



MEMORANDUM

TO: Peter Mlynarik, Chair, and
Members of the Board

DATE: November 14, 2017

FROM: Erika McConnell, Director
Marijuana Control Board

RE: Regulations Project – Financial
Background Investigations

AS 17.38.121(b)(2) states that the Marijuana Control Board shall “establish by regulation the qualifications for licensure including fees and factors related to the applicant's experience, criminal justice history, and financial interests.” At the September meeting, the board opened a regulations project to institute a financial background check of applicants.

I began work on this project by looking to Washington, Oregon, and Colorado.

Washington

- Financial investigations are conducted on all “true parties of interest,” “financiers,” and any person who exercises control of the business.
- The financial investigations are necessary to verify all sources of funds needed to start a business.
- In the State of Washington there is no minimum amount required someone can contribute 5.00 or 50,000--all people contributing the funds are investigated.
- A variety of financial documents are requested depending on what the applicant states the source of their money is. Some examples of the requested documents are six months of bank statements, tax returns for at least the past two years, closing documents for sales of property, investment account statements, financial affidavits, loan documentation etc.
- Background checks are done on all “true parties of interest,” all “financiers,” and their spouses.

Oregon

- Applicants record the funding they provide themselves on the application.
- A supplemental form for is used for recording any funding provided by others.
- Tax returns are not requested but the source of funds is required to be provided.
- Criminal background checks are mandatory for any person with an ownership interest and for a person with a financial interest greater than 10%.
- Criminal background checks are discretionary for all others with a financial interest but they run checks on anyone who has contributed \$50,000 or more to the business.

Colorado

- Anyone who loans or gives money, inventory, furniture, or equipment to or for use in the business, or who will receive money or profits from the business must be listed along with their SSN and interest.
- Copies of all notes, security instruments, any written agreements, and details of any oral agreements by which any person will share in the profit or gross proceeds of the establishment must be provided.
- Financial statements, banking and investment account information, and tax information must be provided, and a waiver to allow investigators to be provided with related information must be signed.

In developing language for this proposed regulation, it became increasingly clear that the criteria for who is a licensee needed to be further developed. The board has developed a regulatory system whereby licensees are required to meet certain standards: namely residency and criminal history standards. The other states generally tie the financial investigation to the criminal history investigation, as this is one means of determining any connection between a marijuana business and criminal enterprises, gangs, and cartels (Cole Memorandum). The financial investigation is another means.

The attached proposal clarifies that a person other than a licensee may not have an ownership interest or a controlling interest, in addition to not having a direct or indirect financial interest, in a licensed business. The definition of “direct or indirect financial interest” is modified to provide additional clarity—the proposed language is mostly borrowed from the state of Oregon’s code. The board would set what financial history information it requires through modification of the MJ-09 form (Statement of Financial Interest). A modification to the definition of “controlling interest” is proposed and a new definition for “ownership interest” is proposed.

Attachments: Draft Regulation
 Colorado Retail Marijuana Business License Application
 Colorado Marijuana Business Financial Declaration Form
 Oregon Supplemental Form: Marijuana Business Additional Funding
 Various sections/definitions from OR, WA, and CO state law

(Words in **boldface and underlined** indicate language being added; words [CAPITALIZED AND BRACKETED] indicate language being deleted.)

3 AAC 306.015(a) is amended to read:

(a) The board will issue each marijuana establishment license to a specific individual, to a partnership, including a limited partnership, to a limited liability company, to a corporation, or to a local government. A person other than a licensee may not have a direct or indirect financial interest, **ownership interest, or controlling interest** in the business for which a marijuana establishment license is issued.

3 AAC 306.015(e) is amended to read:

(e) In this section,

(1) "direct or indirect financial interest" means

(A) **except as exempted in (B) or (C) below, having an interest in the business such that the performance of the business causes, or is capable of causing, an individual or a legal entity with which the individual is affiliated, to benefit or suffer financially, including**[A LEGAL OR EQUITABLE INTEREST IN THE OPERATION OF A BUSINESS LICENSED UNDER THIS CHAPTER;]

i. Receiving, as an employee or agent, out of the ordinary compensation, either in the form of overcompensation or under-compensation;

ii. Lending money, real property or personal property to an applicant or licensee for the use in the business;

iii. Giving money, real property or personal property to an applicant or licensee for use in the business; or

iv. Being the spouse of an applicant or licensee;

(B) does not include a person's right to receive

(i) rental charges on a graduated [OR PERCENTAGE] lease-rent agreement for real estate leased to a licensee; or

(ii) consulting fee from a licensee for services that are allowed under this chapter;

(C) does not include an individual with no ownership interest or controlling interest whose financial interest in the business is less than \$20,000;

3 AAC 306.020(b)(4) is amended to read:

(4) for each person listed in compliance with (2) of this subsection, a statement of financial interest on a form the board prescribes **and financial history information required by the board;**

3 AAC 306.990(b) is repealed and readopted to read:

(b) In this chapter, unless the context requires otherwise,

(1) "adulterated food or drink product"

(A) means a product that is intended to be consumed orally and that existed without marijuana in a form ready for consumption before marijuana was added by any process;

(B) does not include raw ingredients that are combined with marijuana in a manufacturing process;

(2) "agent"

(A) means a representative who is authorized to act for a licensee, the board, or the director;

(3) includes a contractor or subcontractor; "batch" or "harvest batch" means a specifically identified quantity of plant trim, leaf, and other usable product from marijuana plants that are uniform in strain, cultivated in one place and under the same conditions, using the same medium and agricultural chemicals including pesticides and fungicides, and harvested at the same time;

(4) "bud and flower" means the hairy, sticky, or crystal-covered parts of mature female marijuana plants generally harvested for their high potency content;

(5) "business day" means a day other than a Saturday, Sunday, or a state holiday;

(6) "CBD" means cannabidiol;

(7) "CBDA" means CBD Acid;

(8) "CBN" means cannabinol;

(9) "clones" or "cuttings" means small starter plants

(A) shorter than eight inches tall; and

(B) used to propagate marijuana plants;

(10) "compensation"

(A) means money, bartered objects or services, or anything else of value, whether given as payment or voluntarily as a donation, when accepted by a person who gives, distributes, or delivers marijuana to another;

(B) includes a cover charge, a delivery charge, and a packaging charge;

(11) "concentrate" or "marijuana concentrate" means resin, oil, wax, or any other substance produced by extracting or isolating cannabinoids, THC, or other components from a marijuana plant or from materials harvested from a marijuana plant;

(12) "consumer"

(A) means an individual who purchases and uses marijuana or a marijuana product; and

(B) does not include a marijuana establishment that resells marijuana or incorporates marijuana into a manufactured product;

(13) "contaminant" means one or more of the following:

(A) harmful microbials, including *Escherichia coli* (*E. coli*) or *Salmonella* species;

(B) residual solvents;

(C) poisons or toxins;

(D) harmful chemicals, including pesticides;

(E) dangerous molds, mildew, or filth;

(14) "controlling interest" means ownership or control of

(A) 50 percent or more of the ownership interest or voting shares of an entity; or

(B) less than 50 percent if a person and family members jointly exert actual control as demonstrated by

(i) making decisions for the entity without independent participation of other owners;

(ii) exercising day-to-day control over the entity's affairs;

(iii) disregarding formal legal requirements;

(iv) using corporation funds for personal expenses or investments, or intermingling corporation finances with personal finances; or

(v) taking other actions that indicate the corporation is a mere instrumentality of the individual;

(15) "distribute" means spread out or pass out among several or many members of a group;

(16) "edible" and "edible marijuana product"

(A) means a marijuana product that is intended to be consumed orally, whether as food or drink;

(B) does not include an adulterated food or drink product;

(17) "extraction" or "marijuana extraction" means production of marijuana concentrate by any water-based, food-based, or solvent-based method;

(18) "homogenous" means a component or quality, such as THC, is spread evenly throughout the product, or can be found in equal amounts in each part of a multi-serving unit;

(19) "individual" means a natural person;

(20) "in-house testing"

(A) means laboratory testing as provided in 3 AAC 306.635 and that does not meet the requirements of 3 AAC 306.645;

(B) does not include consumption of any marijuana or marijuana product on the licensed premises;

(21) "licensed"

(A) means holding a current and valid license that the board has issued under this chapter;

(B) does not include holding a formerly valid license that has expired or that the board has suspended or revoked;

(22) "licensee" means each individual identified in 3 AAC 306.020 who must be listed in an application for a marijuana establishment license under this chapter;

(23) "licensed premises" means any or all designated portions of a building or structure, or rooms or enclosures in the building or structure, at the specific address for which a marijuana establishment license is issued, and used, controlled, or operated by the marijuana establishment to carry out the business for which it is licensed;

(24) "lot" or "production lot" means a group of marijuana products that were prepared at the same time from the same batch of marijuana, using the same recipe or process;

(25) "marijuana" has the meaning given in AS 17.38.900;

(26) "marijuana cultivation facility" has the meaning given in AS 17.38.900;

(27) "marijuana infused product"

(A) means a product that contains marijuana or marijuana concentrate and is intended for human use;

(B) does not include bud and flower marijuana;

(28) "marijuana plant" means a living organism of the genus Cannabis capable of absorbing water and inorganic substances through its roots, and synthesizing nutrients in its leaves by photosynthesis;

(29) "marijuana product" has the meaning given in AS 17.38.900;

(30) "marijuana product manufacturing facility" has the meaning given in AS 17.38.900;

(31) "ownership interest" is indicated by the following behaviors, benefits, or obligations:

(A) Any person or legal entity, other than an employee or agent acting under the direction of the owner, that exercises control over, or is entitled to exercise control over, the business;

(B) Any person or legal entity, other than an employee or agent acting under the director of the owner, that incurs, or is entitled to incur, debt or similar obligations on behalf of the business;

(C) Any person or legal entity, other than an employee or agent acting under the director of the owner, that enters into, or is entitled to enter into, a contract or similar obligations on behalf of the business; or

(D) Any person or legal entity identified as the lessee of the premises proposed to be licensed.

(32) "peace officer" has the meaning given in AS 01.10.060;

(33) "person" has the meaning given in AS 01.10.060;

(34) "process" or "processing" means harvesting, curing, drying, or trimming of a marijuana plant;

(35) "propagate" means to cause a marijuana plant to grow by planting clones or cuttings, and nurturing them into viable plants up to eight inches in height;

(36) "recreation or youth center" means a building, structure, athletic playing field, or playground

(A) run or created by a local government or the state to provide athletic, recreational, or leisure activities for persons under 21 years of age; or

(B) operated by a public or private organization licensed to provide shelter, training, or guidance for persons under 21 years of age;

(37) "retail marijuana store" has the meaning given in AS 17.38.900;

(38) "square feet under cultivation"

(A) means an area of the licensed premises of a standard or limited marijuana cultivation facility that is used for growing marijuana, measured from the perimeter of the floor or growing space for marijuana;

(B) does not include a processing or storage area, an equipment storage area, an office, a hallway, or another area, if that area is not used for growing marijuana;

(39) "THC" means tetrahydrocannabinol, the main psychoactive substance found in marijuana;

(40) "THCA" means THC Acid;

(41) "transaction" means one single occurrence in which marijuana or a marijuana product not exceeding the limits set out in 3 AAC 306.355 is passed from a licensed marijuana establishment to another person.



COLORADO
Department of Revenue
Enforcement Division – Marijuana

Retail Marijuana Business License Application

Marijuana Enforcement Division

Colorado Marijuana Enforcement Division

Retail Business License Application Instructions

APPLICATION CHECKLIST

☐ 1 Application Fully Completed

Type or clearly print an answer to every question. If a question does not apply to you, indicate so with an N/A. If the available space is insufficient, continue on a separate sheet and precede each answer with the appropriate title. **A separate application is required for EACH license type.**

☐ 2 All Forms Signed & Attached

The following accompanying forms must be signed and returned with the application:

- ☐ Affirmation & Consent (each owner)
- ☐ Investigation Authorization/Authorization to Release Information (each owner)
- ☐ Applicant's Request to Release Information (leave the "To:" section blank on that page) (each owner)
- ☐ Statement of Understanding (initial each line) (each owner)
- ☐ Tax Authorization and Authorization to Release Information (each owner)
- ☐ **Applicable documents must be signed and notarized by all owners prior to submission to the MED**

☐ 3 All Requested Information Attached (Other forms may be made available and may be required at time of application)

The following information requested on the application must be attached, if applicable:

- ☐ Documentation showing legal possession of the premise to be licensed
- ☐ Diagram of premises to be licensed (see page 2, question 5), include a separate security drawing
- ☐ Certificate of Good Standing from the Colorado Secretary of State's Office
- ☐ Articles of Incorporation, including amendments **OR**
- ☐ Articles of Organization, including amendments and operating agreement
- ☐ Trade Name Registration
- ☐ Partnership Agreement, or operating/shareholder agreements
- ☐ If corp., annual and biannual reports and meeting minutes from past 12 months
- ☐ Copies of promissory notes, security instruments, etc., (see page 2, question 6 and page 4, question 7)
- ☐ Explanation detailing the funding sources used to finance the applicant business
- ☐ List of financial institution accounts as detailed on page 4, question 8
- ☐ All applicable information requested on page 4

Note: The Marijuana Enforcement Division reserves the right to request additional information and documentation throughout the course of the background investigation, which must be provided within 7 calendar days, unless otherwise directed by MED.

☐ 4 Applications For Associated Keys Attached (New owners only)

Submit an Associated Key License application (DR 8520) for any person with ownership interest, including officers and directors (if applicable).

☐ 5 Application and License Fees

All applications and documentation submitted must be single-sided and on 8.5x11 inch paper.

See fee table on website: www.colorado.gov/revenue/med

Application fees remitted to the State Licensing Authority and/or the Department of Revenue, are non-refundable. Only license fees may be refunded.

- ☐ Check or money order to local authority
- ☐ Check made payable to DOR (checks only accepted in name of the applicant, owner(s) or business entity which has an ownership interest in the applicant/licensee).
- ☐ 2 complete applications with all attachments, (including any NEW AK applications) for EACH license applying for. (One original and one copy of each license application including the AK application(s))

You are responsible for knowing who your Local Licensing Authority is. **NO Transfers/Changes of Ownership applications will be accepted until after the state license is issued.**

☐ 6 Application Submittal

Submit appointment request to dor_med_appointments@state.co.us and you will be contacted to set up a time. Bring in application and all attachments to:

Marijuana Enforcement Division
1707 Cole Blvd., Suite 300
Lakewood, CO 80401

NOTE: Incomplete applications WILL NOT be processed.

Colorado Marijuana Licensing Authority

Retail Business License Application

License Types & Fees (See Application Checklist for details on license types and fees.)					
<input type="checkbox"/> Retail Marijuana Store <input type="checkbox"/> Retail Marijuana Cultivation <input type="checkbox"/> Retail Marijuana Test Facility <input type="checkbox"/> Retail Marijuana Operator <input type="checkbox"/> Retail Marijuana Transporter	<input type="checkbox"/> Tier 1 = 1800 or fewer plants <input type="checkbox"/> Tier 2 = 1801 – 3600 plants <input type="checkbox"/> Tier 3 = 3601–6000 plants <input type="checkbox"/> Tier 4 = 6001–10200 plants <input type="checkbox"/> Tier 5 = 10201–13800 plants <input type="checkbox"/> Tier 5+ = _____ plants in excess of 13801	<input type="checkbox"/> Retail Marijuana Products Manufacturer <input type="checkbox"/> Conversion- Converted from Lic. # _____ <input type="checkbox"/> Retail/Medical Marijuana Combined Use- Combined with Lic. # _____			
Applicant's Legal Business Name (Please Print)			Marijuana License Number (Assigned by Division)		
Trade Name (DBA) (Provide Trade Name Registration)			Website Address		
Federal Taxpayer ID	Colorado Sales Tax License #	Entity ID number shown on Secretary of State Registration			
Physical Address					
Street Address of Marijuana Business					Business Phone Number ()
City	County	State	ZIP	Email Address	
Mailing Address (if different from Physical Address)					
Address			City	State	ZIP
Main Business Contact Person Information					
Primary Contact Person for Business			Title	Primary Contact Phone Number ()	
Primary Contact Address (city, state ZIP)				Primary Contact Email	
State of Incorporation or Creation of Business Entity					Date
Date of Qualification to Conduct Business in Colorado (Provide Certificate of Good Standing from the Colorado Secretary of State's Office)					
If a Corporation, List all States Where the Corporation is Authorized to Conduct Business					
List all Trade Names used by the Business Entity (other than above)					
Attach copies of all articles of incorporation, bylaws, articles of organization, or a true copy of any partnership or trust agreement, including any and all amendments to such. If a corporation, attach copies of all annual and biannual reports, SEC filings, if any, and all minutes from all corporate meetings for the past 12 months.					

1. Is the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) under the age of twenty-one years?	Yes No <input type="checkbox"/> <input type="checkbox"/>		
2. Has the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation) ever (in Colorado or any other state); (a) been denied a privileged license (ie: Liquor, Gaming, Auto Industry, Racing and Marijuana)? (b) had a privileged license (ie: Liquor, Gaming, Auto Industry, Racing and Marijuana) suspended or revoked? (c) had interest in another entity that had a privileged (ie: Liquor, Gaming, Auto Industry, Racing and Marijuana) license denied, suspended or revoked?	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>		
If you answered yes to 2a, b or c, explain in detail on a separate sheet.			
3. Has a Marijuana license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a limited liability company; or officers, stockholders or directors if a corporation)? If yes, on a separate sheet, identify the name of the business and list any current or former financial interest in said business including any loans to or from a licensee.	<input type="checkbox"/> <input type="checkbox"/>		
4. Does the applicant have legal possession of the premises by virtue of ownership, lease or other arrangement? Attach all documentation showing legal possession. (Deed, Title, sale or lease agreements etc.) <input type="checkbox"/> Ownership <input type="checkbox"/> Lease <input type="checkbox"/> Other (Explain in Detail) _____ (a) If leased, list name of landlord and tenant, and date of expiration, EXACTLY as they appear on the lease:			
Landlord	Tenant	Expires	
5. Attach a diagram of the premises to be licensed and outline or designate the area (including dimensions) which shows the licensed premises limited access areas, walls, partitions, entrances, exits and what each room shall be utilized for in this business. In a separate diagram, include security equipment locations. These diagrams should be no larger than 8 1/2" X 11". (It does not have to be to scale)			
6. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies, trusts), will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money or profits from this business. Attach a separate sheet if necessary.			
Name	Date of Birth	FEIN OR SSN	Interest
Attach copies of all notes and security instruments, and any written agreement, or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.			
Local Licensing Authority (To be completed by Applicant)			
Local Licensing Authority		Address	
Local Licensing Authority contact name	Contact Phone	Contact Email	

Ownership Structure

List all persons and/or entities with any ownership interest, and all officers and directors. If an entity (corporation, partnership, LLC, etc.) has interest, list all persons associated with such entity, their ownership in the entity, and their effective ownership in the license. List all parent, holding or other intermediary business interest. An Associated Key License Application must be submitted for all owners in a privately held company and all officers and directors (if applicable).

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number ()
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number ()
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number ()
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number ()
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number ()
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number ()
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number ()
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Name	Title	SSN/FEIN	DOB	App submitted? <input type="checkbox"/> Yes <input type="checkbox"/> No
Address	City	State	ZIP	Phone Number ()
Business Associated with (Parent business or sub-entity)		Own. % Business Associated with		Effective Own. % in Applicant

Are there any outstanding options and warrants?

☐ Yes ☐ No *If YES, attach list of persons with outstanding options and warrants

Are there any other persons, other than those listed in the Ownership Structure, including but not limited to suppliers, lenders and landlords, who will receive, directly or indirectly, any compensation or rents based upon a percentage or share of gross proceeds or income of the Marijuana business?

☐ Yes ☐ No *If YES, attach list of persons

Printed Legal Business Name	Printed Trade Name (DBA)
1. Has the applicant, the applicant's parent company or any other intermediary business entity ever applied for a Marijuana license in this or any other jurisdiction, foreign or domestic, whether or not the license was ever issued? If YES, provide details on a separate sheet, including jurisdiction, type of license, license number, and dates license held or applied for.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Has the applicant or any business entity owned by the applicant ever owned a Marijuana license in this or any other jurisdiction, foreign or domestic, that was subject to any of the following actions: (1) denial; (2) surrender; (3) assurance of voluntary compliance; (4) order to show cause; (5) suspension; (6) fine; (7) revocation; (8) stipulation or settlement; (9) withdrawn; (10) other penalties or sanctions. If YES, provide details on a separate sheet, including jurisdiction, type of action, and date of action.	<input type="checkbox"/> Yes <input type="checkbox"/> No
Financial History	
1. Is the applicant, the applicant's parent company or any other intermediary business entity delinquent in the payment of any judgments, taxes, interest or penalties due to the Department of Revenue, relating to a Medical or Retail Marijuana Business? If YES, provide details on a separate sheet and attach any documents to prove settlement or resolution of the delinquency.	<input type="checkbox"/> Yes <input type="checkbox"/> No
2. Is the applicant, the applicant's parent company or any other intermediary business entity currently a party to, or has it ever been a party to, in any capacity, any business trust instrument? If YES, provide details on a separate sheet.	<input type="checkbox"/> Yes <input type="checkbox"/> No
3. Has a complaint, judgment, consent decree, settlement or other disposition related to a violation of federal, state or similar foreign antitrust, trade or security law or regulation ever been filed or entered against the applicant, the applicant's parent company or any other intermediary business entity? If YES, provide details on a separate sheet and attach any documents to prove the settlement of any of these issues. Include any items currently under formal dispute or legal appeal.	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Has the applicant, the applicant's parent company or any other intermediary business entity been a party to a lawsuit in the past 5 years, either as a plaintiff or defendant, complainant or respondent, or in any other fashion, in this or any other country? If YES, provide details on a separate sheet and attach any documents to prove the settlement of any of these issues. Include any items currently under formal dispute or legal appeal.	<input type="checkbox"/> Yes <input type="checkbox"/> No
5. Has the applicant, the applicant's parent company or any other intermediary business entity filed a business tax return in the past two years?	<input type="checkbox"/> Yes <input type="checkbox"/> No
6. Has the applicant, the applicant's parent company or any other intermediary business entity completed financial statements, either audited or unaudited, in the past two years? If YES, attach all financial statements completed in the past two years.	<input type="checkbox"/> Yes <input type="checkbox"/> No
7. Has any interest or share in the profits of the sale of Marijuana been pledged or hypothecated as security for a debt or deposited as a security for the performance of an act or to secure the performance of a contract? If YES, provide details on a separate sheet.	<input type="checkbox"/> Yes <input type="checkbox"/> No
8. Attach a list detailing the operating and investment accounts for this business, including financial institution name, address, telephone number, and account number for each account.	
9. Attach a list detailing each outstanding loan and financial obligation obtained for use in this business, including creditor name, address, phone number, loan number, loan amount, loan terms, date acquired, and date due.	
Person who maintains Applicant's business records	Title
Address	Phone Number ()
Person who prepares Applicant's tax returns, government forms & reports	Title
Address	Phone Number ()
Location of financial books and records for Applicant's business	

Affirmation & Consent

I, _____, as an owner for the applicant business, state under penalty for offering a false instrument for recording pursuant to 18-5-114 C.R.S. that the entire Retail Marijuana Business License Application statements, attachments, and supporting schedules are true and correct to the best of my knowledge and belief, and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to issue a Marijuana license by the State Licensing Authority. Further, I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for denial of the marijuana business application. I am voluntarily submitting this application to the Colorado Marijuana Licensing Authority, under oath, with full knowledge that I may be charged with perjury or other crimes for intentional omissions and misrepresentations pursuant to Colorado law or for offering a false instrument for recording pursuant to 18-5-114 C.R.S. I further consent to any background investigation necessary to determine my present and continuing suitability and that this consent continues as long as I hold a Colorado Marijuana License, and for 90 days following the expiration or surrender of such Marijuana license.

Note: If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

Print Full Legal Name of Owner/Principal clearly below:

Applicant's Legal Business Name		Trade Name (DBA)	
Last Name of Owner/Principal (Please Print)	First Name of Owner/Principal	Middle Name of Owner/Principal	
Signature			Date
Last Name of Owner/Principal (Please Print)	First Name of Owner/Principal	Middle Name of Owner/Principal	
Signature			Date
Last Name of Owner/Principal (Please Print)	First Name of Owner/Principal	Middle Name of Owner/Principal	
Signature			Date
Last Name of Owner/Principal (Please Print)	First Name of Owner/Principal	Middle Name of Owner/Principal	
Signature			Date

Confidential Document: This document is the property of the Colorado Marijuana State Licensing Authority and the Colorado Marijuana Enforcement Division, and is provided for Official Use Only. This document may not be further reproduced nor its contents disclosed without the written permission of the Division or State Licensing Authority.

Note: If there are more than four (4) owners, please use a second Affirmation & Consent page (page 5 of 13).

Tax Check Authorization and Request To Release Information

I _____ am signing this waiver on behalf of _____ (the "Applicant/Licensee") to permit the Internal Revenue Service (IRS), the Colorado Department of Revenue, and any other state or local taxing authority to release information and documents that would otherwise be confidential.

If I am signing this waiver for someone other than myself, I certify that I have the authority to execute this waiver on behalf of the Applicant/Licensee.

The information and documentation obtained pursuant to this waiver will be used in connection with the Applicant/Licensee's application or licensure with the Colorado Marijuana Enforcement Division, which requires proof of compliance with certain tax obligations pursuant to several statutory provisions, including sections 12-43.3-202(1), 12-43.3-307(1)(g), 12-43.4-202, and 12-43.4-306(f), C.R.S. This waiver is made pursuant to 26 U.S.C. § 6103(c); section 39-21-113(4), C.R.S.; and any other similar law or ordinance concerning the confidentiality of tax returns and return information. This waiver shall be valid while the application is pending and, if the application is approved, (1) for one year from the date of licensure or; (2) if applying for an occupational license under the medical marijuana code, for two years from the date of licensure. If the license is administratively continued pursuant to sections 12-43.3-311 or 12-43.4-310, C.R.S., this waiver shall be valid until the state licensing authority takes final action to approve or deny the renewal of the license. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license.

Applicant/Licensee requests that the IRS, the Colorado Department of Revenue, and any other state or local taxing authority release the following information and supporting documentation to the Colorado Marijuana Enforcement Division, which is acting as Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to obtain the information specified below.

1. Whether the Applicant/Licensee has failed to file a Federal income tax return by the required due date (determined with regard to any extension(s) of time for filing) for any tax year for which filing of a return might have been required.
2. Whether the Applicant/Licensee has failed to pay any tax, penalty, or interest liability within 30 days of the date on which the IRS gave notice of the amount due and requested payment.
3. Whether the Applicant/Licensee has entered into an Offer and Compromise or payment plan with the IRS and whether Applicant/Licensee is current on any payments required by said Offer and Compromise or payment plan.
4. Whether the Applicant/Licensee has failed to file any state or local tax return with the Colorado Department of Revenue or any other state or local taxing authority by the required due date (determined with regard to any extension(s) of time for filing) for any tax year for which filing of a return might have been required.
5. Whether the Applicant/Licensee has failed to pay any tax, penalty, or interest liability within 30 days of the date on which the Colorado Department of Revenue or any other state or local taxing authority gave notice of the amount due and requested payment.
6. Whether the Applicant/Licensee has entered into a payment plan with the Colorado Department of Revenue or any other state or local taxing authority and whether Applicant/Licensee is current on any payments required by said payment plan.

Continued on next page

Applicant/Licensee authorizes the IRS, the Colorado Department of Revenue, and any other state or local taxing authority to release any additional information or documentation necessary to answer the questions above. Applicant/Licensee authorizes the Colorado Marijuana Enforcement Division and its legal representatives to use the information and documentation obtained from the IRS, the Colorado Department of Revenue, and any other state or local taxing authority in any administrative action regarding the application or license. To assist the IRS, the Colorado Department of Revenue, and any other state or local taxing authority locate the tax records, Applicant/Licensee is voluntarily providing the following information (please type or print).

Applicant's Name (Individual/Business)	Social Security Number/Tax Identification Number		
Street Address	City	State	Zip Code
Home Telephone Number	Business/Work Telephone Number		

If you are/were married and filed joint tax returns, your spouse must provide the following.

Spouse's Name	Social Security Number/Tax Identification Number
---------------	--

(All signatures must be notarized)

Legal Last Name (Please Print)	Legal First Name	Full Middle Name
--------------------------------	------------------	------------------

Applicant's Signature

State of _____, County of _____ Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20 ____, in _____, <small>(City)</small> _____, by _____ <small>(State)</small> <small>(Applicant's Printed Name)</small>	Notary Seal
Signature of Notary Public	
Printed Name of Notary Public	
My Commission Expires	

Spouse's Last Name (Please Print)	Spouse's First Name	Full Middle Name
-----------------------------------	---------------------	------------------

Spouse's Signature

State of _____, County of _____ Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20 ____, in _____, <small>(City)</small> _____, by _____ <small>(State)</small> <small>(Spouse's Printed Name)</small>	Notary Seal
Signature of Notary Public	
Printed Name of Notary Public	
My Commission Expires	

Signature of Marijuana Enforcement Division agent presenting this request	Date
---	------

Privacy Act Statement

Requesting your Social Security Number is voluntary and no right, benefit, or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).

Investigation Authorization/Authorization to Release Information

I, _____, as an authorized agent for the applicant business, hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into the background of the person(s) and/or entity, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I understand that by signing this authorization, a financial record check of my tax filing and tax obligation status may be performed. I authorize the Colorado Department of Revenue to surrender to the Investigatory Agencies a complete and accurate record of any and all tax information or records relating to me. I authorize the Investigatory Agencies to obtain, receive, review, copy, discuss and use any such tax information or documents relating to me. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I, on behalf of the applicant, its legal representatives, and assigns, hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

Print Full Legal Name of Owner/Principal clearly below:

Applicant's Legal Business Name		Trade Name (DBA)	
Last Name of Owner/Principal (Please Print)		First Name of Owner/Principal	Middle Name of Owner/Principal
Signature			Date
State of _____, County of _____ Subscribed and sworn to (or affirmed)		Notary Seal	
before me this _____ day of _____, 20____, in _____,			
(City)			
_____, by _____			
(State) (Applicant's Printed Name)			
Signature of Notary Public			
Printed Name of Notary Public			
My Commission Expires			

Confidential Document: This document is the property of the Colorado Marijuana State Licensing Authority and the Colorado Marijuana Enforcement Division, and is provided for Official Use Only. This document may not be further reproduced nor its contents disclosed without the written permission of the Division or State Licensing Authority.

Applicant's Request to Release Information

(All signatures must be notarized)

TO: (Leave this Blank)	FROM: (Applicant's Printed Name)
<ol style="list-style-type: none"> 1. I/We hereby authorize and request all persons to whom this request is presented having information relating to or concerning the above named applicant to furnish such information to a duly appointed agent of the Marijuana Enforcement Division whether or not such information would otherwise be protected from the disclosure by any constitutional, statutory or common law privilege. 2. I/We hereby authorize and request all persons to whom this request is presented having documents relating to or concerning the above named applicant to permit a duly appointed agent of the Marijuana Enforcement Division to review and copy any such documents, whether or not such documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege. 3. I/We hereby authorize and request the Colorado Department of Revenue to permit a duly appointed agent of the Marijuana Enforcement Division to obtain, receive, review, copy, discuss and use any such tax information or documents relating to or concerning the above named applicant, whether or not such information or documents would otherwise be protected from disclosure by any constitutional, statutory, or common law privilege. 4. If the person to whom this request is presented is a brokerage firm, bank, savings and loan, or other financial institution or an officer of the same, I/we hereby authorize and request that a duly appointed agent of the Marijuana Enforcement Division be permitted to review and obtain copies of any and all documents, records or correspondence pertaining to me/us, including but not limited to past loan information, notes co-signed by me/us, checking account records, savings deposit records, safe deposit box records, passbook records, and general ledger folio sheets. 5. I/We do hereby make, constitute, and appoint any duly appointed agent of the Colorado Marijuana Enforcement Division, my/our true and lawful attorney in fact for me/us in my/our name, place, stead, and on my/our behalf and for my/our use and benefit: <ol style="list-style-type: none"> (a) To request, review, copy sign for, or otherwise act for investigative purposes with respect to documents and information in the possession of the person to whom this request is presented as I/we might; (b) To name the person or entity to whom this request is presented and insert that person's name in the appropriate location in this request: (c) To place the name of the agent presenting this request in the appropriate location on this request. 6. I grant to said attorney in fact full power and authority to do, take, and perform all and every act and thing whatsoever requisite, proper, or necessary to be done, in the exercise of any of the rights and powers herein granted, as fully to all intents and purposes as I/we might or could do if personally present, with full power of substitution or revocation, hereby ratifying and confirming all that said attorney in fact, or his substitute or substitutes, shall lawfully do or cause to be done by virtue of this power of attorney and the rights and powers herein granted. 7. This power of attorney ends twenty-four (24) months from the date of execution. 8. The above named applicant has filed with the Colorado Marijuana Licensing Authority an application for a Marijuana license. Said applicant understands that it is seeking the granting of a privilege and acknowledges that the burden of proving its qualifications for a favorable determination is at all times on the applicant. Said applicant accepts any risk of adverse public notice, embarrassment, criticism, or other action of financial loss, which may result from action with respect to this application. 9. I/We do, for myself/ourselves, my/our heirs, executors, administrators, successors, and assigns, hereby release, remise, and forever discharge the person to whom this request is presented, and his agents and employees from all and all manner or actions, causes of action, suits, debts, judgments, executions, claims, and demands whatsoever, known or unknown, in law or equity, which the applicant ever had, now has, may have, or claims to have against the person to whom this request is being presented or his agents or employees arising out of or by reason of complying with the request. 10. I/We agree to indemnify and hold harmless the person to whom this request is presented and his agents and employees from and against all claims, damages, losses, and expenses, including reasonable attorneys' fees arising out of or by reason of complying with this request. 11. A reproduction of this request by photocopying or similar process shall be for all intents and purposes as valid as the original. 	
<div style="display: flex; justify-content: space-between; align-items: flex-end;"> <div style="width: 60%;"> <p style="text-align: right;"><i>Continued on next page</i></p> </div> <div style="width: 35%; border: 1px solid black; padding: 5px;"> Applicant's Initials </div> </div>	

Applicant's Request to Release Information

(All signatures must be notarized)

Signature		
State of _____, County of _____ Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20 ____, in _____, <div style="text-align: right; font-size: small;">(City)</div> _____, by _____ <div style="display: flex; justify-content: space-between; font-size: x-small;"> (State) (Applicant's Printed Name) </div>	Notary Seal	
Signature of Notary Public		
Printed Name of Notary Public		
My Commission Expires		
Spouse's Last Name (Please Print)	Spouse's First Name	Full Middle Name
Spouse's Signature		
State of _____, County of _____ Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20 ____, in _____, <div style="text-align: right; font-size: small;">(City)</div> _____, by _____ <div style="display: flex; justify-content: space-between; font-size: x-small;"> (State) (Spouse's Printed Name) </div>	Notary Seal	
Signature of Notary Public		
Printed Name of Notary Public		
My Commission Expires		
Signature of Marijuana Enforcement Division agent presenting this request		Date

Continued from previous page



Marijuana Ownership and Funding Certification

☐ Medical Marijuana Business

☐ Retail Marijuana Establishment

On behalf of the Applicant Business Entity, I certify under the penalty of perjury, that on the date signed:

- The ownership described below is accurate and complete and includes **all** shareholders or other owners of the Applicant Business Entity, including members of business entities that share in the ownership in the Applicant Business Entity, no matter how slight the ownership interest.
- The list of associated persons is complete and includes **all** corporate or company officers, directors (including outside or independent directors), partners, and all persons who have the ability to exercise control over the management policies of the Applicant Business Entity, along with accurate titles or positions.

Note: Business entities that own the Applicant Business Entity, in whole or in part, must provide details of their ownership structure.

On behalf of the Applicant Business Entity, I further certify under the penalty of perjury that on the date signed:

- All investments and funds used to start and/or finance this Applicant Business Entity have been disclosed and accurately reported.
- These investments and funds were obtained from fully disclosed, legal and legitimate sources.
- These investments and funds are not involved in any criminal or money laundering activity, are clear and unencumbered, and are not derived from any illegal activities.

Upon signature below the applicant also understands and agrees no change of ownership or change of location will be accepted by the State Licensing Authority, Marijuana Enforcement Division until the applicant's license(s) are approved.

Signature	Title or Position	Proposed Ownership %
Typed or Printed Name	Applicant Business Entity Name	MED Business License #
Signature	Title or Position	Proposed Ownership %
Typed or Printed Name	Applicant Business Entity Name	MED Business License #
Signature	Title or Position	Proposed Ownership %
Typed or Printed Name	Applicant Business Entity Name	MED Business License #
Signature	Title or Position	Proposed Ownership %
Typed or Printed Name	Applicant Business Entity Name	MED Business License #

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Note: If there are more than four (4) owners, please use a second Marijuana Ownership and Funding Certification page (page 11 of 13).



Marijuana Enforcement Division – Statement of Understanding (initial each line)

I understand I am responsible for knowing and complying with all state laws and regulations governing medical and retail marijuana pursuant to the Colorado Retail Marijuana Code, sections 12-43.4-101 et seq., C.R.S. (“Retail Code”) and the Colorado Medical Marijuana Code, sections 12-43.3-101 et seq., C.R.S. (“Medical Code”), as well as the rules promulgated thereunder pursuant to 1 CCR 212-1 and 1 CCR 212-2. I understand I am being made aware of the following laws and regulations and agree to comply with them, and all other applicable laws and regulations, upon issuance of my license:

I will not acquire, possess, cultivate, manufacture, test, dispense, sell, serve, deliver, transfer, transport any marijuana on the licensed premises prior to being issued a license to do so by the State Licensing Authority and receiving approval to do so by the local jurisdiction where the license is issued. _____ (Rules M 201(E)(3)/R 201(E)(5), M 233/R 233)

I understand that the licensed premises must comply with all security and surveillance requirements set forth in the Medical Marijuana Code and/or the Retail Marijuana Code and the rules or regulations promulgated in accordance with the Codes, before the licensee can possess, cultivate, manufacture, test, dispense, sell, serve, transport or deliver any marijuana on the licensed premises. _____ (Rules M 305, M 306/R 305, R 306)

I understand that all areas of ingress or egress to limited access areas shall be clearly identified as such by a sign as designated by the State Licensing Authority. _____ (Rules M 301/R 301)

I understand that at all times I shall possess and maintain possession of the premises for which the license is issued by ownership, lease, rental, or other arrangement of possession of the premises. _____ (Rules M 302/R 302; subsections 12-43.3-310(8)(b) and 12-43.4-309(7)(b), C.R.S.)

I understand I must use the State’s Inventory Tracking System as my primary inventory tracking system of record, and to follow all the rules and guidelines set forth for the use of this system. _____ (Rules M 309/R 309)

I understand that I am required to keep a complete set of all records necessary to show fully the business transactions of the licensee, all of which shall be open at all times during business hours for inspections and examination by the State Licensing Authority or its duly authorized representatives. _____ (Rules M 901/R 901)

I understand that the water supply shall be sufficient for the operations intended and shall be derived from a source that is a regulated water system. Private water supplies shall be derived from a water source that is capable of providing a safe, potable, and adequate supply of water to meet the License Premises needs. _____ (Rules M 504(B)(10)/R 504(B)(10))

I understand that any medical marijuana and/or retail marijuana and/or infused product must meet the labeling and packaging requirements set forth in the Medical Marijuana Code and/or the Retail Marijuana Code, and all rules or regulations promulgated in accordance with the Codes. _____ (Rules M 1000 Series/R 1000 Series)

I understand that the licensed premises, including any places of storage where medical marijuana and/or retail marijuana and/or infused products are stored, sold, dispensed or tested, shall be subject to inspection by the state or local jurisdictions and their investigators, during all business hours and other times of apparent activity. _____ (Rules M 1202/R 1202)

I understand that I must cooperate with employees and investigators of the Marijuana Enforcement Division who are conducting inspections or investigations relevant to the enforcement of laws and regulations related to the Medical and Retail Codes. _____ (Rules M 1202/R 1202)

I understand that I shall not by any means, interfere with, obstruct or impede the State Licensing Authority, or employee or investigator of the Marijuana Enforcement Division from exercising their duties, pursuant to the provisions of the Medical and Retail Codes and all rules promulgated pursuant to it. _____ (Rules M 1202/R 1202)

I have read all of the above information and understand my responsibilities as a medical marijuana and/or retail marijuana business licensee. I further understand that failure to comply with any law, regulation, or the provisions of this Statement, may result in criminal charges and/or may be grounds for disciplinary action including, but not limited to, the suspension or revocation of my license and a monetary penalty after an administrative hearing.

Licensee's Business Name	Business License Number	
Owner's Printed Name	Owner's Signature (sign in front of notary)	Date



Marijuana Enforcement Division – Statement of Understanding

Affidavit

Licensee's Full Printed Name	Badge Number
Licensee's Signature	Date
State of _____, County of _____ Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20 ____, in _____, <div style="text-align: right;"><small>(City)</small></div> _____, by _____ <div style="display: flex; justify-content: space-between;"><div><small>(State)</small></div><div><small>(Applicant's Printed Name)</small></div></div>	
Signature of Notary Public	
Printed Name of Notary Public	
Notary Public, State of	
My Commission Expires	
Notary Seal	



COLORADO
Department of Revenue
Enforcement Division - Marijuana

Marijuana Business Financial Declaration Form

Marijuana Enforcement Division

Colorado Marijuana Enforcement Division

Financial Declaration Application Instructions

APPLICATION CHECKLIST

☐ **1 Instructions**

Type or clearly print an answer to every question. If a question does not apply indicate with an N/A. If the space is insufficient, continue on a separate sheet and precede each answer with the appropriate title.

Fill this form out completely and accurately and include all documentation needed to establish where funding sources originated. The Marijuana Enforcement Division (MED) must identify all funding for marijuana businesses and prove those monies come from legitimate sources. MED staff MAY require additional information in order to complete the processing of this application and license the relevant marijuana business.

A separate application with requisite fees is required for each marijuana business entity for which you are providing money.

☐ **2 Application Completed & Signed (Include a copy of driver's license)**

Type or clearly print an answer to every question. If a question does not apply, indicate with an N/A. If the available space is insufficient, continue on a separate sheet and precede each answer with the appropriate title. Sign and date the application. **Have applicable documents notarized prior to submission to the MED.**

☐ **3 Application Fee**

All applications and documentation submitted must be single-sided and on 8.5x11 inch paper. Submit the NON-REFUNDABLE application fee (please see fee schedule on website). Checks will only be accepted in the name of the applicant, owner(s) or business entity which has an ownership interest in the licensee.

☐ **4 Application Submittal**

Bring in application with all attachments and requisite fees to:

Marijuana Enforcement Division
1707 Cole Blvd., Suite 300
Lakewood, CO 80401
ATTN: Intake

NOTE: Incomplete applications WILL NOT be processed.

Financial Declaration Form

Instructions: Fill out this form completely and accurately and include all documentation needed to establish where funding sources originated. The Marijuana Enforcement Division must identify all funding for marijuana businesses and prove those monies come from legitimate sources. Marijuana Enforcement Division staff MAY require additional information in order to complete the processing of this declaration form and license the relevant marijuana business. It is important that these requests are accommodated in a timely manner.

Applicant's Last Name (Please Print)			First Name (Please Print)			Full Middle Name		
Maiden/Married Names Used (Full Name) (Attach separate sheet if necessary)					Nicknames, Aliases, Etc. Used (Full Name) (Attach separate sheet if necessary)			
Sex <input type="checkbox"/> M <input type="checkbox"/> F	Race	Date of Birth	Social Security Number			Other Social Security Numbers Used <input type="checkbox"/> Yes <input type="checkbox"/> No If yes attach details.		
Place of Birth: City		State	Country			Drivers License # and State (provide copy)		
Physical Appearance ➡	Height	Weight	Hair Color	Eye Color	Scars/Tattoos <input type="checkbox"/> Yes <input type="checkbox"/> No		If yes explain on a separate sheet	
U.S. Citizen <input type="checkbox"/> Yes <input type="checkbox"/> No	CO Resident <input type="checkbox"/> Yes <input type="checkbox"/> No	*If "No", include details here: (Attach separate sheet if necessary)			Date of CO Residency		Alien Registration Number	
Physical Address								
Address			City		County		State	ZIP
Home Phone Number ()			Cell Phone Number ()			Email Address		
Mailing Address (if different from Physical Address)								
Address			City		State		ZIP	
Name of present employer				Work Phone Number ()		Occupation or Job Title		
Legal business name of Marijuana business in which you have an interest				Trade Name (DBA)		Marijuana Business License Number		
Criminal History								
1. Have you, after turning 18 years of age, been arrested, served a criminal summons, charged with, or convicted of ANY crime regarding the possession, distribution, manufacturing, cultivation or use of a controlled substance?							<input type="checkbox"/> Yes <input type="checkbox"/> No	
2. In the last 10 years have you been arrested, served with a criminal summons, charged with, or convicted of ANY non-drug or non-narcotic related crime or offense in any manner in this or any other country? <ul style="list-style-type: none"> You must include ALL arrests, charges, and convictions in the last 10 years, but not prior to the age of 18, regardless of the outcome, even if the charges were dismissed or you were found not guilty. You must include ALL arrests, charges, and convictions regardless of the class of crime (felonies, misdemeanors, and/or petty offenses). You must include ALL serious traffic offenses, including DUI; DWAI; reckless driving; leaving the scene of an accident (hit and run); driving under denial, suspension or revocation; or any other offense which resulted in your being taken into custody. NOTICE: Do not rely upon your understanding that an arrest or charge is "not supposed to be on your record." A criminal record was not cleared, erased, sealed or expunged unless you were given, and have in your possession, a written order from a judge directing that action. 							<input type="checkbox"/> Yes <input type="checkbox"/> No	
*If you answered YES, explain in detail on the following 2 pages. For each offense for which you were arrested or charged, YOU MUST OBTAIN OFFICIAL DOCUMENTATION FROM THE COURT WHERE YOU APPEARED, SHOWING THE FINAL DISPOSITION (OUTCOME) OF YOUR CASE. This information will include whether you were found guilty or not guilty; and the penalty (money fine, time in jail or prison, or probation or deferred sentence). If you received a deferred judgment, a deferred sentence, or probation, your documentation must include the date that you were discharged or released from probation or other supervision.								

3. Have you ever received a pardon or its equivalent for any criminal offense in this or any other country?	<input type="checkbox"/> Yes <input type="checkbox"/> No
4. Have you, as an individual, as a member of a partnership or other form of domestic or foreign business entity, or as owner, director, or officer of a corporation, ever been a party to a lawsuit (other than divorces), either as a plaintiff or defendant, complainant or respondent, or in any other fashion, in this or any other country?	<input type="checkbox"/> Yes <input type="checkbox"/> No

Arrest Disclosure Form

Any person licensed by the Marijuana Enforcement Division, must make written notification to the Division's office of any felony criminal conviction and/or criminal charge pending against such person within 10 days of such arrest, summons, or conviction. This includes:

- Being taken into custody for any offense, including traffic offenses
- Being issued a summons or citation for any offense except for minor traffic offenses
- Failing to comply with your sentencing requirements
- Failing to appear for a court proceeding and having a bench warrant issued
- Having your driver's license suspended or revoked
- Being alleged to have driven under the influence or impairment of intoxicating liquor or drugs

Failure to disclose an arrest or citation may result in disciplinary action, up to and including the denial of your license application.

Please List Each Offense Separately

1	Date of Offense	Place of Offense
Arresting Agency		
Original Charge		
Disposition Narrative — Must also provide official documentation (except for minor traffic offense).		
2	Date of Offense	Place of Offense
Arresting Agency		
Original Charge		
Disposition Narrative — Must also provide official documentation (except for minor traffic offense).		
Signature		Date

Applicant's Last Name (Please Print)		First Name	Full Middle Name
Arrest Disclosure Form (continued)			
Please List Each Offense Separately			
3	Date of Offense	Place of Offense	
Arresting Agency			
Original Charge			
Disposition Narrative — Must also provide official documentation (except for minor traffic offense).			
4	Date of Offense	Place of Offense	
Arresting Agency			
Original Charge			
Disposition Narrative — Must also provide official documentation (except for minor traffic offense).			
Signature			Date

Financial

Please submit all executed agreements, including loan paperwork or promissory notes related to the Colorado marijuana business with which you have a financial interest.

1. Amount to be invested or loaned in business:	\$
2. Percentage of ownership this amount represents:	%
3. Investment/loan proceeds will be derived from the following sources (be specific):	
4. Does the amount invested/loaned to the marijuana business equate to direct or indirect ownership interest in that company, either now or in the future? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If YES, explain:	
5. Has your interest in this marijuana establishment been assigned, pledged or hypothecated to any person, firm, or corporation, or has any agreement been entered into whereby your interest is to be assigned, pledged or sold, either in part or whole? <input type="checkbox"/> Yes <input type="checkbox"/> No	
If YES, explain:	

Applicant's Initials _____

Affirmation & Consent/Funding Certification

I, _____, state under penalty for offering a false instrument for recording pursuant to 18-5-114 C.R.S. that this entire Marijuana Form, statements, attachments and supporting schedules, are true and correct to the best of my knowledge and belief, and that this statement is executed with the knowledge that misrepresentation or failure to reveal information requested may be deemed sufficient cause for the refusal to approve my financial investment. Further, I am aware that later discovery of an omission or misrepresentation made in the above statements may be grounds for the denial of this Marijuana application. I am voluntarily submitting this application to the Colorado Marijuana Licensing Authority under oath with full knowledge that I may be charged with perjury or other crimes for intentional omissions and misrepresentations pursuant to Colorado law or for offering a false instrument for recording pursuant to 18-5-114 C.R.S. I further consent to any background investigation necessary to determine my present and continuing suitability and that this consent continues as long as I hold a financial investment. On behalf of the Marijuana Business Entity, I certify under the penalty of perjury, that on the date signed:

- All funds provided to this marijuana business have been accurately reported
- These funds were lawfully earned or obtained from fully-disclosed, legal and legitimate sources
- These funds are not involved in any criminal or money laundering activity, are clear and unencumbered and are not derived from any illegal activities

Note: If your check is rejected due to insufficient or uncollected funds, the Department of Revenue may collect the payment amount directly from your banking account electronically.

Print Full Legal Name of Applicant clearly below:

Legal Business Name of Licensed Entity		Trade Name (DBA)	
Last Name of Applicant (Please Print)	First Name of Applicant		Middle Name of Applicant
Signature			Date
State of _____, County of _____ Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20____, in _____, <div style="text-align: right; margin-right: 50px;"><i>(City)</i></div> _____, by _____ <div style="display: flex; justify-content: space-between; width: 80%; margin: 0 auto;"><i>(State)</i><i>(Applicant's Printed Name)</i></div>			Notary Seal
Signature of Notary Public			
Printed Name of Notary Public			
My Commission Expires			
Signature of Marijuana Enforcement Division agent presenting this request			Date

Investigation Authorization Authorization to Release Information

I, _____, as an investor for this licensee, hereby authorize the Colorado Marijuana Licensing Authority, the Marijuana Enforcement Division, (hereafter, the Investigatory Agencies) to conduct a complete investigation into my personal background, using whatever legal means they deem appropriate. I hereby authorize any person or entity contacted by the Investigatory Agencies to provide any and all such information deemed necessary by the Investigatory Agencies. I hereby waive any rights of confidentiality in this regard. I understand that by signing this authorization, a financial record check may be performed. I authorize any financial institution to surrender to the Investigatory Agencies a complete and accurate record of such transactions that may have occurred with that institution, including, but not limited to, internal banking memoranda, past and present loan applications, financial statements and any other documents relating to my personal or business financial records in whatever form and wherever located. I understand that by signing this authorization, a financial record check of my tax filing and tax obligation status may be performed. I authorize the Colorado Department of Revenue to surrender to the Investigatory Agencies a complete and accurate record of any and all tax information or records relating to me. I authorize the Investigatory Agencies to obtain, receive, review, copy, discuss and use any such tax information or documents relating to me. I authorize the release of this type of information, even though such information may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws. I understand that by signing this authorization, a criminal history check will be performed. I authorize the Investigatory Agencies to obtain and use from any source, any information concerning me contained in any type of criminal history record files, wherever located. I understand that the criminal history record files contain records of arrests which may have resulted in a disposition other than a finding of guilt (i.e., dismissed charges, or charges that resulted in a not guilty finding). I understand that the information may contain listings of charges that resulted in suspended imposition of sentence, even though I successfully completed the conditions of said sentence and was discharged pursuant to law. I authorize the release of this type of information, even though this record may be designated as "confidential" or "nonpublic" under the provisions of state or federal laws.

The Investigatory Agencies reserve the right to investigate all relevant information and facts to their satisfaction. I understand that the Investigatory Agencies may conduct a complete and comprehensive investigation to determine the accuracy of all information gathered. However, the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado shall not be held liable for the receipt, use, or dissemination of inaccurate information. I hereby release, waive, discharge, and agree to hold harmless, and otherwise waive liability as to the State of Colorado, Investigatory Agencies, and other agents or employees of the State of Colorado for any damages resulting from any use, disclosure, or publication in any manner, other than a willfully unlawful disclosure or publication, of any material or information acquired during inquiries, investigations, or hearings, and hereby authorize the lawful use, disclosure, or publication of this material or information. Any information contained within my application, contained within any financial or personnel record, or otherwise found, obtained, or maintained by the Investigatory Agencies, shall be accessible to law enforcement agents of this or any other state, the government of the United States, or any foreign country.

Continued on page 7

Print Full Legal Name clearly below:			
Legal Last Name (Please Print)		Legal First Name	
		Legal Middle Name	
Signature			Date
State of _____, County of _____ Subscribed and sworn to (or affirmed) before me this _____ day of _____, 20 _____, in _____, <div style="text-align: right;"><i>(City)</i></div> _____, by _____ <div style="display: flex; justify-content: space-between;"><div><i>(State)</i></div><div><i>(Applicant's Printed Name)</i></div></div>			Notary Seal
Signature of Notary Public			
Printed Name of Notary Public			
My Commission Expires			
Signature of Marijuana Enforcement Division agent presenting this request			Date

Tax Check Authorization and Request To Release Information

I _____ am signing this waiver on behalf of _____ (the "Applicant/Licensee") to permit the Internal Revenue Service (IRS), the Colorado Department of Revenue, and any other state or local taxing authority to release information and documents that would otherwise be confidential. If I am signing this waiver for someone other than myself, I certify that I have the authority to execute this waiver on behalf of the Applicant/Licensee.

The information and documentation obtained pursuant to this waiver will be used in connection with the Applicant/Licensee's application or licensure with the Colorado Marijuana Enforcement Division, which requires proof of compliance with certain tax obligations pursuant to several statutory provisions, including sections 12-43.3-202(1), 12-43.3-307(1)(g), 12-43.4-202, and 12-43.4-306(f), C.R.S. This waiver is made pursuant to 26 U.S.C. § 6103(c); section 39-21-113(4), C.R.S.; and any other similar law or ordinance concerning the confidentiality of tax returns and return information. This waiver shall be valid while the application is pending and, if the application is approved, (1) for one year from the date of licensure or; (2) if applying for an occupational license under the medical marijuana code, for two years from the date of licensure. If the license is administratively continued pursuant to sections 12-43.3-311 or 12-43.4-310, C.R.S., this waiver shall be valid until the state licensing authority takes final action to approve or deny the renewal of the license. Applicant/Licensee agrees to execute a new waiver for each subsequent licensing period in connection with the renewal of any license.

Applicant/Licensee requests that the IRS, the Colorado Department of Revenue, and any other state or local taxing authority release the following information and supporting documentation to the Colorado Marijuana Enforcement Division, which is acting as Applicant's/Licensee's duly authorized representative under section 39-21-113(4), C.R.S., solely to obtain the information specified below.

1. Whether the Applicant/Licensee has failed to file a Federal income tax return by the required due date (determined with regard to any extension(s) of time for filing) for any tax year for which filing of a return might have been required.
2. Whether the Applicant/Licensee has failed to pay any tax, penalty, or interest liability within 30 days of the date on which the IRS gave notice of the amount due and requested payment.
3. Whether the Applicant/Licensee has entered into an Offer and Compromise or payment plan with the IRS and whether Applicant/Licensee is current on any payments required by said Offer and Compromise or payment plan.
4. Whether the Applicant/Licensee has failed to file any state or local tax return with the Colorado Department of Revenue or any other state or local taxing authority by the required due date (determined with regard to any extension(s) of time for filing) for any tax year for which filing of a return might have been required.
5. Whether the Applicant/Licensee has failed to pay any tax, penalty, or interest liability within 30 days of the date on which the Colorado Department of Revenue or any other state or local taxing authority gave notice of the amount due and requested payment.
6. Whether the Applicant/Licensee has entered into a payment plan with the Colorado Department of Revenue or any other state or local taxing authority and whether Applicant/Licensee is current on any payments required by said payment plan.

Continued on page 9

Applicant/Licensee authorizes the IRS, the Colorado Department of Revenue, and any other state or local taxing authority to release any additional information or documentation necessary to answer the questions above. Applicant/Licensee authorizes the Colorado Marijuana Enforcement Division and its legal representatives to use the information and documentation obtained from the IRS, the Colorado Department of Revenue, and any other state or local taxing authority in any administrative action regarding the application or license. To assist the IRS, the Colorado Department of Revenue, and any other state or local taxing authority locate the tax records, Applicant/Licensee is voluntarily providing the following information (please type or print).

Applicant's Name (Individual/Business)	Social Security Number/Tax Identification Number		
Street Address	City	State	Zip Code
Home Telephone Number	Business/Work Telephone Number		

If you are/were married and filed joint tax returns, your spouse must provide the following.

Spouse's Name	Social Security Number/Tax Identification Number
---------------	--

(All signatures must be notarized)

Legal Last Name (Please Print)	Legal First Name	Full Middle Name
--------------------------------	------------------	------------------

Applicant's Signature

State of _____, County of _____ Subscribed and sworn to (or affirmed)
 before me this _____ day of _____, 20 ____, in _____,
(City)
 _____, by _____
(State) (Applicant's Printed Name)

Notary Seal

Signature of Notary Public

Printed Name of Notary Public

My Commission Expires

Spouse's Last Name (Please Print)	Spouse's First Name	Full Middle Name
-----------------------------------	---------------------	------------------

Spouse's Signature

State of _____, County of _____ Subscribed and sworn to (or affirmed)
 before me this _____ day of _____, 20 ____, in _____,
(City)
 _____, by _____
(State) (Spouse's Printed Name)

Notary Seal

Signature of Notary Public

Printed Name of Notary Public

My Commission Expires

Signature of Marijuana Enforcement Division agent presenting this request	Date
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Privacy Act Statement

Requesting your Social Security Number is voluntary and no right, benefit, or privilege provided by law will be denied as a result of refusal to disclose it. § 7 of Privacy Act, 5 USCS § 552a (note).



Verification of Fingerprints

This form is to be completed by the representative taking the applicant's fingerprints.

Please print or type all information other than signature.

Reason for Fingerprinting:

- | | |
|---|--|
| <input type="checkbox"/> Indirect Beneficial Interest Owner | <input type="checkbox"/> New Associate Key License |
| <input type="checkbox"/> Operator License | <input type="checkbox"/> Associate Key License Renewal |
| <input type="checkbox"/> Permitted Economic Interest Registration | <input type="checkbox"/> Financial Declaration |
| <input type="checkbox"/> Transporter License | <input type="checkbox"/> Pre-Suitability |

Name of Applicant	MED License or Registration Number
Applicant's Identity Verified By: Document # _____ <input type="checkbox"/> Driver's License <input type="checkbox"/> State ID Card <input type="checkbox"/> Passport	
Name of Representative Taking Fingerprints	Title
Name of Agency Taking Fingerprints	ORI (If applicable)
Signature of Representative Taking Fingerprints	Date

CONFIDENTIAL DOCUMENT: This document is the property of the Colorado Marijuana State Licensing Colorado Marijuana Enforcement Division, and is provided for Official Use Only. This document may not be further reproduced nor its contents disclosed without the written permission of the Division or State Licensing Authority.



OREGON LIQUOR CONTROL COMMISSION

Supplemental Form: Marijuana Business Additional Funding

What is this form?

Applicants for a recreational marijuana license are required to submit a statement of funding sources. An OLCC License Investigator may require an applicant to complete this form to verify the funding sources or identify other parties who may need to be disclosed on the license application.

If a funding source is from a personal loan, the License Investigator may require an additional statement from the person loaning the money that no interest or control in the business is included in the terms of the repayment agreement.

When this form is required, a copy must be submitted for each applicant.

What information is collected?

The following information is collecting in this form:

- The name of the entity or person contributing funds
- The total amount of funding the individual or entity contributed to the business
- The source of the funds the individual or entity contributed

Section 1 – Business Information

Record the information for the party or entity that will be doing business named on the application.

Business Name:					
Trade Name:					
Mailing Address:					
City:		State:		ZIP:	

Physical Address:					
City:		State:		ZIP:	

Primary Contact:				
Main Phone:		Cell Phone:		
Email:				



OREGON LIQUOR CONTROL COMMISSION

Supplemental Form: Marijuana Business Additional Funding

Section 2 – Statement of Funding Resources

Individual or entity contributing:

Trade name or DBA (if applicable):

Total funding contributed:

\$.00
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Funding sources

Identify where you received your investment money. This may be profit from other businesses, bank or personal loans, or other sources. Additional documentation verifying these sources may be required.

If the source is an individual, the individual may need to be included on the license application as an interested party.

Name: Name of the entity, individual, or source (such as bank account).

Type: Identify whether the amount is a gift, loan, or other type such as profit from another business or employment income.

Amount: The amount of funding from this source. **The total of these amounts must equal the total funding contributed above.**

Name	Type	Amount	
		\$.00
		\$.00
		\$.00
		\$.00
		\$.00
		\$.00

Oregon

(19)(a) “Financial consideration” means value that is given or received either directly or indirectly through sales, barter, trade, fees, charges, dues, contributions or donations.

(b) “Financial consideration” does not include marijuana, cannabinoid products or cannabinoid concentrates that are delivered within the scope of and in compliance with ORS 475B.245.

(20) “Financial interest” means having an interest in the business such that the performance of the business causes, or is capable of causing, an individual, or a legal entity with which the individual is affiliated, to benefit or suffer financially.

(a) Financial interest includes but is not limited to:

(A) Receiving, as an employee or agent, out-of-the-ordinary compensation, either in the form of overcompensation or under compensation;

(B) Lending money, real property or personal property to an applicant or licensee for use in the business at a commercially unreasonable rate;

(C) Giving money, real property or personal property to an applicant or licensee for use in the business; or

(D) Being the spouse or domestic partner of an applicant or licensee. For purposes of this subsection, “domestic partners” includes adults who qualify for a “domestic partnership” as defined under ORS 106.310.

(b) Financial interest does not include any investment that the investor does not control in nature, amount or timing.

(3) The following individuals and legal entities are applicants:

(a) Any individual or legal entity with a financial interest, as defined in these rules, who holds or controls an interest of ten percent or more in the business proposed to be licensed.

(b) Any individual or legal entity that has an ownership interest in the business proposed be licensed as described in OAR 845-025-1045.

True Name on Application; Interest in Business

(1) True name on application. An application for a license must specify the real and true names of all individuals and legal entities that have an ownership interest in the business proposed to be licensed by identifying all such persons and legal entities as applicants.

(2) License privileges. License privileges are available only to the applicants identified in the application and their authorized representatives and only for the premises designated on the license.

(3) Ownership interest. The Commission may refuse to issue a license if the applicant is not the owner of the business proposed to be licensed, a person with an ownership interest is not identified as an applicant, or an undisclosed ownership interest exists. For purposes of this rule, an "ownership interest" is indicated by the following behaviors, benefits or obligations:

(a) Any person or legal entity, other than an employee acting under the direction of the owner, that exercises control over, or is entitled to exercise control over, the business;

(b) Any person or legal entity, other than an employee acting under the direction of the owner, that incurs, or is entitled to incur, debt or similar obligations on behalf of the business;

(c) Any person or legal entity, other than an employee acting under the direction of the owner, that enters into, or is entitled to enter into, a contract or similar obligations on behalf of the business; or

(d) Any person or legal entity identified as the lessee of the premises proposed to be licensed.

Washington

(10) "Financier" means any person or entity, other than a banking institution, that has made or will make an investment in the licensed business. A financier can be a person or entity that provides money as a gift, loans money to the applicant/business and expects to be paid back the amount of the loan with or without interest, or expects any percentage of the profits from the business in exchange for a loan or expertise.

314-55-035

What persons or entities have to qualify for a marijuana license?

A marijuana license must be issued in the name(s) of the true party(ies) of interest.

(1) True parties of interest - For purposes of this title, "true party of interest" means:

True party of interest	Persons to be qualified
Sole proprietorship	Sole proprietor and spouse.
General partnership	All partners and spouses.
Limited partnership, limited liability partnership, or limited liability limited partnership	<ul style="list-style-type: none"> •All general partners and their spouses. •All limited partners and spouses.
Limited liability company	<ul style="list-style-type: none"> •All members and their spouses. •All managers and their spouses.
Privately held corporation	<ul style="list-style-type: none"> •All corporate officers (or persons with equivalent title) and their spouses. •All stockholders and their spouses.
Publicly held corporation	<p>All corporate officers (or persons with equivalent title) and their spouses.</p> <p>All stockholders and their spouses.</p>
Multilevel ownership structures	All persons and entities that make up the ownership structure (and their spouses).
Any entity or person (inclusive of financiers) that are expecting a percentage of the profits in exchange for a monetary loan or expertise. Financial institutions are not considered true parties of interest.	<p>Any entity or person who is in receipt of, or has the right to receive, a percentage of the gross or net profit from the licensed business during any full or partial calendar or fiscal year.</p> <p>Any entity or person who exercises control over the licensed business in exchange for money or expertise.</p> <p>For the purposes of this chapter:</p>
	<ul style="list-style-type: none"> •"Gross profit" includes the entire gross receipts from all sales and services made in, upon, or from the licensed business.
	<ul style="list-style-type: none"> •"Net profit" means gross sales minus cost of goods sold.
Nonprofit corporations	All individuals and spouses, and entities having membership rights in accordance with the provisions of the articles of incorporation or the bylaws.

(2) For purposes of this section, "true party of interest" does not mean:

(a) A person or entity receiving reasonable payment for rent on a fixed basis under a bona fide lease or rental obligation, unless the lessor or property manager exercises control over or participates in the management of the business.

(b) A person who receives a bonus as an employee, if: The employee is on a fixed wage or salary and the bonus is not more than twenty-five percent of the employee's prebonus annual compensation; or the bonus is based on a written incentive/bonus program that is not out of the ordinary for the services rendered.

(c) A person or entity contracting with the applicant(s) to sell the property, unless the contract holder exercises control over or participates in the management of the licensed business.

(3) Financiers - The WSLCB will conduct a financial investigation as well as a criminal background of financiers.

(4) Persons who exercise control of business - The WSLCB will conduct an investigation of any person or entity who exercises any control over the applicant's business operations. This may include both a financial investigation and/or a criminal history background.

(5) After licensure, a true party of interest, including financiers, must continue to disclose the source of funds for all moneys invested in the licensed business. The WSLCB must approve these funds prior to investing them into the business.

COLORADO

“Affiliated Interest” means any Business Interest related to a Retail Marijuana Establishment that does not rise to the level of a Financial Interest in a Retail Marijuana Establishment license. An Affiliated Interest may include, but shall not be limited to, an Indirect Beneficial Interest Owner that is not a Financial Interest, a lease agreement, secured or unsecured loan, or security interest in fixtures or equipment with a direct nexus to the cultivation, manufacture, sale, transportation, or testing of Retail Marijuana or Retail Marijuana Products. Except as otherwise provided by these rules, an Affiliated Interest holder shall neither exercise control of nor be positioned so as to enable the exercise of control over the Retail Marijuana Establishment or its operations. A Retail Marijuana Establishment shall report each of its Affiliated Interests to the Division with each application for initial licensure, renewal, change of ownership or change of corporate structure.

“Associated Key License” means an Occupational License for an individual who is a Direct Beneficial Interest Owner of the Retail Marijuana Establishment, other than a Qualified Limited Passive Investor. Each shareholder, officer, director, member, or partner of a Closely Held Business Entity that is a Direct Beneficial Interest Owner must hold an Associated Key License.

“Business Interest” means any Person that holds a Financial Interest or an Affiliated Interest in a Retail Marijuana Establishment.

“Closely Held Business Entity” means an “entity” as defined in section 7-90-102, C.R.S., that has no more than fifteen shareholders, officers, directors, members, partners or owners, each of whom are natural persons, each of whom holds an Associated Key License, and each of whom is a United States citizen prior to the date of application. There must be no publicly traded market for interests in the entity. A Closely Held Business Entity and each of the natural persons who are its shareholders, officers, directors, members, partners or owners, are Direct Beneficial Interest Owners. A Closely Held Business Entity is an associated business of the Retail Marijuana Establishment for which it is a Direct Beneficial Interest Owner.

“Commercially Reasonable Royalty” means a right to compensation in the form of a royalty payment for the use of product-specific intellectual property. A Commercially Reasonable Royalty must be limited to a specific product or line of products and provide compensation to the Commercially Reasonable Royalty Holder as a percentage of gross revenue or gross profit generated from sales of the particular product or line of products. The royalty payment must be at a reasonable percentage rate. To determine whether the percentage rate is reasonable, the Division will consider the totality of the circumstances, including but not limited to the following factors:

- a. The percentage of royalties received by the recipient for the licensing of the intellectual property.
- b. The rates paid by the Licensee for the use of other intellectual property.
- c. The nature and scope of the license, as exclusive or non-exclusive; or as restricted or non-restricted in terms of territory or with respect to whom the manufactured product may be sold.
- d. The licensor’s established policy and marketing program to maintain his intellectual property monopoly by not licensing others or by granting licenses under special conditions designed to preserve that monopoly.
- e. The commercial relationship between the recipient and Licensee, such as, whether they are competitors in the same territory in the same line of business.
- f. The effect of selling the intellectual property in promoting sales of other products of the Licensee; the existing value of the intellectual property to the recipient as a generator of sales of his non-intellectual property items; and the extent of such derivative sales.
- g. The duration of the term of the license for use of the intellectual property.
- h. The established or projected profitability of the product made using the intellectual property; its commercial success; and its current popularity.
- i. The utility and advantages of the intellectual property over products without the intellectual property.
- j. The nature of the intellectual property; the character of the commercial embodiment of it as owned and produced by the licensor; and the benefits to those who have used the intellectual property.
- k. The portion of the profit or of the selling price that may be customary in the particular business or in comparable businesses to allow for the use of the intellectual property.

I. The portion of the realizable profit that should be credited to the intellectual property as distinguished from non-intellectual property elements, the manufacturing process, business risks, or significant features or improvements added by the Licensee.

“Commercially Reasonable Royalty Interest Holder” means a Person that receives a Commercially Reasonable Royalty in exchange for a Licensee’s use of the Commercially Reasonable Royalty Interest Holder’s intellectual property. A Commercially Reasonable Royalty Interest Holder is an Indirect Beneficial Interest Owner.

“Direct Beneficial Interest Owner” means a natural person or a Closely Held Business entity that owns a share or shares of stock in a licensed Retail Marijuana Establishment, including the officers, directors, members, or partners of the licensed Retail Marijuana Establishment or Closely Held Business Entity, or a Qualified Limited Passive Investor. Each natural person that is a Direct Beneficial Interest Owner must hold an Associated Key License. Except that a Qualified Limited Passive Investor need not hold an Associated Key License and shall not engage in activities for which an Occupational License is required.

“Financial Interest” means any Direct Beneficial Interest Owner, a Commercially Reasonable Royalty Interest Holder who receives more than 30 percent of the gross revenue or gross profit from sales of the product subject to the royalty, a Permitted Economic Interest holder, and any other Person who controls or is positioned so as to enable the exercise of control over the Retail Marijuana Establishment.

“Indirect Beneficial Interest Owner” means a holder of a Permitted Economic Interest, a recipient of a Commercially Reasonable Royalty associated with the use of intellectual property by a Licensee, a Profit-Sharing Plan Employee, a Qualified Institutional Investor, or another similarly situated Person as determined by the State Licensing Authority. An Indirect Beneficial Interest Owner is not a Licensee. The Licensee must obtain Division approval for an Indirect Beneficial Interest Owner that constitutes a Financial Interest before such Indirect Beneficial Interest Owner may exercise any of the privileges of the ownership or interest with respect to the Licensee.

“Permitted Economic Interest” means an Agreement to obtain an ownership interest in a Retail Marijuana Establishment or Medical Marijuana Business when the holder of such interest is a natural person who is a lawful United States resident and whose right to convert into an ownership interest is contingent on the holder qualifying and obtaining a license as an owner under the Retail Code or Medical Code. A Permitted Economic Interest holder is an Indirect Beneficial Interest Owner.

“Qualified Institutional Investor” means:

- a. A bank as defined in Section 3(a) (6) of the Federal Securities Exchange Act of 1934, as amended;
- b. An insurance company as defined in Section 2(a) (17) of the Investment Company Act of 1940, as amended;

- c. An investment company registered under Section 8 of the Investment Company Act of 1940, as amended;
- d. An investment adviser registered under Section 203 of the Investment Advisers Act of 1940, as amended;
- e. Collective trust funds as defined in Section 3(c) (11) of the Investment Company Act of 1940, as amended;
- f. An employee benefit plan or pension fund that is subject to the Employee Retirement Income Security Act of 1974, as amended, excluding an employee benefit plan or pension fund sponsored by a licensed or an intermediary or holding company licensee which directly or indirectly owns five percent or more of a licensee;
- g. A state or federal government pension plan; or
- h. A group comprised entirely of persons specified in (a) through (g) of this definition.

A Qualified Institutional Investor is an Indirect Beneficial Interest Owner.

“Qualified Limited Passive Investor” means a natural person who is a United States citizen and is a passive investor who owns less than a five percent share or shares of stock in a licensed Retail Marijuana Establishment. A Qualified Limited Passive Investor is a Direct Beneficial Interest Owner.

R 201 – Application Process

A. General Requirement

4.

d.All applications must include all information required by the Division related to the Applicant’s proposed Direct Beneficial Interest Owners, Indirect Beneficial Interest Owners and Qualified Limited Passive Investors, and all other direct and indirect financial interests in the Applicant.

e. At a minimum, each Applicant for a new license shall provide, at the time of application, the following information:

- i. For each Associated Key License Applicant, evidence of proof of lawful presence, citizenship, if applicable, residence, if applicable, and Good Moral Character as required by the current forms prescribed by the Division;
- ii. For each Retail Marijuana Establishment Applicant and each Associated Key License Applicant, all requested information concerning financial and management associations and interests of other Persons in the business;
- iii. If the Applicant for any license pursuant to the Retail Code is a Closely Held Business Entity it shall submit with the application:
 - A. The Associated Key License applications for all of its shareholders, members, partners, officers and directors who do not already hold an Associated Key License;
 - B. If the Closely Held Business Entity is a corporation, a copy of its articles of incorporation or articles of organization; evidence of authorization from the

Colorado Secretary of State to do business within this State, for each shareholder: his or her name, mailing address, state of residence and certification of Colorado residency for at least one officer and all officers with day-to-day operational control over the business;

C. If the Closely Held Business Entity is a limited liability company, a copy of its articles of incorporation and its operating agreement; evidence of authorization from the Colorado Secretary of State to do business within this State, for each member: his or her name, mailing address, state of residence and certification of Colorado residency for at least one officer and all officers with day-to-day operational control over the business;

D. If the Closely Held Business Entity is a general partnership, limited partnership, limited liability partnership, or limited liability limited partnership, a copy of the partnership agreement and, for each partner, his or her name, mailing address and state of residence and certification of Colorado residency for at least one officer and all officers with day-to-day operational control over the business.

iv. For each Retail Marijuana Establishment Applicant and each Associated Key License Applicant, documentation establishing compliant return filing and payment of taxes related to any Medical Marijuana Business or Retail Marijuana Establishment in which such Applicant is, or was, required to file and pay taxes;

v. For each Retail Marijuana Establishment Applicant and each Associated Key License Applicant, documentation verifying and confirming the funds used to start and/or sustain the operation of the medical or retail marijuana business were lawfully earned or obtained.

R 202.1 – Applications, Agreements, Contracts and Certifications Required for Indirect Beneficial

Interest Owners: Retail Marijuana Establishments

A. Retail Marijuana Establishment Initiates Process. The Retail Marijuana Establishment seeking to

obtain financing or otherwise establish any type of relationship with an Indirect Beneficial Interest

Owner, including a Permitted Economic Interest, a Commercially Reasonable Royalty Interest Holder, a Profit-Sharing Plan Employee, or a Qualified Institutional Investor, must file all required

documents with the Division, including any supplemental documents requested by the Division in

the course of its review of the application.

B. General Requirements. The Retail Marijuana Establishment seeking approval of an Indirect Beneficial Interest Owner must meet the following requirements:

1. All applications for approval of an Indirect Beneficial Interest Owner shall be made upon current forms prescribed by the Division.

2. The burden of proving that a proposed Indirect Beneficial Interest Owner is qualified to hold such an interest rests at all times with the Retail Marijuana Establishment submitting the application.
3. The Retail Marijuana Establishment applying for approval of any type of Indirect Beneficial Interest Owner must submit a complete application to the Division before it will be accepted or considered.
4. All applications must be complete and accurate in every material detail.
5. All applications must include all attachments or supplemental information required by the current forms supplied by the Division.
6. All applications must be accompanied by a full remittance of the required fees.
7. The Division may refuse to accept an incomplete application.
8. The proposed holder of the Indirect Beneficial Interest is not a publicly traded company.
9. Additional Information May Be Required
 - a. Upon request by the Division, a Retail Marijuana Establishment applying to have any type of Indirect Beneficial Interest Owner shall provide any additional information required to process and fully investigate the application. The additional information must be provided to the Division no later than seven days after the request is made unless otherwise specified by the Division.
 - b. Failure to provide the requested information by the Division's deadline may be grounds for denial of the application.

C. Information Must Be Provided Truthfully. A Retail Marijuana Establishment applying for approval of any type of Indirect Beneficial Interest Owner shall submit information to the Division in a full, faithful, truthful, and fair manner. The Division may recommend denial of an application where any party made misstatements, omissions, misrepresentations or untruths in the application or in connection with the background investigation of the proposed Indirect Beneficial Interest Owner. This type of conduct may be considered as the basis for additional administrative action against the Retail Marijuana Establishment and it may also be the basis for criminal charges against either the Retail Marijuana Establishment Applicant or the Indirect Beneficial Interest Owner.

D. Application Forms Accessible. All application forms supplied by the Division and filed by an Applicant for a license, including attachments and any other documents associated with the investigation, may be used for a purpose authorized by the Medical Code, the Retail Code or for any other state or local law enforcement purpose or as otherwise required by law.

E. Approval of Financial Interest. Each Financial Interest in a Retail Marijuana Establishment is void and of no effect unless and until approved by the Division. Any amendment of a Financial Interest is also void and of no effect unless and until approved by the Division.

F. Ongoing Qualification and Violation Affecting Public Safety. If at any time the Division finds any Indirect Beneficial Interest Owner is not qualified, or is no longer qualified, the Division may require the Retail Marijuana Establishment to terminate its relationship with and financial ties

to the Indirect Beneficial Interest Owner within a specified time period. Failure to terminate such relationship and financial ties within the specified time period may constitute a violation affecting public safety and be a basis for administrative action against the Retail Marijuana Establishment.

G. Permitted Economic Interest Holder Requirements. At the time of application, a Retail Marijuana Establishment seeking to obtain approval of a Permitted Economic Interest shall provide evidence to establish that the natural person seeking to become a Permitted Economic Interest holder is a lawful resident of the United States and shall provide documentation verifying and confirming the funds used for the Permitted Economic Interest were lawfully earned or obtained.

H. Permitted Economic Interest Agreement Requirements. The Retail Marijuana Establishment Applicant seeking to obtain financing from a Permitted Economic Interest must submit a copy of the Agreement between the Retail Marijuana Establishment and the person seeking to hold a Permitted Economic Interest. The following requirements apply to all Agreements:

1. The Agreement must be complete, and must fully incorporate all terms and conditions.
2. The following provisions must be included in the Agreement:
 - a. Any interest in a Retail Marijuana Establishment, whether held by a Permitted Economic Interest or any other person, must be acquired in accordance with the provisions of the Medical Code and/or Retail Code, as applicable, and the rules promulgated thereunder. The issuance of any Agreement or other interest in violation thereof shall be void. The Permitted Economic Interest holder shall not provide funding to the Retail Marijuana Establishment until the Permitted Economic Interest is approved by the Division.
 - b. No Agreement or other interest issued by the Retail Marijuana Establishment and no claim or charge therein or thereto shall be transferred except in accordance with the provisions of the Medical Code and/or Retail Code as applicable, and the rules promulgated thereunder. Any transfer in violation thereof shall be void.
 - c. The Retail Marijuana Establishment and the Permitted Economic Interest holder must sign an affirmation of passive investment on a form approved by the Division.
 - d. The Retail Marijuana Establishment must initiate any process to convert a Permitted Economic Interest to a Direct Beneficial Interest Owner and the process to convert the Permitted Economic Interest into a Direct Beneficial Interest Owner must be completed prior to the expiration or termination of the Agreement. The holder of the Permitted Economic Interest must meet all qualifications for licensure and ownership pursuant to the Medical Code and/or Retail Code and any rules promulgated thereunder prior to conversion of the Permitted Economic Interest to a Direct Beneficial Interest Owner.
 - e. At the election of the Retail Marijuana Establishment, if the holder of the Permitted Economic Interest is not qualified for licensure as a Direct Beneficial

Interest Owner but is qualified as a holder of the Permitted Economic Interest, and the Permitted Economic Interest is also approved by the Division then the Permitted Economic Interest may remain in force and effect for as long as it remains approved by the Division under the Medical Code and/or Retail Code as applicable, and any rules promulgated thereunder.

f. The Permitted Economic Interest holder shall disclose in writing to the Division and to the Retail Marijuana Establishment any and all disqualifying events, within ten days after occurrence of the event, that could lead to a finding that the holder no longer qualifies to hold the Permitted Economic Interest and/or that could lead to a denial of licensure pursuant to the Medical Code and/or Retail Code and any rules promulgated thereunder.

g. The Retail Marijuana Establishment shall disclose in writing to the Division any and all disqualifying events, within ten days after receiving notice of the event, which could lead to a finding that the holder is no longer qualified to hold the Permitted Economic Interest and/or that could lead to a denial of licensure pursuant to the Medical Code and/or Retail Code as applicable, and any rules promulgated thereunder.

h. A Permitted Economic Interest holder's or a Retail Marijuana Establishment's failure to make required disclosures may be grounds for administrative action including but not limited to denial of a subsequent request to convert the Permitted Economic Interest into an ownership interest in the Retail Marijuana Establishment. Failure to make required disclosures may lead to a finding that the Permitted Economic Interest is no longer approved, and a requirement that the Retail Marijuana Establishment terminate its relationship with the Permitted Economic Interest holder.

i. The Permitted Economic Interest holder agrees and acknowledges that it has no entitlement or expectation of being able to invest in, or have a relationship with, the Retail Marijuana Establishment unless and until the Division determines the Permitted Economic Interest is approved. The Permitted Economic Interest holder agrees and acknowledges that its relationship with the Retail Marijuana Establishment is contingent upon Division approval. The Permitted Economic Interest holder understands and acknowledges that approval by the Division is wholly discretionary and the Division may, at any time, deny approval of the Permitted Economic Interest or find that the Permitted Economic Interest is no longer qualified. The Permitted Economic Interest Holder agrees and acknowledges it has no entitlement to or expectation of the Division approving the Permitted Economic Interest. The Permitted Economic Interest holder further agrees that any administrative or judicial review of a determination by the Division regarding the qualification or approval of the Permitted Economic Interest will only occur through licensing or enforcement proceedings involving the Retail Marijuana Establishment. The Permitted Economic Interest holder further agrees and acknowledges that the Permitted Economic Interest holder shall only be entitled to notice of a denial or administrative action concerning the Retail Marijuana Establishment if the denial

or administrative action is based upon, or directly related to, the qualifications or actions of the Permitted Economic Interest holder. The Permitted Economic Interest holder also agrees and acknowledges that the Permitted Economic Interest holder may only request leave to intervene in an administrative proceeding against the Retail Marijuana Establishment, pursuant to subsection 24-4-105(2)(c), C.R.S., if the administrative proceeding is based upon, or directly related to, the qualifications or actions of the Permitted Economic Interest holder. Furthermore, the Permitted Economic Interest holder agrees and acknowledges that the Permitted Economic Interest holder may only seek judicial review of an action against the Retail Marijuana Establishment, pursuant to subsection 24-4-106(4), C.R.S., if the administrative action is based upon, or directly related to, the qualifications or actions of the Permitted Economic Interest Holder. THE PERMITTED ECONOMIC INTEREST HOLDER KNOWINGLY, FREELY, AND VOLUNTARILY WAIVES ANY RIGHT OR CLAIM TO SEEK ANY INDEPENDENT REVIEW OF APPROVAL OR DENIAL OF THE PERMITTED ECONOMIC INTEREST BY THE DIVISION, OR OF AN ADMINISTRATIVE ACTION AGAINST THE RETAIL MARIJUANA ESTABLISHMENT, THAT IS BASED UPON, OR DIRECTLY RELATED TO, THE QUALIFICATIONS OR ACTIONS OF THE PERMITTED ECONOMIC INTEREST, AND EXPRESSLY AGREES THAT THE ONLY ADMINISTRATIVE OR JUDICIAL REVIEW OF SUCH A DETERMINATION OR ACTION WILL OCCUR THROUGH A LICENSING OR ENFORCEMENT PROCEEDING FOR THE RETAIL MARIJUANA ESTABLISHMENT.

I. Commercially Reasonable Royalty Interest Contract Requirements. A Retail Marijuana Establishment seeking to utilize the intellectual property of a Commercially Reasonable Royalty Interest Holder must submit a copy of the contract between the Retail Marijuana Establishment and the Person seeking to hold a Commercially Reasonable Royalty Interest. The following requirements apply to all such contracts:

1. The contract must be complete, and must fully incorporate all terms and conditions.
2. The following provisions must be included in the contract:
 - a. Any interest in a Retail Marijuana Establishment, whether held by a Commercially Reasonable Royalty Interest Holder or any other person, must be acquired in accordance with the provisions of the Medical Code and/or Retail Code, as applicable, and the rules promulgated thereunder. The issuance of any contract or other interest in violation thereof shall be void.
 - b. No contract, royalty or other interest issued by the Retail Marijuana Establishment and no claim or charge therein or thereto shall be transferred except in accordance with the provisions of the Medical Code and/or Retail Code as applicable, and the rules promulgated thereunder. Any transfer in violation thereof shall be void.
 - c. The Retail Marijuana Establishment and the Commercially Reasonable Royalty Interest Holder must sign an affirmation of passive investment on a form approved by the Division.
 - d. The Commercially Reasonable Royalty Interest Holder shall disclose in writing to the Division and to the Retail Marijuana Establishment any and all

disqualifying events, within ten days after occurrence of the event, that could lead to a finding that the Commercially Reasonable Royalty Interest Holder is not qualified to hold the Commercially Reasonable Royalty Interest.

e. The Retail Marijuana Establishment shall disclose in writing to the Division any and all disqualifying events, within ten days after receiving notice of the event, which would lead to a finding that the Commercially Reasonable Royalty Interest Holder is not qualified to hold the Commercially Reasonable Royalty Interest.

f. A Commercially Reasonable Royalty Interest Holder's or a Retail Marijuana Establishment's failure to make required disclosures may lead to a finding that the Commercially Reasonable Royalty Interest is not approved, or is no longer approved, and may lead to a requirement that the Retail Marijuana Establishment terminate its relationship with the Commercially Reasonable Royalty Interest Holder.

g. The Commercially Reasonable Royalty Interest Holder agrees and acknowledges that its relationship with the Retail Marijuana Establishment is contingent upon Division approval throughout the entire term of its relationship with the Retail Marijuana Establishment. The Commercially Reasonable Royalty Interest Holder understands and acknowledges that approval by the Division is wholly discretionary and the Division may, at any time, find that the Commercially Reasonable Royalty Interest Holder does not qualify or no longer qualifies. The Commercially Reasonable Royalty Interest Holder agrees and acknowledges it has no entitlement to or expectation to approval of the Commercially Reasonable Royalty Interest.

h. The Commercially Reasonable Royalty Interest Holder further agrees that any administrative or judicial review of a determination by the Division approving or denying the Commercially Reasonable Royalty will only occur through licensing or enforcement proceedings involving the Retail Marijuana Establishment. The Commercially Reasonable Royalty Interest Holder further agrees and acknowledges that the Commercially Reasonable Royalty Interest Holder shall only be entitled to notice of a denial or administrative action concerning the Retail Marijuana Establishment if the denial or administrative action is based upon, or directly related to, the qualifications or actions of the Commercially Reasonable Royalty Interest Holder. The Commercially Reasonable Royalty Interest Holder also agrees and acknowledges that the Commercially Reasonable Royalty Interest Holder may only request leave to intervene in an administrative proceeding against the Retail Marijuana Establishment, pursuant to subsection 24-4-105(2)(c), C.R.S., if the administrative proceeding is based upon, or directly related to, the qualifications or actions of the Commercially Reasonable Royalty Interest Holder. Furthermore, the Commercially Reasonable Royalty Interest Holder agrees and acknowledges that the Commercially Reasonable Royalty Interest Holder may only seek judicial review of an action against the Retail Marijuana Establishment, pursuant to subsection 24-4-106(4), C.R.S., if the administrative action is based upon, or directly related to, the qualifications or actions of the Commercially Reasonable Royalty Interest Holder. THE

COMMERCIALLY REASONABLE ROYALTY INTEREST HOLDER KNOWINGLY, FREELY, AND VOLUNTARILY WAIVES ANY RIGHT OR CLAIM TO SEEK ANY INDEPENDENT REVIEW OF APPROVAL OR DENIAL OF THE COMMERCIALLY REASONABLE ROYALTY INTEREST BY THE DIVISION, OR OF AN ADMINISTRATIVE ACTION AGAINST THE RETAIL MARIJUANA ESTABLISHMENT, THAT IS BASED UPON, OR DIRECTLY RELATED TO, THE QUALIFICATIONS OR ACTIONS OF THE COMMERCIALLY REASONABLE ROYALTY INTEREST HOLDER, AND EXPRESSLY AGREES THAT THE ONLY ADMINISTRATIVE OR JUDICIAL REVIEW OF SUCH A DETERMINATION OR ACTION WILL OCCUR THROUGH A LICENSING OR ENFORCEMENT PROCEEDING FOR THE RETAIL MARIJUANA ESTABLISHMENT.

i. If the Division determines the Commercially Reasonable Royalty Interest Holder is not in compliance with the Retail Code, the Medical Code or these rules, then the recipient shall discontinue sales of any product or line of products containing any of that Commercially Reasonable Royalty Interest Holder's intellectual property within thirty (30) days of the Division finding. The recipient shall not pay any remuneration to a Commercially Reasonable Royalty Interest Holder that does not qualify under the Retail Code and these rules, including but not limited to Rule R 231.2(B).

j. The Commercially Reasonable Royalty Interest Holder shall neither exercise control over nor be positioned so as to enable the exercise of control over the Retail Marijuana Establishment. Notwithstanding the foregoing, a Commercially Reasonable Royalty Interest Holder may influence the marketing, advertising, labeling and display of the product or line of products for which the Commercially Reasonable Royalty Interest exists so long as such influence is not inconsistent with the Retail Code, the Medical Code or these rules.

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K. Qualified Institutional Investor Requirements. Before a Retail Marijuana Establishment may permit a Qualified Institutional Investor to own any portion of the Retail Marijuana Establishment, the Retail Marijuana Establishment must submit the following documentation to the Division in connection with the Retail Marijuana Establishment's application:

1. A description of the Qualified Institutional Investor's business and a statement as to why the Qualified Institutional Investor meets the definition of Qualified Institutional Investor in Rule R 103 and subsection 12-43.4-306.5(7), C.R.S.
2. A certification made under oath and the penalty of perjury by the Qualified Institutional Investor:
 - a. That the ownership interests were acquired and are held for investment purposes only and were acquired and are held in the ordinary course of business as a Qualified Institutional Investor and not for the purposes of causing, directly or indirectly, the election of a majority of the board of directors, any change in the corporate charter, bylaws, management, policies, or operations of a Retail Marijuana Establishment.
 - b. That the Qualified Institutional Investor is bound by and shall comply with the Retail Code and the rules adopted pursuant thereto, is subject to the jurisdiction of the courts of Colorado, and consents to Colorado as the choice of forum in the

event any dispute, question, or controversy arises regarding the Qualified Institutional Investor's relationship with the Retail Marijuana Establishment or activities pursuant to the Retail Code and rules adopted pursuant thereto.

c. The Qualified Institutional Investor agrees and acknowledges that its relationship with the Retail Marijuana Establishment is contingent upon Division approval throughout the entire term of its relationship with the Retail Marijuana Establishment. The Qualified Institutional Investor understands and acknowledges that approval by the Division is wholly discretionary and the Division may, at any time, deny approval of the Qualified Institutional Investor. The Qualified Institutional Investor agrees and acknowledges it has no entitlement to or expectation to Division approval of the Qualified Institutional Investor. The Qualified Institutional Investor further agrees that any administrative or judicial review of a determination by the Division approving or denying the Qualified Institutional Investor will only occur through licensing or enforcement proceedings involving the Retail Marijuana Establishment. The Qualified Institutional Investor further agrees and acknowledges that the Qualified Institutional Investor shall only be entitled to notice of a denial or administrative action concerning the Retail Marijuana Establishment if the denial or administrative action is based upon, or directly related to, the qualifications or actions of the Qualified Institutional Investor. The Qualified Institutional Investor also agrees and acknowledges that the Qualified Institutional Investor may only request leave to intervene in an administrative proceeding against the Retail Marijuana Establishment, pursuant to subsection 24-4-105(2)(c), C.R.S., if the administrative proceeding is based upon, or directly related to, the qualifications or actions of the Qualified Institutional Investor. Furthermore, the Qualified Institutional Investor agrees and acknowledges that the Qualified Institutional Investor may only seek judicial review of an action against the Retail Marijuana Establishment, pursuant to subsection 24-4-106(4), C.R.S., if the administrative action is based upon, or directly related to, the qualifications or actions of the Qualified Institutional Investor. THE QUALIFIED INSTITUTIONAL INVESTOR KNOWINGLY, FREELY, AND VOLUNTARILY WAIVES ANY RIGHT OR CLAIM TO SEEK ANY INDEPENDENT REVIEW OF APPROVAL OR DENIAL OF THE QUALIFIED INSTITUTIONAL INVESTOR BY THE DIVISION, OR OF AN ADMINISTRATIVE ACTION AGAINST THE RETAIL MARIJUANA ESTABLISHMENT, THAT IS BASED UPON, OR DIRECTLY RELATED TO, THE QUALIFICATIONS OR ACTIONS OF THE QUALIFIED INSTITUTIONAL INVESTOR, AND EXPRESSLY AGREES THAT THE ONLY ADMINISTRATIVE OR JUDICIAL REVIEW OF SUCH A DETERMINATION OR ACTION WILL OCCUR THROUGH A LICENSING OR ENFORCEMENT PROCEEDING FOR THE RETAIL MARIJUANA ESTABLISHMENT.

d. An explanation of the basis of the signatory's authority to sign the certification and to bind the Qualified Institutional Investor to its terms.