tax obligations? In other words, if the security consultants we hire are not current on their tax obligations, will that impact our application?

We are a Commission within an agency of State Government. As such, we highly recommend that all persons remain current on their tax obligations to their State, Federal and Local governments. The Commission will be reviewing the financial condition of the applicants and the current state of their tax obligations. This review will include the applicant, and any investor holding an interest of 5% or more of investment of the business entity at the time of the application.

9d. I do not understand the phrase “rework or reprocessing” procedures.

From time to time, grower or processor may have a batch or lot of product that does not meet the finished product specifications. If the applicant has established in their Standard Operating Procedures some general rework or reprocessing procedures, these may be used under certain situations. Of course, any product which is subject to an established rework procedure must be re-sampled and re-tested to assure that it meets release testing specifications.

10/9/15

10d. How much weight does the residency of owners and investors weigh? How do we receive the maximum point value for this question?

The question is scored as a simple “yes” or “no” response. If any of the owners or investors are Maryland residents, then the applicants should indicate that in their responses in the application. (For example, question 4 in the grower application.) They should also supply relevant documentation to support this statement. If the applicant successfully demonstrates that one or more of the owners or investors are Maryland residents, then the applicant will receive the full weight for this question.

The scoring value/full weight for this question is 20% of the “Additional Factors” of the application. The Additional factors represents 15% of the total application value. Therefore, the point value assigned to a “yes” response will be 20% of 15%, or 3% of the entire

10/19/15

11d. Do dispensary applicants, owners and investors have to be Maryland residents?

No. There is no requirement that applicants and investors be Maryland residents, however, this is a weighed factor in the application. Without a Maryland resident among the applicant’s owners or investors, the applicant will receive a 0 point value for this question.

12d. Is there a minimum percentage of owners or investors required to receive the point value for Maryland Residency?

There is not a certain percentage. Only one member is needed to qualify for the point value assigned.

10/26/15

13d. Since an 'Applicant' is defined as a 'person or entity applying for a license', what does the Commission expect to receive in a certification letter if the entity is newly formed in Maryland and no income or returns have been filed?

Please see existing FAQs regarding this question.

E. PROCEDURAL

1e. In Senatorial districts that are divided into districts for delegates or that encompass more than one county will the Commission award dispensary pre-approvals across the delegate districts or county lines to disperse the locations of the licensees?

No.

2e. How many dispensaries licenses are available?

The Commission may award up to a maximum of 109 dispensary licenses . Of the 109, 15 dispensary licenses may awarded to the 15 grower licensees, including two per Senatorial District.

3e. Should letters of support from local zoning officials be obtained and provided as part of the Stage 1 application process?

No; letters of support from a local zoning board or elected official will not be required as a part of the Stage 1 application process, and will not be included in the scored criteria.

4e. If I am applying for a license, in one senatorial district, for example, in Wheaton in Montgomery County, am I restricted to only being licensed in that district/area?

Yes. An applicant shall apply for a license for each site within a district in which the applicant has identified a preliminary site. It is possible to apply for multiple Senatorial Districts, by filing a separate application for each Senatorial District. However, only one license will be awarded to an applicant, regardless of the number of applications submitted.

5e. Do all forms need to be signed by all the parties?

All owners, investors, agents and managing directors must sign all applicable forms.

6e. Should I submit my fingerprints as part of the application?

No. Fingerprints should be sent to the CJIS- Central Repository only. Telephone: 410-764-4501 or 1-888-795-0011.

7e. Will the Commission provide a fingerprint card or other form to be used for submission of fingerprints to the Criminal Justice Information System-Central Repository?

No.

8e. In regard to Form 4: If I do not have licenses in other states, should the form be left blank?

No. Enter "Not Applicable" in each field.

9e. In regard to Form 5: Does the form need to be signed by every investor, agent, owner and managing director?

Yes.

10e. In regard to Form 5: Is a signature in the signature field sufficient, or shall I insert the sentence "I certify this to be correct"?

A signature of the each Owner/Managing Director is sufficient.

11e. In regard to Form 1: Does each owner or investor need to sign the Authorization for Release of Information-Investor/Grower Agent Form?

Yes. All, owners, investors and agents must sign Form 1.

12e. When an application question contains several references/subsections, will each reference/subsection be scored/graded individually within the aggregated answer?

Yes.

13e. When an application question contains separate references/subsections, should the applicant provide a separate answer for each reference (taking into consideration the maximum word length for each reference/subsection) or provide one aggregate answer (taking into consideration the combined word lengths?)

The applicant should answer each subsection individually.

14e. I have reviewed the application and am confused by the review process.

The Commission has gone to great lengths to fairly and equitably describe the review process. Please refer to Section H: Evaluation & Selection Procedures, and Section T: Application Ranking & Weighted Criteria and point value.

15e. Can an applicant submit documents such as screen shots, diagrams/charts, and photographs, and if yes, how will submission of these documents be accounted for in terms of word or page count?

Unless otherwise directed in the application, the applicant should use the full extent of the text boxes to provide a written answer. They should supply documentation if specifically requested in the question. Those documents should be attached as addenda, and not pasted into the application. Finally, in attaching any documentation in support of the application, the applicant should remember to follow any redaction requirements, and provide the documents in a .pdf, .doc, or docx format.

16e. Will the identity of a person or entity who submits a question to a Commission email regarding the application process be released?

The Commission does not identify the requestor's name in the context of any answer posted as an FAQ. However, all communications to and from the Commission may or may not be disclosed pursuant to a Maryland Public Information Act ("MPIA") request. Md. Code., Gen'l Prov §§4-101-601. You may find it helpful to review the MPIA, as MMCC is unable to provide legal advice as to the absolute confidentiality of the identity

17e. Beyond the inclusion of an executive summary of a business plan in Section 10.62.08.05, Question 2 of the Grower License Application, can an applicant also submit a full business plan along with their application to be considered as relevant documentation?

Unless otherwise directed in the application, the applicant should use the full extent of the text boxes to provide a written answer. They should supply documentation if specifically requested in the question. Those documents should be attached as addenda, and not pasted into the application. Finally, in attaching any documentation in support of the application, the applicant should remember to follow any redaction requirements, and provide the documents in a .pdf, .doc, or docx format. Documentation which is not specifically requested will not be scored.

18e. For the purpose of the Stage 1 application, are applicants expected to provide a site plan, and if so, how can a site plan exist without a site (we will not secure a location until we've attained Stage 1 approval)? When referring to site plans, is the Commission looking for a space plan to detail the potential interior structures needed within the facility (i.e., the secured inventory room)?

For Stage 1 of the application process, a formalized site plan, e.g., blueprint, is not required. The Commission is looking for information which will demonstrate that the applicant has considered the general footprint of the premises and any security measures. An informal site plan may be included to assist with the written explanation. We understand that we need to remove our company name and the names of our members and employees for the version of our application and documentation that will be sent to RESI.

19e. Does the Commission also want to see non-redacted versions of all of our documents in hard copy and on the thumb drive or ONLY redacted versions?

Please review the instructions on redaction in sections G & H of the application. Applicants will need to provide an electronic version and hard copy of the application. After Form 5 all identifying information must be redacted, and this includes any attachments to the application, e.g., the related documents. The hard copy (non-redacted) will be retained by the Commission for its records and will not be evaluated. The redacted copy(electronic) will be sent to evaluators for review. Other than the redacted material, the hard copy and the electronic version should be identical.

20e. In regard to question 4 in the Grower Application, is the maximum length of 1 page for all owners and investor combined? For example, if we have two owners from Maryland, do you want us to shrink the electric bills so they can both fit on one page? Or can we submit 1 page per owner?

We expect applicants to use the text fields to provide written responses to the questions, and not to paste demonstrative aids in the text boxes. Should the applicant fail to use the text boxes for written responses, their failure to do so may affect the scoring value for that question. Likewise, a response which exceeds the word count or page length will not be considered beyond the limits provided in the application.

There are, however, certain questions which specifically call for related documents to be produced. In those limited circumstances, the applicants should attach complete documents in support of their application. Those documents should be included with the application as addenda, in their original format (e.g., not shrunken to fit on a page), and not pasted into the application itself.

Applicants must adhere to the page and word limitations provided in the application section and may not double page limits.

21e. In regard to question 5 in Grower Application. Do we have 2.25 pages per investor for our response?

No; only 2.25 pages are allotted for the entire response. In addition to the application form, the applicant shall submit the following documents to be included as addenda to the application form:

- A list identifying the applicant's potential medical cannabis grower agents;

22e. Can you please tell me in which part of the application we should include our list of agents?

This is considered a related document. Please include a list of the grower agents and append it to the application as an addendum.

23e. This question pertains to the format in which application questions answered. Correct me if I am wrong, but the MMCC would like every question response to be entered into the text field positioned just below the numbered question. However, the application instructions also reference a file nomenclature to be used for all submitted digital files:

"Applicants must use the following file naming structure when submitting electronic documents: "Applicant Name_Submission Date_ File Type." For example, the Word document file name would be "John Doe_10012015_Application." In contrast, the site plan file name would be "John Doe_10012015_Site Plan."

This seems to suggest that applicants may submit application responses in other formats than the one provided by the MMCC Official Application, particularly since the above instructions imply that multiple files can or will be submitted with each application. Please help clarify exactly how the MMCC would like applications to be filled out and digitally submitted.

Please type a written response in the corresponding text box provided in the application. Once completed, please save the file as "Applicant Name_Submission Date_ File Type". Exchange "applicant name" for your company's name. Exchange "submission date" for the date on which you are filing your application. Exchange "file type" for .doc or .docx. You may only file the application in MS Word. Addenda may be included either as.pdf or MS Word documents.

24e. We have a few questions relating to format instructions: Some questions do not list a maximum word count, rather they indicate a maximum number of pages. For example, Question 10.62.08.05 #4 (Residency certification) indicates a "Maximum length 1 page". How much is 1 page? How many words?

One page is one 8 ½ x 11 page; this question is measured by page length, not by word count.

25e. How much is .75 of a page?

Three-quarters of one page is three-quarters of one 8 ½ x 11 page; this question is measured by page length, not by word count.

26e. Can copies of financial documents (or other documents) be uploaded into the text field answer space, or should they be attached to the application as an addendum?

Please see the responses above.

27e. Are illustrations, pictures, logos, or other visual inserts allowed in the answer field?

Please see the responses above.

28e. Are addendum documents allowed to be attached to the application?

Please see the responses above.

29e. In the Grower application, can lab test results of the specific strains be attached as addendum to the application?

Please see the responses above. Unless the question specifically requests a document be attached, the applicant should not attach any other addenda. Instead, the applicant is strongly urged to provide a written response in the corresponding text box of the application. Additional, unrequested documentation will not be scored or evaluated.

30e. Can peer reviewed medical papers be attached or included as supporting evidence of a strain's documented medical value?

Please see the responses above. Unless the question specifically requests a document be attached, the applicant should not attach any other addenda. Instead, the applicant is strongly urged to provide a written response in the corresponding text box of the application. Additional, unrequested documentation will not be scored or evaluated.

31e. May an applicant provide a separate word file for each question response? I believe it will be difficult to judge pages limits if applicants must provide the responses in the text boxes included in the application itself. If this is allowed, am I correct to assume the margin requirement is 1-inch all around?

No. We expect applicants to use the text fields in the application itself to provide written responses to the questions. We urge against pasting demonstrative aids in the text boxes. Should the applicant fail to use the text boxes for written responses, their failure to do so may affect the scoring value for that question. Likewise, a response which exceeds the word count or page length will not be considered beyond the limits provided in the application.

There are, however, certain questions which specifically call for related documents to be produced. In those limited circumstances, the applicants should attach complete documents in support of their application. Those documents should be included with the application as addenda, and not pasted into the application itself.

Applicants must adhere to the page and word limitations provided in the application section and may not double page limits

32e. In the Processor Application, It seems like question #6 (10% for 1,575 words) is a subset of question #40 (5% for 780). Can you please explain whether or not you want us to duplicate that section? Or please describe, in general, how we should handle this.

We expect applicants to use the corresponding text fields in the application itself to provide written responses to the questions. Applicants should take great care in reading the question, and

answering the question that is asked. Providing a duplicate response which is non-responsive to the question asked will likely negatively affect the applicant's score for that question.

33e. Grower Application: What specific documents can be included in the Addenda portion of the Grower Application?

The application provides for specified word counts for the various questions and also states that anything over the word count will not be considered. However, the "Table of Contents" includes an "Addenda" section at the end but does not specify what is to be included.

34e. Can a grower applicant include as Addenda to the grower application those documents which are highlighted in the regulation below?

10.62.08

.02 Application for a Medical Cannabis Grower License.

- A. An applicant shall submit an application for a license.
- B. An application shall be:
 - (1) Completed on a form developed by the Commission; and
 - (2) Submitted to the Commission for consideration.
- C. In addition to the application form, the applicant shall submit the following documents to be included as addenda to the application form:
 - (1) A list identifying the applicant's potential medical cannabis grower agents;
 - (2) A list identifying each individual investor with 5 percent or more of investment known at the time of application;
 - (3) A detailed business plan including an organizational chart;
 - (4) Documentation and source of adequate capitalization;
 - (5) If the applicant is a corporation or business entity, a copy of the articles of incorporation and authorization to do business in Maryland;
 - (6) A record of tax payments in all jurisdictions in which an applicant has operated as a business for the 5 years before the filing of the application;

- (7) A description of the proposed premises, including a preliminary site plan;
- (8) A security plan;
- (9) Details of the applicant's experience, knowledge, and training in commercial horticultural or agronomic production;
- (10) The medical cannabis varieties proposed to be grown with proposed cannabinoid profiles;
- (11) A plan for quality control;
- (12) A plan for inventorying, safekeeping and tracking:
 - (a) Medical cannabis from "seed to sale," and
 - (b) Waste plant material prior to destruction; and
- (13) A disposal plan for medical cannabis waste.

Applicants should take great care in reviewing the application. Applicants are strongly urged to provide all supporting documentation which is specifically requested by the question, usually referred to as "related documents". **Unless the application specifically requests a document be attached, the applicant should not attach any other addenda. This does not include a site plan as discussed in FAQ 1c. Instead, the applicant must provide a written response in the corresponding text box of the application. Additional, unrequested documentation will not be scored or evaluated. (FAQ edited 10/14/2015: edits are in bold type.)**

35e. On page 49 of the Dispensary Application, Questions 66-68 on the application are not weighted. Can you please confirm this is correct?

The questions referred to are scored either yes/no, or on a scale of 1-5. The weighting varies from question to question. In the event that no information is provided in the comment section to the question, then, in that event, the score value for the question is already encompassed in another question in the application. No question in the application is irrelevant.

36e. How does one file for a receiving licensee? How does one file for a shipping licensee? How does one qualify for a secure transportation company?

Refer to 10.62.18.01. 01 Definitions: 1) "Receiving licensee" means the licensee that receives the shipment. 2) "Secure transportation company" means a business that is licensed, whose employees are bonded, and that provides highly secure vehicles for the transportation of valuables, and can assure that medical cannabis is secured at all times during transport. 3) "Shipping licensee" means the licensee that initiates the shipment.

We cannot provide legal advice to persons interested in receiving or shipping licensing, or qualifications for secure transportation companies. However, should you have any questions regarding these types of licensure, MMCC recommends that you reach out to the Maryland Department of Labor, Licensing & Regulation. Their website is <http://www.dllr.state.md.us/>.

37e. What does it mean if a question does not have a weight listed by it?

Not all questions have a weight value assigned to them. Some may be scored 0-5; some may be yes/no; and some may not have anything listed at all. This is not an error. The answer will still be evaluated, but may receive weight in another section/question in the application.

38e. Some questions list “minimum” some list “maximum” and some say “suggested”?

This is a transposition error. We have corrected this to obtain a uniform term: “maximum.”

39e. How should I mark information which I believe falls within an exception to the Maryland Public Information Act’s (“MPIA”) production requirements? For example, if it is a trade secret, should I mark it as such?

If you believe the information is not disclosable under the MPIA, you should mark it as “Confidential” and state the reason why you believe it is confidential and should not be disclosed. For example, “Confidential: Trade Secret” or “Confidential: Financial Data”. However, merely marking the document confidential does not make it confidential and the document may ultimately be disclosed.

40e. What is the right address to provide in the application, the company’s business address, or the expected location of the grower/processor/dispensary?

It depends on what the question is asking. If we are asking for your contact information, we need your current contact information and not where you think the grower/processor/dispensary business will be.

41e. Do I have to send in a signed lease with the application?

No. A signed lease is not a mandatory requirement for a stage 1 application.

42e. How do I answer a question with multiple subparts even if there isn’t a separate text box for each subpart?

You should answer the question as the application directs. For example,

1. Please provide a list of proposed medical cannabis varieties proposed to be grown with cannabinoid profiles including: (1) varieties with high cannabinoid content; (2) whether the strain has any demonstrated success in alleviating symptoms of specific diseases or conditions. *

- [Reference 10.62.08.05 of the regulations. Graded 0 to 5 scoring. Weighted 20% of the Additional Factors subsection. Maximum length 450 words.]
- [Reference 10.62.08.05 of the regulations. Graded 0 to 5 scoring. Weighted 20% of the Additional Factors subsection. Maximum length 450 words]

In this example, you should provide a response no greater than 450 words addressing subsection (1) of the question, and no greater than 450 words addressing subsection (2) of the question. The answer should not be cumulatively written as a 900 word response. Failure to follow the directions may affect the applicant's score for this question.

For questions where there is a separate text box for each subpart, as below, you should answer each subpart in the text box provided. You should not answer all questions in one text box.

2. Please describe how the Applicant, as part of standard operating procedure, will:

a. adopt a nutrient management plan prepared by a certified management consultant, *

(a) [Reference 10.62.11.03 of the regulations. Graded Yes or No. Weighted 1% of Operational subsection. Maximum length 135 words]

b. use fertilized or hydroponic solution of a type, formulation, and at a rate to support healthy growth of medical cannabis, and *

(b) [Reference 10.62.11.03 of the regulations. Graded 0 to 5 scoring. Weighted 1% of Operational subsection. Maximum length 135 words]

c. maintain records of the type and amounts of fertilizer and any growth additives used. *

(c) [Reference 10.62.11.03 of the regulations. Graded Yes or No. Weighted 2.5% of Production Control subsection. Maximum length 170 words]

43e. How do I go about getting zoning approval/clearance?

The Commission cannot assist with zoning compliance. We recommend that you contact the County in which you seek to operate your facility.

44e. If we file multiple applications, do we need to be fingerprinted multiple times?

No. One fingerprint application per applicable person is sufficient.

45e. Can we bold or underline certain parts of our answers in the application?

You may bold or underline your answer.

46e. If an applicant submits multiple dispensary application for multiple Senatorial Districts, and is scored high in multiple districts, does the Applicant have the opportunity to choose which District they are awarded a license in?

Yes. An Applicant “that is ranked first or second in more than one senatorial district may elect to move to stage 2 of the application process in only one district.” COMAR 10.62.25.05 (J).

47e. Do we have to use a formal courier service to deliver our application(s)?

Yes.

48e. The instructions state that the application will be separated into sections for grading. How will they be separated? Is this done by weighted criteria sections or by regulatory sections?

The questions and notations contained in the questions provide information on the subject of the subsection. For example, the questions reference “operational” and “business and economic” subsection. Generally, the questions will be divided along those broad subjects and distributed to the Subject Matter Experts (SME).

49e. Are pictures, diagrams, charts, tables, or flowcharts allowed in the application? If so, how are they counted toward the word limits?

Applicants can submit, but are not encouraged to submit images/charts/etc. This is because the images will not contribute to the evaluation score unless they are specifically requested in the application (ex. MD residency attachments). Also, images/charts/etc. cannot be submitted in lieu of text.

The applicants should use the text box only for a written response and should not attach or paste any documents/images into the application. If an applicant fails to use the text box to supply a written response, but instead absorbs the text box by means of pasting an exhibit, then the applicant may not receive any points for that question.

If there is a page count, it is expected, per the instructions in the question, that the applicant will attach appropriate documentation not to exceed the page count in the question.

50e. Can applicants submit images of packaging prototypes?

Applicants can submit images, but the images will not contribute to the evaluation or their score unless the images are specifically requested in the application. Also, images cannot be submitted in lieu of text – the application is intended to be narrative in form and not illustrative in form. In other words, the applicants should describe the packaging, and not use the text box to paste an image of the packaging.

51e. Would a picture of an individual need to be redacted in the electronic version of the application?

No. Only names and company names would need to be redacted. This is mainly due to the assumption that many applicants will submit scanned copies of their driver's license as proof of Maryland residency.

52e. The processing application asks applicants to address certain production factors, including “chemical plant manufacturing.” The relevant regulation refers to “chemical plant *management*.” Should the emphasis of the question correctly be on manufacturing or management?

The applicant should answer the question as it is asked in the application, and not based on the language of the regulation.

53e. The dispensary application asks for the company's address and senatorial district. We understand the address to be the Applicant's business address, and the senatorial district to be the district of interest for the location of the anticipated dispensary, which may not be in the district where the Applicant' business address is. Is that correct?

Yes. The correct address to list is the applicant's business address, which may or may not be the address for the anticipated dispensary.

54e. How should the addenda listed in the regulations be included in the application?

Please do not refer to or rely on the regulations to explain the application. Please follow the directions in the application.

55e. In the grower application, question #3, the space allotted does not allow enough space for the information requested.

60e. Where in the applications does it identify the requirements of including the address of the property we have selected for our site?

The application does not require the specific address of the property.

61e. How is a signed & notarized in the Forms to be included in the electronic Word document?

Any document requiring a “live signature” should be provided as a .pdf file. The applicant may elect to sign “/s/” in the Word version of the application *in addition* to the .pdf “live signature”. The .pdf document should be included as a file in the application. For example, “John Doe_10012015_Form1.pdf”

62e. In the Processor and Dispensary applications, but not in the Grower application, there is a reference on page 8 that the applicant should “indicate in the Application the existing operations that would serve as your inspection site location including the address and a contact to arrange for the site visit.” How do we supply this information?

The referenced inspection for all license categories will occur after the stage 1 pre-approval licenses are awarded. A specific site address is not mandatory for the stage one application. However, we expect many applicants may have this information to supply in their applications. To the extent that they do, they may provide the information, as relevant, in responses to questions addressing the safety and security subsection or the site-plan and information contained therein. In the event that an applicant does not have the specific address of the location, they will need to have the information available, at a later date, or at the Commission’s request.

63e. How should an Applicant for a license submit multiple forms if needed? For example, if more than one “Form 1” will be submitted, how should this be done?

For any form requiring each investor, agent, or owner, to sign, each person must sign an individual form with a live signature. Then, each signed form should be attached to the application as a separate .pdf file. The .pdf file should be labeled “John Doe_10012015_Form1.pdf” The original signed form should be included with the hard copy of the application.

64e. Question 1 of the grower application requests a “biography for the Applicant including the experience, knowledge and training in (a) horticultural production and (b) agricultural production. Whose biography should I provide for this?

Here, the use of the term “Applicant” is intended as the business as a whole, not merely the owners or investors. The purpose of the question is to discern whether or not the potential grower has the appropriate background for the industry. Applicants should take care to provide a biography of any person which is expected to participate in the business that holds this type of expertise, and for which the business will rely on this expertise. The weight of the section is 70% of the Commercial

and Horticultural subsection, which represents 15% of the entire application. Therefore, the weight of this question in the application in total is 10% of the entire application. The word limitation for the question is 2,250 words and the question is scored on a scale of 0 to 5, with zero assigning no point value to the question and five assigning full point value to the question. The Commission urges applicants to use great care when answering questions.

65e. Where do we obtain the fingerprint form?

Your local law enforcement agency or government should have the forms.

66e. How do I get the fingerprint process started?

Contact your local law enforcement agency and make an appointment to be fingerprinted.

67e. What if my state has a policy not to release criminal history records. Will a letter from the state indicating this suffice?

No. At all times in the application process, it is the Applicant's duty to prove their qualifications. We recommend that the Applicant take the waiver form to their respective state to encourage them to release any responsive records.

68e. If a question only has a "check box" section rather than a "text box" section, does checking the box suffice for a response.

Yes.

69e. I want to mark things as confidential, but the form won't allow me to input the data. What do I do?

You can do two things. 1) You can type the phrase into the text box, however, this will count against your word limit; and/or 2) you can attach to the application as a separate .pdf a list of locations you believe are confidential. You can save the document as "Applicant Confidential Info_10012015_Table.pdf". For example, you may use the form below.

Identification of Conf. Info.	Page, question. & line	Type of Privilege Claimed
Manufacturing Process	Proc. App., pg. 65, q.125, l.1-5	Trade Secret
Jane Dee Financial Recs.	Addenda, pp.13-20.	Financial Data

70e. Do you apply the phrase “manufacturing pharmaceuticals” to be interchangeable with processing medical cannabis?

Yes.

71e. Question 1 of the processor application asks for us to “address the following” factors. Does the phrase “address the following” also mean describe/discuss/explain our processes?

Yes. The purpose of the question is to discern whether or not the potential processor has the appropriate background for the industry. Question 1 amounts to 100% of the Commercial Laboratory subsection which is 15% of the entire processor application. In other words, this question alone accounts for 15% of the entire value of the application. Applicants should take great care in responding to the question.

72e. Question 6 and question 40 of the processor application seem to ask very similar questions, but with slight variations. How should I answer the question?

Applicants should take great care to answer the exact question that was asked. If there is a variation between the questions, the applicants should ensure that their response addresses that variation.

73e. Should applicants redact the location of their proposed facilities on their site plan submitted to RESI? While the location does not identify the Applicant’s name or the company name of the Applicant it could be used to infer the identity of involved parties.

The specific address of the location is not required to be included in the application, and, therefore, should the applicant chose to redact the information, they may do so. However, the Commission will still require general location information of the proposed facility, e.g., Senatorial District.

74e. When redacting names, should we also redact names of business entities the individual applicant may have an interest in?

This level of redaction is not necessary unless the business entities are also investors in the proposed business. In other words, if the investor has a diversified portfolio, that portfolio may be helpful to a determination of whether or not there is adequate capitalization, but the companies listed in that portfolio do not need to be redacted unless those companies are also investors in the proposed business.

75e. What is the context of questions 111/117 of the grower application?

Please read the applicable regulation referenced in the question. The questions relate to records keeping duties generally and broadly.

76e. How should the final hard copy of our application be submitted? Should it be submitted in a binder, a bound document, a spiral bound document? Should there be a cover sheet? Should the entire application, including the instructions, be submitted?

There is no mandated method for submission of the hard copy version of the completed application. The application may be submitted using whatever organizational method desired by the applicant. Please note that the entire application, including the instructions, should be submitted.

77e. May I submit my entire application response in .pdf format?

No. The application shall be submitted in Word format. However the specifically requested Attachments, Forms or Addenda can be submitted in .pdf format.

10/13/15

78e. The instructions to the grower, dispensary, and processor applications are silent as to the documents that should or may be attached to the applications. However, section 10.62.08(.02)(C)(1-13), section 10.62.19(.02)(B)(1-13), and section 10.62.25(.02)(B)(1-13) all list specific items that are required to be attached as addenda to the application. Has the Commission changed the requirement for these attachments or are they still required for submission of the application?

The applicant should provide the information as requested in the application, and not based on the regulation.

79e. If still required, are pictures, diagrams, flow charts, etc. allowed in order to fully explain and illustrate the applicant's compliance with these required points?

Please provide only the documentation specifically requested in the application. That information should be attached to the application as an addenda (ok to save as a .pdf file) but should not be inserted into the application itself.

80e. If still required, is an applicant restricted from referencing and inserting additional addenda that is not required by the regulations?

Documents that are provided, but that are not specifically requested, will not be scored.

81e. If still required, section 10.62.08(.02)(C)(7) calls for a description of the grower premises, including a site plan. Would the address of the proposed location be included here?

The Site Plan should be included in the addenda as an attached file (e.g., .pdf). You may include the proposed location of the site in the Site Plan if you chose.

82e. Is an applicant for a grow license allowed to reference more than one proposed location?

You may include the information, if you chose. However, the specific location of the proposed location is not relevant for purposes of the stage 1 application. Therefore, identification of multiple potential site locations is not necessary or helpful to the Commission at this stage.

83e. How does an applicant demonstrate that they are promoting geographical diversity in their choice of premises?

An applicant does not need to demonstrate that they are promoting geographical diversity in their choice of premises.

84e. Can the Commission please clarify and elaborate on how one effectuates a proper request for a state and national criminal background information?

For purposes of the application, all agents, investors and owners must be fingerprinted. Please refer to the Commission's website for the code references needed to complete the fingerprint form. We recommend that applicants contact their local law enforcement office to begin the fingerprinting process. Although not relevant for the application, once pre-approval licenses have been issued, a more thorough background process will begin during stage 2 of the application process.

85e. Regarding page 60 of the grower application, can the Commission clarify why question 112 is in the application? The question addresses the grower's communication with a physician regarding specific detail of the medical cannabis distributed to a patient. The grower would not have any direct interaction with the patient, and therefore, would not have this information to provide a physician.

This question would apply to a grower applicant also applying for a dispensary license. If the question is not applicable to the applicant's business, then the applicant should reply to the question by stating as such. Otherwise, a failure to answer the question may result in a loss of potential points for the question.

86e. Regarding questions 144-146,151, and 181 of the dispensary application, is the Commission looking for the applicant's acknowledgement of the requirements in these questions, the applicant's proposed standard operating procedures to ensure compliance, and the applicant's certification that it shall take the necessary steps to submit this information to the Commission's network?

Yes.

87e. I see that there is a page limit for listed in the question requesting adequate capitalization. Does that mean all of the documentation to demonstrate adequate capitalization must be reflected or represented in that specific page limit? (Question #3 in grower, 8 ¾ pages; Question #2b in processor, 6 pages; Question #4 in dispensary, 7 pages.) (Edited 10/21/15)

Yes.

10/14/15

88e. How are the questions broken out and reviewed by the Subject Matter Experts ("SME")?

Each question has a reference section following the written question that indicates the subsection and the weighing for the question. Some questions have multiple subsections included. Each subsection falls into the weighted categories identified within the regulations and the application. It is those subsections that are indicative of the type of SME that will review the response to the question.

89e. How do we fill out Form 4 if we have multiple investors that have interests in other companies in the industry?

Each investor should complete his/her own Form 4 and identify any interests they hold within the industry.

90e. What is the selection process after RESI returns the scores?

The final determination of the award of any pre-approval licenses will be made by the Commissioners. The identity of the applicants will remain confidential to the Commissioners until the final selection is made. The process is intended to be fair, impartial, and balanced, and will reflect the best interests of the Commission and the State of Maryland.

91e. What is the method for redacting identifying information in an application?

Where identifying information is included, simply exchange the identifying terms for generic terms. For example, instead of "ABC, LLC" write "Company". Instead of "Sam Smith" write "Investor #1" or "Agent #2".

10/15/15

92e. If applicants for dispensary licenses are permitted to apply for licenses in different senatorial districts, how will the Commission determine the locations of the dispensaries in the districts?

The locations of the dispensaries within the senatorial districts is not within the Commission's authority or discretion. Instead, this is a concern for the local governments.

93e. We have hundreds of pages of documents we would like to send via a secured server. How do we do this?

The Commission reminds applicants to be mindful of the page limitations contained in the applications and the rules relating to the submission of applications. Hundreds of documents will not be reviewed, as there is no question in the application which requests enumerable documents.

Instead, applicants are encouraged to synthesize voluminous records. They may do so by extracting the relevant data points contained in the voluminous records and inputting the relevant data into one or more documents. A Certified Public Accountant may be helpful to assist with financial records. For example, instead of sending every transaction of the business in the past year, the applicant may submit the company's annual report, balance sheet, financial statement, etc.

The Commission has not established a secured server for the receipt of applications. An applicant may not substitute submission of a hard copy of a document for an electronic or emailed version. Both a hard copy and electronic version (provided on a USB “thumb” drive) are required. Failure to adhere to the instructions in the application may result in the rejection of the application.

94e. In a question with multiple subquestions, will each subquestion be sent out to the Subject Matter Expert (“SME”), or will the entire response be sent out to the same SME?

The SMEs for each category are identified in the text of the question.

95e. For Form 4, Business Interest Identification & Authorization Form, should this form be completed for any individual identified in the Application as a team member of the Applicant’s team, or just the entity applying? Should every agent, investor, or owner fill out Form 4 for their cannabis business interests in other states?

If a team member is an agent, owner, manager, or investor with a 5% or greater interest in the entity applying for a Maryland license, they should complete Form 4. Each “team member” or agent, investor, or owner should fill out the form. The completed form should indicate if the “team members” have cannabis business interests in other states.

96e. Applications require that applicants affirm that all individuals have requested that their state and national criminal history record information be forwarded to the Commission. Once CJIS provides this background check to the Commission, does this fulfill this requirement? Does it fulfill the requirement if the individual lives in another state, or only for a Maryland resident?

It fulfills the requirement for a Maryland resident only.

Residents of other states should go to a local law enforcement agency in their state to be fingerprinted and request that their fingerprints be routed to CJIS using codes ORI MD920525Z and CJIS 1500004096. The non-Maryland fingerprinting authority should request the appropriate fingerprint cards from the Maryland CJIS Repository. If the authority needs further information, he or

she may contact Customer Service at Maryland CJIS Repository at 410-764-4501 or 1-888-795-0011.

97e. What is the deadline for completion of fingerprinting?

The deadline is November 6, 2015.

98e. I have read in the MMCC regulations that grower's applications will be granted for areas zoned as Agricultural. Commercial zoning in our county also allows for agricultural use, so would a commercially-zoned parcel being used as Agricultural meet the zoning requirement for a medical cannabis grower license?

Please confer with your county's local planning/zoning board. The Commission cannot assist with zoning compliance. Zoning approval is not required until Stage 2 of the application process.

10/19/15

99e. Grower questions 61-63 reference COMAR regulation 10.62.12.05. Should this read "10.62.12.06" instead?

Yes. The appropriate COMAR reference is 10.62.12.06. This will not have an effect on the scoring.

100e. Will the Commission score an application differently if the applicant is one organization applying for all three licenses versus separate entities applying separately?

No.

101e. Will including the entity name in the file name give away the confidentiality that the reviewers will have in reviewing my application?

No. The reviewers will receive an anonymous section of the overall application to review. For example, a reviewer may receive questions 1, 2, and 10 to review. He or she will not have access to the entire application and will not see the entity's name on any document which is properly redacted by the applicant. The file itself is not sent to the applicants with the entity's name listed.

102e. If an investor is listed on two dispensary or two processor applications, and both score highly, there is now a "location conflict". Can the investor resolve the "location conflict" and select which application goes forward to the pre-approval stage, or does the Commission make this decision?

It depends on the license.

This question does not apply to grower licenses, because investors can be involved in only one application. Therefore, there cannot be a location conflict.

For dispensaries, there can be a location conflict. Entities can apply for multiple licenses, but the licenses themselves are limited by Senatorial District. There is a provision providing for the selection in the regulations. Specifically, COMAR 10.62.25.05(J)-(K). "An applicant that is ranked first or second in more than one senatorial district may elect to move to stage 2 of the application process in only one district. In a Senatorial district in which the top ranking applicants chose not to move to phase 2, lesser ranked applicants will move up in rank."

For processor licenses, there may be a location conflict, but there is no similar provision in COMAR. For that reason, the Commission has full discretion to resolve, or allow the applicant to resolve, the location conflict.

103e. If a "Private Entity" purchases 10% of an "Applicant Entity" and the Private Entity holds the equity, do the individual members of the Private Entity need to be fingerprinted?

No. The individual members of the Private Entity do not need to be fingerprinted unless they hold 5% or more of the Applicant Entity.

104e. How do I answer a question with a word limit?

Generally, you should answer a question with a word limit with a narrative response in the text box provided in the application.

105e. How do I answer a question with a page limit?

Generally, you should answer the question with a page limit by attaching relevant documentation as addenda (whether written text on a separate document or photographs, exhibits, etc.). These documents may be attached as .pdf files. Depending on the question, you may or may not need to include a brief statement in the text box provided.

106e. If one of our partners in our company is an LLC holding 5% or more of the interest, who should be listed on the Grower Agent List for that entity?

The LLC should be listed, but with a designated contact person listed. For example a corporate designee or resident agent, or other person with express authority.

107e. We are confused when to attach addenda and when not to.

Addenda should be attached in response to the following questions and for the below listed applications. The below list *does not* include forms.

Grower Application:

Documentation which establishes adequate capitalization: Question #3.

Documentation which supports Maryland residency: Question #4.

Documentation which demonstrates lack of arrears on tax obligations: Question #5.

An informal site plan may be attached, but will not be scored.

Not tied to specific question. Referenced in definition section.

Processor Application:

Documentation which supports adequate capitalization: Question #2b

Documentation which supports Maryland residency: Question #3a.

Documentation which demonstrates lack of arrears on tax obligations: Question #3b.

An informal site plan may be attached, but will not be scored.

Not tied to specific question. Referenced in definition section.

Dispensary Application:

Documentation which supports Maryland residency: Question # 6.

Documentation which supports adequate capitalization: Question # 4.

Documentation which demonstrates lack of arrears on tax obligations: Question #7.

An informal site plan may be attached, but will not be scored.

Not tied to specific question. Referenced in definition section.

108e. Can lab test results of the specific strains be attached as addendum to the application?

If attached, they will not be scored or reviewed. Unless the question specifically requests a document to be attached, the applicant should not attach any other addenda. Instead, the applicant is strongly urged to provide a written response in the corresponding text box of the application.

109e. Where do we attach a list of grower agents?

You may, attach a list of grower agents known at the time of the application in a separate .pdf. This document will not be scored or evaluated. *However, each grower agent, known at the time of the application, must complete Form 5.*

110e. Is the page limit “per investor” or is the limit listed the “total” page limit?

The page limit listed is the “total” page limit. Do not multiply the page limit by the number of investors. No more than 2.25 pages will be reviewed and scored.

111e. To be clear, identifying information must only be redacted from the ELECTRONIC version after Form 5, and not from the hard copy after Form 5? The hard copy is not to have any material redacted. Is this correct?

Yes. This is correct. The hard-copy will not be reviewed or used during the evaluation and selection process, but must be included as a complete record of the application.

112e. How do we demonstrate Maryland Residency by use of documents?

Without exceeding the page limits, please attach these documents as .pdf files with the electronic copy, and include a hard copy with the hard copy of the application. You may do so for all Maryland residents, but you may not exceed the total page limit (it is not a per-resident page limit).

113e. How do we complete Forms 1 – 5?

The forms should allow users to type in or input data. If they do not, users should print out the forms, complete them by hand or by typewriter, sign, scan, and attach the documents as .pdf to the electronic copy, as well as providing a hard copy of the form.

114e. Who should fill out Form 1?

Owners & Investors, or other like party, holding 5% or more interest in the applicant entity; and

Agents known at the time of application. Agents are defined as: owner, member, employee, volunteer, officer or director of a licensed dispensary.

If there are no employees or volunteers known at the time of the application, there is no need for them to complete Form 1.

If a member, officer, or director does not hold 5% or more interest, but is known at the time of the application, then they should complete Form 1.

115e. Who should fill out Form 2?

An authorized representative of the applicant entity.

116e. Who should fill out Form 3?

An authorized representative of the applicant entity.

117e. Who should fill out Form 4? (updated 10/20/15)

Owners, Agents & Investors, or other like party, holding 5% or more interest in the applicant entity.

118e. Who should fill out Form 5?

Owners & Investors, or other like party, holding 5% or more interest in the applicant entity; and

Agents known at the time of application. Agents are defined as: owner, member, employee, volunteer, officer or director of a licensed dispensary.

If there are no employees or volunteers known at the time of the application, there is no need for them to complete Form 1.

If a member, officer, or director does not hold 5% or more interest, but is known at the time of the application, then they should complete Form 5.

10/21/15

119e. When do we need to obtain zoning approvals?

Zoning approvals are not required for Stage One applications. “When” to seek zoning approval is left to the applicants to decide. However, licensees awarded a pre-approval license will find it necessary to obtain a zoning approval in order to progress with the Stage Two process.

120e. If an applicant intends to use indoor cultivation, instead of greenhouse or field cultivation, can you advise which questions in the application do not apply?

Unfortunately, we cannot assist the applicant with a question-by-question response regarding the applicability of each specific question to their application. Instead, applicants are encouraged to read the regulations together with the application and make an independent determination if a question does not apply to their methodologies. If they believe a question does not apply to their methodologies, then they should indicate that in their response; e.g., “not applicable”.

For example, COMAR 10.62.10.03 “Additional provisions for field or greenhouse cultivation premises” *applies to greenhouse or field grow facilities*. For applicants that are proposing a warehouse grow facility, the requirements of the section do not apply to them. Therefore, all questions referencing that section also do not apply to them; e.g., questions 13-16 of the grower application. *This will not have a negative effect on the scoring for warehouse growers.*

121e. What is the rule about multiple applications and multiple licenses?

It depends on the type of license.

Grower: Can only apply 1 time. Can only hold 1 grower license, if awarded.

For example, Company ABC can submit 1 application for a grower license. Company ABC can hold only 1 grower license.

Processor: Can apply unlimited number of times. Can only hold 1 processor license, if awarded. For example, Company ABC can submit 500 applications for a processor license. Company ABC can hold only 1 processor license.

Dispensary: Can apply unlimited number of times. Can only hold 1 dispensary license, if awarded. For example, Company ABC can submit 5 applications for a processor license. Company ABC can hold only 1 processor license.

Licensees may not hold more than one grower, one processor and one dispensary license. For example, Company ABC can hold, at the most, 1 grower, 1 processor, *and* 1 dispensary licenses, or any combination thereof.

122e. When designating a Senatorial District, should I include the letter and the number?

- a. There are two main types of Legislative Districts in Maryland: Senatorial and Delegate. There are no letters identifying Senatorial Districts. There are, however, numbers, and numbers and letters, identifying Delegate Districts. If using the Delegate District identifier instead of the Senatorial District, then applicants should use the number and the letter (as this is the actual identifier of the Delegate district). We recommend applicants use the Senatorial District identifier instead of the Delegate District identifier.

There are 47 Senatorial Districts in Maryland and a current listing can be found at <http://msa.maryland.gov/msa/mdmanual/05sen/html/sendist.html>. Applicants should also be aware that the Legislative Districts in Maryland changed in 2014, so applicants should take steps to ensure the information that they are relying on is current.

10/22/15

123e. In supplying the documentation in support of adequate capitalization, we have far too many documents to comply with the page limit. What do we do?

It is well understood that applicants have the burden of demonstrating they possess adequate capitalization. The Commission has also provided a list of documents which may be indicative of adequate capitalization. If an applicant believes it necessary to support their application with documents numbering far in excess of the page limit, they should understand that the documents exceeding the page limit will not be scored. This response is intended to be read in harmony with these prior statements.

For purposes of the stage one application only, in order that applicants are able to provide the necessary data, applicants may, if they choose, adopt the following procedure:

1. Have a certified public accountant review the underlying documents and encapsulate the relevant data points from the documents and include them into a table(s), e.g., a summary chart or data table.
2. This table/chart must be contained within the existing page limits; this is not in addition to the existing page limits.
3. The applicant should, within those same page limits, include a statement which certifies that “the table/chart was compiled by a certified public accountant on the basis of documents he/she reviewed and that the data contained in the table is true, accurate, complete, and made under penalty of perjury. Applicant understands that a misrepresentation may result in the termination of the application.”
4. If an applicant is found to have misrepresented the data in the table/chart, the application or license may be denied or terminated.
5. Applicants are advised that the Commission may require additional documents or information to be provided pursuant to its authority under the regulations, and that the data contained in the tables may be scrutinized at any time.

6. The Commission recommends that in providing their documentation in support of adequate capitalization, applicants not rely on summary charts or data tables alone.

124e. In regard to the Forms (Form 1 – Form 5), do responses within the forms need to be typed? May investors/agents/owners/managing directors handwrite their responses and sign the document which would then be scanned and included in the application as “Related Documents”?

Please complete the forms to the best of your ability. Forms may either be typed or legibly handwritten.

125e. Does Form 5 (Investor, Agents, Owners, and Managing Director Certification Form) need to be signed only by those investors, agents, owners and managing directors of 5% or greater?

Yes. Any investors, owners and managing directors and agents known at the time of application must sign Form 5.

126e. In the 0-5 grading structure, are grades assigned based on a distribution (i.e., a "curve") or a standardized sufficiency (e.g., a "5" is assigned if applicant mentions x, y, z)?

The 0-5 scoring will be based on standardized sufficiency.

127e. Given that nearly all of the editing prompts in the Applications are not available to the Applicant, is there a definitive way to know that one has cut/pasted the answer properly into the "text box". For instance, is the font default in all Applications Times New Roman? Is there anything specific that appears in the text box to let you know that the answer has been entered properly?

The text boxes are preset to display in Times New Roman, 12 point font. Applicants will want to make sure that the text of their answer appears in the text box for the corresponding question. As long as all of the information is displayed, it will be submitted.

128e. How do we answer a question that provides for a page limit response versus a question that provides for a word limit?

If the reference to the question provides for a page limit, and not a word limit, the application should answer the question by providing and attaching related documents that are responsive to the question. (The applicant, may, but is not required, to type into the text box "see attached documents".) The applicant will not receive a score for the written response. The applicant *should not* paste any documents into the application.

For example, the Grower application question #3 is as follows:

To answer this question, applicants should attach/append to their application (not paste) documents which demonstrate adequate capitalization. These documents should not exceed 8 ³/₄ pages of 8 ¹/₂

x 11 pages of paper. It is left to the applicant to determine what information to include in the 8 ¾ pages; e.g., whether text, tables, images, etc. In completing the response to the question itself, the applicant should either leave the box empty, or include the phrase “see attached documents”. Keep in mind that *only the documents will be scored*; not the written response.

In contrast, an applicant answering a question which provides a word count *should not attach/append documents* to support their written response. The written response will be reviewed and scored. Any documents appended to correlate with the written response, or in lieu of a written response, will not be scored.

129e. In regard to the word count for each section, will an ampersand “&” symbol count as a word?

The applicants should use the word count as identified through Microsoft Word.

130e. Question #138 of the Dispensary Application asks, “Please describe how the Applicant/Licensee will assure that the label does not include any statement, image, or

design that may not be included on the package.” What qualifies as information that may *not* be included on the package?

Please refer to COMAR 10.62.29.

131e. Once dispensaries are up and running, per the regulations, a delivery service may be utilized to deliver medical cannabis to a qualifying patient or caregiver. Will the Commission be licensing delivery service companies?

No. The Commission does not regulate transportation vehicles. For information on licensure for transportation/delivery services contact the Maryland Department of Labor Licensing and Regulation (“DLLR”). The DLLR website is <http://dllr.state.md.us/>

132e. If we are successful in obtaining a license in all three categories, where can back-up data be located? Can the data be centrally located in the dispensary, regardless of the origin of the data? Alternatively, can the data from the dispensary be stored at the grow facility?

Please review the applicable regulations, especially 10.62.32 and 10.62.33. The Commission may conduct inspections of the facilities to ensure compliance with the regulations. This inspection may include a records inspection. A failure of a licensee to make the records immediately available may result in a fine, suspension or revocation of the license.

133e. If a question has three subparts, but only one text box, can I combine the word count instead of answering each subpart separately?

The Commission deliberately wrote the application with subparts and scoring for the related subparts. We strongly encourage applicants to follow the instructions and answer the questions as asked in the application and within the word limitation provided. An applicant who combines word count, instead of answering the question as directed, may negatively impact their score for that question.

134e. I am confused by the FAQ which requires “signatures in handwriting” does this apply to everything including the application, or just the application?

The direction in the FAQ was not intended to refer to all documents including the application itself. It relates to the several sections of the application which have signature lines (e.g., affirmation, forms, etc.). Applicants are encouraged to provide an actual signature in these sections.

135e. Does a related document have to comply with the single space and font requirements of the application?

Only if the related document is document created in support of the application. In other words, a document supplied as evidence, such as a tax return, does not in its original state exist as a single-spaced, times new roman, document. It does not, therefore, need to be converted to a single-spaced, times new roman, document. If, however, an applicant is drafting a document, for example, an affirmation, then that document should comply with the requirements in the application.

136e. How many dispensary licenses are available?

There are 94 licenses available, but are committed to 2 licenses per each Senatorial District. There are an additional 15 licenses which are not tied to Senatorial Districts, but are tied to the 15 grower licenses, should the selected grower applicants also apply to be dispensaries. Therefore, there are a total of 104 dispensary licenses which *may* be awarded.

137e. We are submitting multiple applications. Does each application have to be independently notarized or may we copy the notarized statement?

Each application must contain genuine notarized statements and cannot contain copied, notarized statements.

138e. What is receiving a “scored” value in the applications?

The scored value in the applications are encapsulated in the question section and the related documents requested in those sections. The balance of the application relates to 1) information to the applicant; 2) the Forms section; and 3) the Affirmation section.

Applicants must complete all sections. Failure to do so will render their application incomplete and will result in a failure to meet the minimum requirements. The application will be rejected.

139e. How do I comply with Section T?

Applicants need not complete Section T, as it is an informative or “roadmap” section only, and provides nothing for the applicants to complete. Instead, the questions contained in the application fall within the categories delineated in Section T.

140e. Where do I supply the list of grower agents?

Please see existing FAQs.

141e. The application FORMS wont' let me input necessary data into the fields, what do I do?

Print out the FORMS, complete by hand, scan, save as .pdf files. Attach hard copy of the FORMS to your application. Save the FORMS on the USB drive as separate files.

142e. What are the hours that the Commission is open in order to receive applications?

Please read the front page of any application.

143e. Other than using a courier service, what is the drop off process for applications?

Please review (in any application) the sections entitled "Application Submission Instructions" and "How to Apply", including the subheadings entitled "Application Contents" and "Application Delivery". Couriers should deliver all applications and components to the delivery address listed in the application. The building is a secured facility. No courier will be able to access the Commission offices itself, but the front desk is operated by a security guard.

There will not be a time-stamp available regarding the delivery. Instead, applicants may rely on the tracking services of the courier to determine the date and time of delivery.

10/26/15

144e. The application and regulation require two sets of fingerprints, but only one is needed. Do we still have to submit two?

No. At the time the regulations were written electronic fingerprints were not available. Therefore one set of digital fingerprints will be sufficient for the Stage One application. If digital fingerprinting is available, only one set is enough. If needed, the Commission may require a second set of fingerprints to be taken during the Stage 2 application or during the licensing period.

145e. We are requesting clarification of exactly who should be submitting fingerprint cards and how many fingerprint cards for each license application.

Regarding the persons that are required to provide fingerprints for purposes of the stage one application, please see the applicable regulations as it mandates "each individual identified in the application". What that means is that each owner, investor, director, agent identified in the application must provide fingerprints. The term agent is specifically defined in the regulations, the application,

and prior FAQs. Owners and Investors must provide fingerprints if they hold an interest of 5% or more of the entity. Directors of the proposed entity (e.g., the person(s) responsible for the operations), *if known* at the time of the application for stage one license, must also be fingerprinted.

146e. On page 13 of the Grower Application, Section O: Criminal History Check, COMAR Section 10.62.08.2, it indicates that, “Two sets of fingerprints taken in a format approved by the Central Repository and the Director of the FBI...for access to state criminal history and records for each medical cannabis grower agent and investor identified in the application...” (Emphasis added). We have heard from legal counsel that electronic fingerprinting (as opposed to traditional ink-based fingerprinting) is an acceptable form for CJIS and FBI purposes. Please confirm if fingerprints can be provided electronically or if traditional ink-based fingerprint cards are required.

Yes Electronic fingerprints are acceptable.

147e. Given how the CJIS plans to use one set of fingerprints to accomplish electronically all background checks for each person, does an applicant need to submit only ONE original set of fingerprints (or must each person submit two original sets of fingerprints)?

Yes. One set of fingerprints will be sufficient for the Stage One application. If needed, the Commission may require a second set of fingerprints to be taken during the stage 2 application or the licensing period.

148e. “If a person is a prospective owner, investor, employee, officer, and/or director of more than one type of license (e.g., Grower, Processor, and/or Dispensary), may that person submit his/her set of original fingerprint cards (either one or two, depending on the answer to the previous Question 1a) just ONCE, regardless of the number of additional license applications (or does that person need to submit an original set of fingerprint cards --- either 1 or 2, depending on the answer to Question 1a above --- multiple times for EACH separate application)?”

While we are not changing the language in the regulation, one set of fingerprints will be sufficient for the stage one application. If needed, the Commission may require a second set of fingerprints to be taken during the stage 2 application or the licensing period. If an applicant is involved in more than one application, the applicant may complete only one fingerprint for all applications, but may be required to undergo additional fingerprint testing at the Commission’s discretion.

149e. Who would have to submit a set of original fingerprints for background checks? The term “grower agent” is broadly defined to include “an owner, an employee, a volunteer, and officer, or a director of a licensed grower.” But our Applicant intends to have an independent “Advisory Board” of experts in various disciplines, who will act as a trusted resource for pursuing tangential medical, research, and philanthropic initiatives that are unrelated to the Applicant’s actual medical cannabis business operations.

No “Advisory Board” member would be involved in the day-to-day business operations of the Applicant, nor would any expert “Advisory Board” member have any business operational decision-making authority of the Applicant. Please, therefore, answer the following question:

150e. “If a person identified in an Application would not serve in any direct role relating to the operation of the medical cannabis business of an Applicant, but instead would serve only as an expert, trusted resource (e.g., merely in an “Advisory Board” capacity) to pursue general medical, research, and/or philanthropic endeavors, is that person exempt from the requirement to submit an original set of fingerprints (or would that expert, trusted resource still be required to submit original fingerprints, in whatever number would be required based upon the answers to Questions 1a and 1b above)?”

If these person(s) will not have contact with the facility and do not have an interest of 5% or more in the entity, then they are not be required to be fingerprinted. The Commission views these person(s) as consultants and not grower agents. If however, these person(s) will be at the facility site, they have to be monitored at all times while at the facility. Please see the regulations relating to security and visitors.

151e. We are requesting clarification on the terminology and interplay between “Form 5” and Questions 4 and 5 under 10.62.08.05. Form 5 asks for responses from “Investors, Agents, Owners & Managing Director”. Specifically, Question 4 on Form 5 says, “I certify that I am not delinquent of the filing of state or federal taxes.” As explained in Question 1c, our expert, trusted resource Advisory Board members are not agents who will be involved in the medical cannabis business operations, but rather act merely as a trusted resource for medical, research, and/or philanthropic endeavors. Please, therefore, answer the following question: If a person identified in an Application would not serve in any direct role relating to the operation of the medical cannabis business of an Applicant, but instead would serve only as an expert, trusted resource (e.g., merely in an “Advisory Board” capacity) to pursue general medical, research, and/or philanthropic endeavors, is that person exempt from the requirement to submit Form 5 (or would that expert, trusted resource still be required to submit a completed Form 5)?”

Applying the same logic as above, these person(s) are not required to complete Form 5.

152e. Will a letter from a Maryland-Certified CPA indicating that Applicant is not in arrears in Maryland and any other jurisdiction suffice?

Please see existing FAQs regarding this question. This will likely be sufficient for an individual.

153e. Is the requirement in Question 4 of Form 5 that an individual certifies they are “not delinquent of the filing of state or federal taxes” sufficient for the Commission and there is no further requirements of all the individuals mentioned in the Application(s) to certify that they are not in arrears under Question 5 of 10.62.08.05 (page 35) since they have certified under Question 4 of Form 5?”

No. Applicants should use the application to their full advantage. The failure to provide a response to a question will have a negative impact on their score for that question. The affirmation section and the Forms section are not scored portions of the application.

154e. Do the answers from the Commission to all the above questions apply to the respective grower, processor and dispensary applications?

Yes.

155e. Will the evaluators assign non-integer values to the application responses?

They will only assign integer values.

156e. If we already have fingerprints on file with another State agency, commission or board, must we submit a new fingerprint?

All applicants must be fingerprinted for the application; they may not rely on previously submitted prints.

157e. What are the surety bond requirements?

The regulations do not require surety bonds or establish requirements.

158e. Can we use our personal name as the Company name for purposes of the application only?

Yes.

159e. Do we have to register as a business to apply?

No. Please review existing FAQ's

160e. Can we leave Form 4 blank?

No. You should complete the entire application unless you wish to have your application rejected for incompleteness. If you do not have data which is relevant to the form, you should complete the form by indicating "not applicable" and fully execute the balance of the form. This question is also addressed in the instructions in the application. Please read the application very carefully.

161e. Can we speak with someone?

No. All contact to the Commission must be through the website and the email addresses provided therein.

162e. What kind of business entity is required to operate as a dispensary in Maryland?

We cannot answer this question as this relates to the applicant's choice on how they want to form the business entity.

163e. Are original signed Forms required for each application required or may we provide copies?

Each form for each application must be an original. Duplicates or copies will not be accepted.

164e. Can you tell us how many applicants there are to date? We don't want to apply if there is a lot of competition already.

If you would like to make a formal request under the Maryland Public Information Act, you may do so in accordance with applicable law.

165e. Can you advise why the Commission has banned the use of bullet points?

Please ensure that you are using the most current version of the application. The revised application, uploaded on 10/7/15, is not formatted to allow many of the common editing tools provided for by MS Word. We have been advised by other applicants that this has limited their ability to use bullet points. The Commission has not banned the use; it is merely that the formatting of the application will not permit it. The Commission will not revise the application to conduct additional formatting changes.

166e. In Question 1 of the Processor Application, the applicant is asked to "describe how the Applicant will address the following commercial laboratory, pharmaceutical manufacturing, and consumer products production factors:

- a. chemical plant manufacturing, *
- b. pharmaceutical manufacturing, and *
- c. consumer product manufacturing. *"

167e. Since the applicant will not be manufacturing chemicals at the facility, does (a) refer to processing concentrates or the use of the chemicals used in processing concentrates?

The Commission is interested in determining if an applicant has the appropriate expertise, technical, or knowledge-based experience relating to the backgrounds of product formulation and manufacturing by the persons who will be making the products. Please respond to the question to the fullest of your ability.

168e. I am concerned about the redaction requirements. Should I redact my prior workplaces and positions?

There is not a requirement that this information be redacted.

169e. If a person was a consultant to an entity that applied for a medical cannabis license in another state, and the entity differs from the entity on the Maryland application, should the person disclose that application on Form 4?

Absolutely.

170e. If a person was listed as (i) a Board Director; (ii) a Corporate Officer; or (iii) C-level executive of an entity that applied for a medical cannabis license in another state, but was not as an owner, should the person disclose that application on Form 4?

Yes, if that person is an owner, investor, or agent for the Maryland entity/application for Maryland license.

171e. Processor Q. 3(c). Are only 115 words to be used (ii) to describe whether the product has any demonstrated success in alleviating symptoms of specific diseases or conditions?

Yes.

172e. Processor Question #80. Is the 'of' supposed to be 'or' as it is written in the regulations?

Processor question #80 contains no such language. Unfortunately, we are unable to respond to your question in its current form.

173e. For question 50 of the processor application, is the processor the receiving licensee referenced in the question?

Yes. The question relates to COMAR 10.62.22.03 which is the section addressing Processors & "Receipt of Products Containing Cannabis".

174e. Was grower question #80 intended to have two response sections? A similar question in the processor application, #92, has two response sections.

No. This was intentional. While the question is similar, it is not given the same weight in both applications.

175e. Regarding question #94 of the processor application, was the intention to have the independent laboratory destroy the samples? Is the processor allowed to arrange for transportation of the samples back to our facility where they would be treated as green waste and disposed of properly?

Yes. A review of COMAR 10.62.23.03 reveals that the Independent Testing Laboratory is responsible for destroying the samples. While the applicant may propose a process to transport the samples back to their facility and to treat them as green waste and disposed of them properly, we cannot speak to what weight/score, will be provided for this proposed method.

176e. For processor Question #60, is the shipping licensee the processor or the grower in the context of this question?

The processor is the receiving licensee. The grower is the shipping licensee.

177e. Question #111 on the grower application has 3 sections but 4 separate responses requested?

The initial response of 340 words is intended to require the applicant to answer the portion of the question generally, and then to specifically address the subsections. For example, 340 words are attributed to the portion of the question which asks, "Please describe how the Applicant will maintain, independent of the inventory control, a searchable, secure, tamper-evident record of each distribution". 70 words are attributed to the specific portion of the question which relates to (1) the name and address of the recipient; 70 words are attributed to the specific portion of the question which relates to (2) the quantity delivered; and 70 words are attributed to the specific portion of the question which relates to (3) the name, strength, batch number, and lot number of the product.

10/27/15

178e. We understand that the deadline for fingerprinting is November 6th. Can you please clarify whether the fingerprints have to be processed by November 6th, or whether it is acceptable that they have been taken prior to November 6th, with results potentially arriving after that date?

We expect applicants to submit to fingerprint testing prior to submitting their application. We do not expect the completed results to be available at the same time that the application is filed.

179e. How do I answer a question with a page limit instead of a word count?

Please see existing FAQs. The questions which specify a page limit should be answered by attaching the specific number of pages to the application. Those pages may contain writing, tables, etc. The pages *should not be pasted into the application*. If any response is typed into the text boxes for this question, it should be "please see the attached documents". Otherwise, any response in the text box will count against the applicant's page limit.

180e. What other documentation should I supply to support my application?

The Commission cannot answer this question as this is a determination the applicants should make. In other words, the Commission will not direct an applicant as to what specific documentation they should supply.

181e. Can we submit additional documentation that is not specifically requested by the application or a question in the application?

Please see existing FAQs on this topic. Additional documentation can be supplied, but will not be scored.

182e. I believe that tax returns and business formation documents are required, but do not see them as a part of a question in the application. Do I provide them anyway?

Please see existing FAQs on this topic. Unless the question specifically requires the documentation, additional documentation will not be scored. If an applicant is awarded a Stage 1 application, additional information may be required at that time, or as necessary pursuant to the Commission's authority under the regulations.

183e. If my lender is also a separate applicant. Are either of us barred from *applying* for a license in the same category?

Please see existing FAQs on this topic. The Commission views equity holders as owners or investors. However, it depends on whether the lender is acting solely as a lender or as a lender holding 5% or more of the applicant entity, as well as the type of license being applied for. (See restrictions on number of applications per license type and number of licenses permitted.) For example, a lender who does not have an equity/ownership interest (or an interest of less than 5%) in the applicant entity is merely a financing source. In that instance, the lender could also be an owner/investor in another entity.

Alternatively, if the lender holds an equity/ownership interest in the applicant entity of 5% or more, then the Commission views the financing source as an owner or investor. In that instance, the financing source would be barred from also applying for a grower's license. He/She could apply for a separate dispensary license, *but can only hold an interest in one licensee dispensary.*

184e. How do I answer a question with subparts?

Please see existing FAQs on this topic.

185e. Why doesn't www.oag.state.md.us/opengov work?

Please use your internet browser to search the web for another means of accessing this site. The Commission does not maintain that website.

186e. I am confused about how a page count is counted.

Please see existing FAQs on this topic. The pages attached to the application in response to a question providing a page limit are counted. If they exceed the stated page limit, the portion of the attachment in excess of the page limit, are not evaluated or scored.

187e. Do numbers count as words?

Word count is based on the MS Word count. Applicants may find it helpful to run their word-count through MS Word to determine the length of their response.

188e. If a question is broken into subsections, but not separate text boxes, how do we break out our responses to the specific subsection?

This is an applicant-based preference. Please see existing FAQ's on this topic.

189e. Why are the questions broken out with the word counts in the manner that they are?

The question and word or page count limit was carefully decided on by the Commission.

190e. Do we need to include COMAR references in our response?

This is an applicant-based preference. The questions are already coded based on the regulations; the answers need not include the COMAR reference or language from the regulation unless applicants believe it will be helpful to their application.

191e. What needs to be redacted in the related documents?

Please see existing FAQs on this topic and the instructions in the application.

192e. Section K of the grower's application references a "Consent to an Investigation", are these persons the same persons that will complete Forms 1-5?

Yes.

193e. Page 18 of 61 mentions detailed plans of various natures. Are the contents of the detailed plans to be included in the responses to the 117 questions in the application; and that no separate operational plans are needed?

Yes. Please see existing FAQs on this topic. Page 18 is an overview of the weights of the application sections; it does not require additional documentation.

194e. Is Form 1 applicable to all licenses?

Yes. Each application has a Form 1 and the language in each Form 1 is identical or substantively identical. Each application must have original signed forms. For example, if an applicant is filing ten applications, each application must have an original signed form.

195e. Who is the “business entity” for Form 2?

The applicant is the business entity for purposes of Form 2.

196e. Who completes Form 3?

Please see existing FAQs on this topic. The applicant is the business entity for purposes of Form 3.

197e. Should everyone who needs to complete Form 5 provide their own form?

Yes.

198e. What documents should be supplied as “related documents”?

Please see existing FAQs on this topic. The Commission cannot provide any additional direction for this question, as this is a determination the applicants should make. In other words, the Commission will not direct an applicant as to what specific documentation they should supply to respond to the application.

199e. When is a grower a shipping licensee?

Please review the applicable COMAR regulations. 10.62.13.

200e. If a grower is also a dispensary, do they need to comply with the provisions relating to dispensaries?

Absolutely.

201e. Do redacted words count in the word count?

Absolutely. There are not separate word counts for the hard copy and the electronic copy. Please see the instructions to the application.

202e. Can we supply graphics in the text boxes?

Please see existing FAQs on this topic. The Commission strongly recommends against including charts or graphics, etc., in the text boxes. Text boxes are for text.

203e. How do I affirm that I have been fingerprinted?

Check the affirmation box in section U that speaks to fingerprinting; sign the form.

204e. Is the Commission charging for fingerprints?

No, because the Commission is not performing the fingerprinting.

205e. Regarding the fingerprinting requirements in Section O (page 4 of 61), the FBI indicates that to obtain fingerprints we “must have an Originating Agency Identification (ORI) Number”; please provide an ORI number?

Please review the FAQ's for ORI number.

206e. Section K (page 12 of 61) requires a statement that irrevocably gives consent to the Commission and persons authorized by the Commission to verify all information provided in the Application documents, and conduct a background investigation of an individual required to provide personal and background information. How, and where in the application, do we provide this consent?

Submit to fingerprinting; and complete the application, including all Forms.

10/30/15

207e. Is there an opportunity to submit a Grower application in the future, after this application period? Is it annually and then on a wait list?

Not at this time.