

10/6/2020 3:10 PM
DOROTHY BROWN
CIRCUIT CLERK
COOK COUNTY, IL

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

INSTRUCTION SHEET

2020CH05759

10691423 **CONDITIONAL ADULT USE DISPENSING ORGANIZATION LICENSE – APPLICATION FORM**

*****NOTICE REGARDING APPLICATION QUESTIONS*****

Applicants are encouraged to submit written questions to the Division regarding the application, application materials, or application process. The Division will post the questions it receives and the Division's responses on two dates. The first round of responses, for questions received by the Division by 5 p.m. on October 15, 2019, will be posted by 5 p.m. on October 25, 2019. The second round of responses, for questions received by 5 p.m. on November 15, 2019, will be posted by 5 p.m. on November 25, 2019. The Division will redact the questioner's identity from the posted question and answer. The Division will not respond to non-written questions or questions submitted after November 15.

Questions may be submitted to: FPR.AdultUseCannabis@Illinois.gov
Answers will be posted on the Division's website: <https://www.idfpr.com/profs/adultusecan.asp>

An applicant for a Conditional Adult Use Dispensing Organization License must complete this application and submit it to the Illinois Department of Financial and Professional Regulation, Division of Professional Regulation ("Division"). Please review the Cannabis Regulation and Tax Act (the "Act") (410 ILCS 705) <http://ilga.gov/legislation/publicacts/101/PDF/101-0027.pdf> and the information in this application carefully before submitting it.

To apply, an applicant must hand deliver a complete Conditional Adult Use Dispensing Organization License application and submit a non-refundable application fee in the amount of \$5,000 or, if the applicant qualifies as a Social Equity Applicant, a non-refundable application fee in the amount of \$2,500, at the address listed below:

**Illinois Department of Financial and Professional Regulation
Cannabis Control Section
100 W. Randolph - 9th Floor
Chicago, Illinois 60601**

APPLICATIONS WILL BE ACCEPTED BEGINNING DECEMBER 10, 2019, AT 9:30 A.M. THE DEADLINE FOR SUBMITTING AN APPLICATION IS 12:00 NOON ON JANUARY 2, 2020. APPLICATIONS WILL BE ACCEPTED FROM ANY APPLICANT WHO IS PHYSICALLY PRESENT IN LINE AT THE TIME OF THE DEADLINE.

The application fee must be in the form of a cashier's check or money order payable to "Illinois Department of Financial and Professional Regulation." If the applicant is applying in a Bureau of Labor Statistics Region ("BLS Region") in which more than one license is available, it may indicate on the application form how many licenses it is applying for with a single application. If the applicant is attempting to obtain more than one Conditional Adult Use Dispensing Organization License in a BLS Region, it must submit an application fee for each desired license, but it may pay all application fees with a single cashier's check or money order. A separate cashier's check or money order is necessary for each BLS Region in which the applicant is applying.

Applications must be submitted in 9" x 12" clasped, but not sealed, manila envelopes. The exterior of the envelope must include: (1) the name of the applicant; (2) the name of the BLS Region in which the applicant is applying; (3) the number of licenses the applicant is applying for in the listed BLS Region; (4) the name of the applicant's primary and alternate contact; (5) a phone number for the primary and alternate contact; and (6) an e-mail address for the primary and alternate contact. The following items must be inside the envelope: (1) the completed Application Form; (2) the cashier's check or money order for the application fee; (3) a photocopy of the cashier's check or money order; and (4) a USB drive that has affixed to it a label that includes the applicant's name and the BLS Region in which the Applicant is applying. Applications for separate BLS Regions must be submitted in separate envelopes.

Additional copies of this form can be downloaded from the IDFPR Web site at www.idfpr.com.

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Application exhibits must not exceed the page limit restrictions provided for in the application. All exhibits must be labeled with the exhibit letter and title.

The names of the BLS Regions can be found in Section 15-25(c) of the Act. A list of counties in each BLS Region can be found at the following link: https://www.bls.gov/oes/current/msa_def.htm#14010

The USB drive must contain electronic versions of the Application Form and exhibits in PDF format except the proposed floor plan required by Exhibit J, which may be provided in .png format. The USB must contain separate files for each exhibit and the Application Form. The files shall be named: "Application Form," "Exhibit A," "Exhibit B," "Exhibit C," etc. No other words may be added to the exhibit file names.

All information provided by the applicant shall be anonymous, except for the information contained in the Application Form, Exhibit A, Exhibit B, Exhibit C, Exhibit O, Exhibit P, Exhibit S, and Exhibit T.

If the Division receives an application that is deficient in any respect, the Division will issue a deficiency notice via e-mail to the primary and alternate contacts identified on the application form. The applicant will have **10 calendar days** from the date the deficiency notice is sent to submit the information requested. If the applicant does not provide all required information necessary to make its application complete within the allotted time, the application will be rejected and not considered for a license, and the application fee will not be returned.

Application Exhibits: All exhibits must be labeled with the exhibit letter and title. Exhibits are mandatory unless otherwise stated. DO NOT submit materials not requested by this application, such as cover letters or mission statements. An application submitted without all mandatory exhibits will be deemed incomplete.

- Exhibit A – Photocopy of the Non-Refundable Application Fee
- Exhibit B – Principal Officer Application Form(s)
- Exhibit C – Business Entity Operating Agreement, By-Laws, or Articles of Incorporation and Table of Organization, Ownership and Control
- Exhibit D – Dispensing Organization Agent Training and Education
- Exhibit E – Purchaser Education Plan
- Exhibit F – Business Plan
- Exhibit G – Recalls, Quarantine, and Destruction Plan
- Exhibit H – Security Plan
- Exhibit I – Inventory Monitoring and Recordkeeping Plan
- Exhibit J – Proposed Floor Plan
- Exhibit K – Operating Plan
- Exhibit L – Plan for Community Engagement
- Exhibit M – Diversity Plan
- Exhibit N – Anonymous Knowledge and Experience of Principal Officers
- Exhibit O – Financial Information
- Exhibit P – Evidence of Status as a Social Equity Applicant, if applying as a Social Equity Applicant
- Exhibit Q – Labor and Employment Practices Plan (optional)
- Exhibit R – Environmental Plan (optional)
- Exhibit S – Evidence of Status as an Illinois Owner (optional)
- Exhibit T – Evidence of Status as a Veteran (optional)

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IMPORTANT NOTICE: Completion of this form is necessary for consideration for a license.

FOR OFFICIAL USE ONLY

ILLINOIS DEPARTMENT OF FINANCIAL AND PROFESSIONAL REGULATION

Tracking Number: _____

CONDITIONAL ADULT USE DISPENSING ORGANIZATION LICENSE APPLICATION

Total Points: _____

General Information (All information is required unless otherwise noted.)

1. BLS REGION IN WHICH THE PROPOSED DISPENSING ORGANIZATION PLANS TO LOCATE (NAME ONLY ONE BLS REGION):

2. THE TOTAL NUMBER OF LICENSES FOR WHICH THE APPLICANT IS APPLYING IN THE BLS REGION WITH THIS APPLICATION:

3. PROPOSED DISPENSING ORGANIZATION BUSINESS NAME:

4. PROPOSED DISPENSING ORGANIZATION PRINCIPAL PLACE OF BUSINESS (P.O. BOX IS NOT PERMITTED):

5. PROPOSED DISPENSING ORGANIZATION MAILING ADDRESS (IF DIFFERENT FROM PRINCIPAL PLACE OF BUSINESS):

6. PROPOSED DISPENSING ORGANIZATION BUSINESS FEIN:

7. PROPOSED DISPENSING ORGANIZATION SALES TAX ACCOUNT ID (OPTIONAL):

8. PROPOSED DISPENSING ORGANIZATION PRIMARY CONTACT NAME, TITLE, ADDRESS, EMAIL, AND TELEPHONE NUMBER:

9. PROPOSED DISPENSING ORGANIZATION ALTERNATE CONTACT NAME, TITLE, ADDRESS, EMAIL, AND TELEPHONE NUMBER:

10. IS THE APPLICANT APPLYING AS A SOCIAL EQUITY APPLICANT? YES NO

11. IF APPLYING AS A SOCIAL EQUITY APPLICANT, PLEASE SELECT ALL CRITERIA UNDER WHICH THE APPLICANT QUALIFIES:

THE APPLICANT IS AN ILLINOIS RESIDENT AND IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR MORE INDIVIDUALS WHO HAVE RESIDED FOR AT LEAST 5 OF THE PRECEDING 10 YEARS IN A "DISPROPORTIONATELY IMPACTED AREA"

THE APPLICANT IS AN ILLINOIS RESIDENT AND IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR MORE INDIVIDUALS WHO HAVE BEEN ARRESTED FOR, CONVICTED OF, OR ADJUDICATED DELINQUENT FOR ANY OFFENSE MADE ELIGIBLE FOR EXPUNGEMENT BY PUBLIC ACT 101-0027

THE APPLICANT IS AN ILLINOIS RESIDENT AND IS AT LEAST 51% OWNED AND CONTROLLED BY ONE OR MORE INDIVIDUALS WHO HAS HAD A PARENT, LEGAL GUARDIAN, CHILD, SPOUSE, DEPENDENT, OR WAS A DEPENDENT OF AN INDIVIDUAL WHO, PRIOR TO JUNE 25, 2019, WAS ARRESTED FOR, CONVICTED OF, OR ADJUDICATED DELINQUENT FOR ANY OFFENSE MADE ELIGIBLE FOR EXPUNGEMENT BY PUBLIC ACT 101-0027

THE APPLICANT IS AN ILLINOIS RESIDENT WITH A MINIMUM OF 10 FULL-TIME EMPLOYEES AND AT LEAST 51% OF THOSE EMPLOYEES (i) CURRENTLY RESIDE IN A "DISPROPORTIONATELY IMPACTED AREA", (ii) HAVE BEEN ARRESTED FOR, CONVICTED OF, OR ADJUDICATED DELINQUENT FOR ANY OFFENSE MADE ELIGIBLE FOR EXPUNGEMENT BY PUBLIC ACT 101-0027, OR (iii) HAVE HAD A PARENT, LEGAL GUARDIAN, CHILD, SPOUSE, DEPENDENT, OR WAS A DEPENDENT OF AN INDIVIDUAL WHO, PRIOR TO JUNE 25, 2019, WAS ARRESTED FOR, CONVICTED OF, OR ADJUDICATED DELINQUENT FOR ANY OFFENSE MADE ELIGIBLE FOR EXPUNGEMENT BY PUBLIC ACT 101-0027

Mandatory Registration Exhibits: All exhibits must be labeled with the exhibit letter and title.
Number each page.

Exhibit A – Photocopy of Non-Refundable Application Fee

Exhibit B – Principal Officer Application Form(s)

Each proposed principal officer for the applicant must complete the Application for Proposed Principal Officer of an Adult Use Dispensing Organization, which can be found on the Division's website at:

<https://www.idfpr.com/forms/AUC/F2379po.pdf>

Exhibit C – Table of Organization, Ownership and Control and Business Operating Agreements

PAGE LIMIT: none

Provide a Table of Organization, Ownership and Control reflecting the structure of the proposed dispensing organization. The Table of Organization, Ownership and Control must identify all proposed principal officers and business entities that through direct or indirect means, manage, own or control the interests and assets of the license holder.

The Table of Organization, Ownership and Control shall also identify the following:

- a) The management structure including:
 - i) the office or position to be held by each individual;
 - ii) the percentage ownership interest of each individual or business entity;
 - iii) if the business entity has one or more parent companies, the name of each parent company, the names of the parent company principal officer(s), and their percentage ownership interest in the parent company. Section iii must be completed for each level of ownership of the licensee until all persons that, through direct or indirect means, manage, own, or control the licensee are identified; and
 - iv) if the licensee is partially owned or controlled by another entity, it must disclose to the Division the terms of the relationship and all owners, board members, officers or individuals with control or management of the owning or controlling entities.
- b) If a business entity identified in the Table is a publicly traded company, the following information shall be provided:
 - i) The name and percentage of ownership of each individual or business entity that owns or controls more than 5 percent of the voting shares of the entity;
 - ii) To the extent known, the names and percentage of ownership or control by persons who are related and who together own or exercise control over more than 10 percent of the voting shares of the entity;
- c) If a business entity identified in the Table is a limited liability company, provide a copy of the current Articles of Organization and operating agreements and a list of all persons or business entities holding an ownership interest;
- d) If a business entity identified in the Table is a corporation, provide a copy of the current Articles of Incorporation and corporate resolutions and a list of all persons or business entities holding an ownership interest;
- e) If a business entity identified in the Table is an unincorporated association, organization or not-for-profit organization, provide documents or agreements reflecting its current ownership, profit sharing and liability structure;
- f) If a business entity identified in the Table is a partnership, provide a copy of current partnership or joint venture documents. If there is no written agreement, provide a statement signed by all partners affirming there is no agreement.

Exhibit D – Dispensing Organization Agent Training and Education

PAGE LIMIT: 15 Pages

Provide a plan that describes the training and education that will be provided to dispensing organization employees. Such plan must, at a minimum demonstrate that employees will: (i) understand the rules and laws to be followed by dispensing organization employees, (ii) have knowledge of any security measures and operating procedures of the dispensing organization, and (iii) be able to advise purchasers on how to safely consume cannabis and use individual products offered at the dispensary.

Exhibit E – Purchaser Education Plan

PAGE LIMIT: 10 Pages

Provide a plan that describes how the proposed dispensing organization will provide: (i) education on whether possession of cannabis is illegal under federal law, (ii) current educational information issued by the Illinois Department of Public Health about the health risks associated with the use or abuse of cannabis, (iii) information about possible side effects; (iv) notice of the prohibition on smoking cannabis in public places; and (v) any other appropriate purchaser education or support materials.

Exhibit F – Business Plan

PAGE LIMIT: 30 Pages

Provide a plan that describes, at a minimum, how the dispensing organization will be managed on a long-term basis. This shall include: (i) a description of the proposed dispensing organization's point-of-sale system, (ii) how the proposed dispensing organization will process customer purchases and dispense cannabis, (iii) how it will track denials of sale, (iv) how it will maintain confidentiality of purchasers, (v) products and services to be offered, and (vi) a plan to ensure the proposed dispensing organization will maintain compliance with all applicable laws and administrative rules. The plan must also include the estimated volume of cannabis the proposed dispensing organization plans to store at the dispensary.

Exhibit G – Recall, Quarantine, and Destruction Plan

PAGE LIMIT: 10 Pages

Provide a plan that describes the: (i) recall practices, (ii) quarantine practices; and (iii) destruction practices for the proposed dispensing organization.

Exhibit H – Security Plan

PAGE LIMIT: 50 Pages, not including a copy of a contract with a licensed private security contractor.

Provide a plan that, at a minimum: (i) accounts for the prevention of theft or diversion of cannabis, (ii) demonstrates safety procedures for dispensing organization agents and purchasers, (iii) establishes procedures, equipment, and designs that provide for the safe delivery and storage of cannabis currency, and (iv) demonstrates that all security procedures, equipment, and designs are and will be kept compliant with all applicable laws and administrative rules, including and in particular those set forth in Section 15-100 of the Act .

Provide a copy of a contract with a private security contractor licensed under Section 10-5 of the Private Detective, Private Alarm, Private Security, Fingerprint, Vendor, and Locksmith Act of 2004 (225 ILCS 447/10-5).

Exhibit I – Inventory Monitoring and Recordkeeping Plan

PAGE LIMIT: 15 Pages

Provide a plan that demonstrates how the applicant will monitor purchases and denials of sale. This plan must also include, at a minimum: (i) the applicant's strategy to communicate with the Division and the Illinois State Police on the destruction and disposal of cannabis, (ii) how the applicant will comply with the Act and rules, including and in particular Section 15-75 of the Act; (iii) how the applicant will comply with the Act and rules regarding recordkeeping, including and in particular Section 15-110 of the Act, and (iv) how the applicant will maintain quality control over these processes.

Exhibit J – Proposed Floor Plan

PAGE LIMIT: 10 Pages (electronic copies of documents for this Exhibit may be submitted in .png format)

NOTE: An applicant is not required to have identified or secured a location before completing Exhibit J or submitting this application. No extra points will be awarded to applicants that have identified or secured locations before submitting this application.

Provide a proposed floor plan that includes: (i) the layout and estimated square footage the applicant plans to use for the dispensary, and (ii) a description of the proposed security devices, including, without limitation, cameras, motion detectors, servers, video storage capabilities, and alarm service providers. The proposed floor plan must: (i) demonstrate the applicant is familiar with all applicable legal requirements, (ii) be suitable for public access, (iii) promote safe dispensing of cannabis, (iv) be compliant with the Americans with Disabilities Act; (v) be compliant with the Environmental Barriers Act, and (vi) facilitate safe product handling and storage.

Exhibit J shall also include a reasonable assurance that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate.

The proposed floor plan shall, at a minimum, show and identify:

1. Layout and square footage of each room;
2. Name and function of each room;
3. The location and details of any signage or information required by law to be posted in the dispensary;
4. A detailed description of the features that will provide accessibility to purchasers as required by the Americans with Disabilities Act;
5. A description of the air treatment system that will be installed to reduce odors;
6. A description of the enclosed, locked facility where cannabis will be stored by the dispensing organization;
7. Doorways or pathways between rooms;
8. Means of ingress and egress;
9. Location of restricted access areas;
10. Location of cannabis storage areas while the dispensary is open for business;
11. Location of cannabis storage areas while the dispensary is closed for business;
12. Location of the sink and refrigerator, if any;
13. Location of all safes or vaults that will be used to store cannabis, cannabis products or currency;
14. Dimension of all safes or vaults that will be used to store cannabis, cannabis products or currency;
15. Location of each computer and cash register used for point of sale;
16. Location of each toilet facility;
17. Location of a break room and personal storage lockers, if any;
18. Location of each video camera; and
19. Location of each panic button and glass break.

Exhibit K – Operating Plan

PAGE LIMIT: 40 Pages

Provide an operating plan that describes, at a minimum: (i) the day-to-day operations of the proposed dispensing organization and (ii) a staffing plan for the dispensing organization, including the percentage of full-time employees who will be paid a living wage.

NOTE: Please include descriptions of plans to provide codes of conduct, health care benefits, educational benefits, retirement benefits, living wage standards, or labor peace agreements as part of Exhibit Q, not this Exhibit.

Exhibit L – Plan for Community Engagement

PAGE LIMIT: 10 Pages per plan

Provide a plan for community engagement. The applicant may demonstrate a desire to engage with its community by participating in one or more of, but not limited to, the following actions: (i) the establishment of an incubator program designed to increase participation in the cannabis industry by persons who would qualify as Social Equity Applicants, (ii) providing financial assistance to substance abuse treatment centers, (iii) educating children and teens about the potential harms of cannabis use, or (iv) other measures demonstrating a commitment to the applicant's community. A plan for community engagement will only be scored and a maximum of two (2) bonus points awarded for Exhibit L if the applicant's point total is tied with one or more applicants for the last Conditional Adult Use Dispensing Organization License to be awarded in a BLS Region.

Exhibit M – Diversity Plan

PAGE LIMIT: 2,500 words

Provide a narrative of **not more than 2,500 words** that establishes a goal of diversity in ownership, management, employment, and contracting to ensure that diverse participants and groups are afforded equality of opportunity.

Exhibit N – ANONYMOUS Knowledge and Experience of Principal Officers

PAGE LIMIT: 3 Pages for each proposed principal officer

Provide an anonymized document or résumé for each proposed principal officer, including whether the proposed principal officer has an academic degree, certification, or relevant experience with a cannabis business establishment or in a related industry. The applicant's proposed principal officers must demonstrate experience and qualifications in business management or experience with the cannabis industry. This includes ensuring optimal safety and accuracy in the dispensing and sale of cannabis. The applicant's proposed principal officers must demonstrate knowledge of various cannabis product strains or varieties and describe the types and quantities of products planned to be sold. This includes confirmation of whether the applicant plans to sell cannabis paraphernalia or edible products. Knowledge and experience may be demonstrated through experience in other comparable industries that reflect on the proposed principal officer's ability to operate a cannabis business establishment.

Exhibit O – Financials

PAGE LIMIT: None

Provide a statement, and any supporting documentation you wish to provide, attesting that if granted a license the applicant will have access to sufficient funds to own and operate an adult use cannabis dispensing organization.

Exhibit P – Evidence of Status as a Social Equity Applicant (Optional)

PAGE LIMIT: none

If the applicant wishes to apply as a Social Equity Applicant, provide evidence of Social Equity Applicant status. Evidence of status as a Social Equity Applicant may be established by providing:

1. Evidence of the applicant's status as an "Illinois resident" as demonstrated by incorporation documents, or, if applying as an individual, at least two of the following: (i) a signed lease agreement that includes the applicant's name, (ii) a property deed that includes the applicant's name, (iii) school records, (iv) voter registration card, (v) an Illinois driver's license, ID card, or a Person with a Disability ID card, (vi) a paycheck stub, (vii) a utility bill, or (viii) any other proof of residency or other information necessary to establish residence. A person must have been domiciled in the state for a period of 30 days to be an "Illinois resident" as used in this application; **and**
2. Evidence the person or persons owning and controlling more than 51% of the proposed dispensing organization have lived in a Disproportionately Impacted Area for 5 of the preceding 10 years as demonstrated by, but not limited to, tax filings, voter registrations, leases, mortgages, paycheck stubs, utility bills, insurance forms, or school records that include the qualifying principal officers' names on them; or

Exhibit P – Evidence of Status as a Social Equity Applicant (Optional) (Continued)

PAGE LIMIT: none

3. Evidence the person or persons owning and controlling more than 51% of the proposed dispensing organization have been arrested for, convicted of, or adjudicated delinquent for any offense made eligible for expungement by Public Act 101-0027. If the arrest, conviction, or adjudication has been sealed or expunged, provide records of such action; or
4. Evidence the person or persons owning and controlling more than 51% of the proposed dispensing organization has had a parent, legal guardian, child, spouse, dependent, or was a dependent of an individual who prior to June 25, 2019, was arrested for, convicted of, or adjudicated delinquent for any offense made eligible for expungement by Public Act 101-0027. If the arrest, conviction, or adjudication has been sealed or expunged, provide records of such action. The applicant must also provide evidence of the relationship between the applicant's principal officer or officers and the person who was arrested for, convicted of, or adjudicated delinquent for any offense made eligible for expungement by Public Act 101-0027; or

The following paragraph was amended on October 11, 2019

5. Evidence that the applicant employs 10 or more full-time employees, and evidence that 51% or more of those employees (1) currently reside in a Disproportionately Impacted Area; (2) have been arrested for, convicted of, or adjudicated delinquent for any offense that is eligible for expungement under Public Act 101-0027; or (3) are members of an "impacted family" as that term is defined in Public Act 101-0027. The applicant must provide evidence as described above for each employee. The applicant shall also provide evidence the employees were engaging in full time work as of the date the application was submitted. If employee information or employment status of employees changes before licenses are awarded, the applicant has a duty to notify the Division of the change in employee information or status.

Exhibit Q – Labor and Employment Practices Plan (Optional)

PAGE LIMIT: 10 pages, not including a copy of a labor peace agreement statement or attestation

Describe plans to provide a safe, healthy, and economically beneficial working environment for its agents, including, but not limited to, codes of conduct, health care benefits, educational benefits, retirement benefits, living wage standards, and entering labor peace agreements with employees.

Exhibit R – Environmental Plan (Optional)

PAGE LIMIT: 5 pages

Demonstrate an environmental plan of action to minimize the carbon footprint, environmental impact, and resource needs for the dispensary, which may include, without limitation, recycling cannabis product packaging.

Exhibit S – Evidence of Status as an Illinois Owner (Optional)

PAGE LIMIT: none

Provide evidence the applicant is 51% or more owned and controlled by a person or persons who are Illinois residents and can prove residency in each of the past 5 years with tax records.

Exhibit T – Evidence of Status as a Veteran (Optional)

PAGE LIMIT: none

Demonstrate the applicant is 51% or more owned and controlled by a person or persons who meet the qualifications of a "veteran" as provided by Section 45-57 of the Illinois Procurement Code. 30 ILCS 500/45-57. Such status may be demonstrated by submitting a DD Form 214.

From: [IDFPR Notification](#)
To: [Mazie Harris](#)
Subject: Notice of Posting of Tied Cannabis Applicants
Date: Thursday, September 3, 2020 2:02:39 PM

Dear Conditional Adult Use Dispensing Organization License Applicant Point of Contact:

Thank you for participating in the application process. This email is to let you know that the Illinois Department of Financial and Professional Regulation has posted the list of 'tied applicants' for each region who may qualify to participate in the upcoming lottery to be awarded a Conditional Adult Use Dispensing Organization License ('Conditional License'). There were no individual winners in any region, so all 75 conditional licenses will be determined by lottery. The link for the list of tied applicants can be found [here](#).

In each region there were several applicants who received the maximum possible score of 252 points. If you are not on the list, your application did not receive that number of points, you do not qualify to participate in the lottery, and you will not be awarded a Conditional License.

Thank you again for your participation in the process.

Top Scoring Applicants by BLS region (REVISED)

Conditional Adult Use Dispensing Organization Licenses

September 3, 2020

Editor’s Note: At the conclusion of the scoring process, there were “tied applicants” in each of the seventeen Illinois Bureau of Labor Statistics regions (“BLS region”). Their names are listed below by region. The number next to the name of each BLS region name represents the number of conditional licenses that will be awarded in that BLS region. The number next to the name of each tied applicant represents the number of licenses that applicant sought in the BLS region.

Tied applicants, should they become eligible for the lottery, will get one entry into the BLS region’s lottery for each application fee paid up to the maximum number of licenses available in that region. A tied applicant cannot become eligible for the lottery if one or more of its principal officers are associated with more tied applicants than the number of licenses available in the BLS region. The Department must publish the names of the applicants eligible for the lottery more than five business days before the lottery is conducted.

<p>Bloomington – 1</p> <p>AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 1 Dealership LLC – 1 Fortunate Son Partners LLC – 1 Full License Pursuit LLC – 1 Mint IL LLC – 1 SB IL LLC – 1 So Baked Too LLC – 1 V3 Illinois Vending LLC – 1</p>	<p>Cape Girardeau – 1</p> <p>AmeriCanna Dream – 1 Clean Slate Opco LLC – 1 Dealership LLC – 1 Fortunate Son Partners LLC – 1 Mint IL LLC – 1 V3 Illinois Vending LLC – 1 Vertical Management LLC – 1</p>
<p>Carbondale-Marion – 1</p> <p>AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 1 Dealership LLC – 1 Fortunate Son Partners LLC – 1 Mint IL LLC – 1 SB IL LLC – 1 V3 Illinois Vending LLC – 1</p>	<p>Champaign-Urbana – 1</p> <p>AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 1 Dealership LLC – 1 Fortunate Son Partners LLC – 1 Mint IL LLC – 1 SB IL LLC – 1 So Baked Too LLC – 1 V3 Illinois Vending LLC – 1</p>
<p>Chicago-Naperville-Elgin – 47</p> <p>127 IL LLC – 1 Alchemy Curations LLC – 1 AmeriCanna Dream LLC – 15 Black Rain LLC – 1 Clean Slate Opco LLC – 10 Dealership LLC – 10 Deer Park Partners LLC – 5 EHR Holdings LLC – 3 Fortunate Son Partners LLC – 10 Green Equity Ventures I LLC – 3 GRI Holdings LLC – 20 Make Peace LLC – 1</p>	<p>Danville – 1</p> <p>127 IL LLC – 1 AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 1 Dealership LLC – 1 Fortunate Son Partners LLC – 1 Mint IL LLC – 1 SB IL LLC – 1 V3 Illinois Vending LLC – 1</p>

Chicago-Naperville-Elgin – 47 (continued) Mint IL LLC – 5 SB IL LLC – 4 So Baked Too LLC – 2 Suite Greens LLC – 4 Terra House LLC – 6 TPFB LLC – 1 V3 Illinois Vending LLC – 5 Vertical Management LLC – 10	Davenport-Moline-Rock Island – 1 AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 1 Dealership LLC – 1 Fortunate Son Partners LLC – 1 Mint IL LLC – 1 SB IL LLC – 1 V3 Illinois Vending LLC – 1
Decatur – 1 AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 1 Dealership LLC – 1 Fortunate Son Partners LLC – 1 Mint IL LLC – 1 SB IL LLC – 1 So Baked Too LLC – 1 V3 Illinois Vending LLC – 1	East Central – 2 127 IL LLC – 1 AmeriCanna Dream LLC – 2 Clean Slate Opco LLC – 2 Dealership LLC – 2 Fortunate Son Partners LLC – 2 GRI Holdings LLC – 1 Mint IL LLC – 2 SB IL LLC – 1 Suite Greens LLC – 2 V3 Illinois Vending LLC – 2
Kankakee – 1 127 IL LLC – 1 AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 1 Dealership LLC – 1 Deer Park Partners LLC – 1 Fortunate Son Partners LLC – 1 Green Equity Ventures 1 LLC – 1 Mint IL LLC – 1 SB IL LLC – 1 V3 Illinois Vending LLC – 1	Northwest – 3 127 IL LLC – 1 AmeriCanna Dream LLC – 2 Black Rain LLC – 1 Clean Slate Opco LLC – 3 Dealership LLC – 3 Deer Park Partners LLC – 2 EHR Holdings LLC – 1 Fortunate Son Partners LLC – 3 GRI Holdings LLC – 1 Mint IL LLC – 2 SB IL LLC – 1 Suite Greens LLC – 2 Terra House LLC. – 2 TPFB LLC – 1 V3 Illinois Vending LLC – 3
Peoria – 3 127 IL LLC – 1 AmeriCanna Dream LLC – 2 Black Rain LLC – 1 Clean Slate Opco LLC – 3 Dealership LLC – 3 Fortunate Son Partners LLC – 3 GRI Holdings LLC – 1 Mint IL LLC – 2 SB IL LLC – 1 So Baked Too LLC – 2 V3 Illinois Vending – 3 Vertical Management LLC – 3	Rockford - 2 127 IL LLC – 1 AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 2 Dealership LLC – 2 Deer Park Partners LLC – 2 EHR Holdings LLC – 1 Fortunate Son Partners LLC – 2 Mint IL LLC – 2 SB IL LLC – 1 TPFB LLC – 1 V3 Illinois Vending LLC – 2

South – 2 127 IL LLC – 1 AmeriCanna Dream LLC – 1 Clean Slate Opco LLC – 2 Dealership LLC – 2 Fortunate Son Partners LLC – 2 Mint IL LLC – 2 SB IL LLC – 1 V3 Illinois Vending LLC – 2	Springfield – 1 AmeriCanna Dream LLC – 1 Clean Slate Opco – 1 Dealership LLC – 1 Fortunate Son Partners LLC – 1 Mint IL LLC – 1 SB IL LLC – 1 V3 Illinois Vending LLC – 1
St. Louis – 4 127 IL LLC – 1 AmeriCanna Dream LLC – 2 Clean Slate Opco LLC – 4 Dealership LLC – 4 Fortunate Son Partners LLC – 4 GRI Holdings LLC – 1 Mint IL LLC – 2 SB IL LLC – 2 So Baked Too LLC – 2 V3 Illinois Vending LLC – 4	West Central – 3 127 IL LLC – 1 AmeriCanna Dream LLC – 2 Clean Slate Opco LLC – 3 Dealership LLC – 3 Fortunate Son Partners LLC – 3 GRI Holdings LLC – 1 Mint IL LLC – 2 SB IL LLC – 1 Suite Greens LLC – 3 V3 Vending Illinois LLC – 3

9/6/2020

Illinois Legalization Bill Lands with Promised Focus on Social Equity

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ILLINOIS

Illinois Legalization Bill Lands with Promised Focus on Social Equity

A long anticipated adult use bill was unveiled over the weekend. This spring, no other effort to legalize by legislature has succeeded. Will Illinois' plan be comprehensive enough to overcome opposition?

MAY 6, 2019 6:55AM EDT



Jeremy Borden

Two years of work to build support for a measure that would legalize adult-use cannabis in Illinois took concrete form this weekend as Governor J.B. Pritzker announced the much-

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The 522-page bill, which contains far-reaching social equity, tax and health implications, faces a tight timeline. The measure is expected to be formally introduced Monday and hearings held in the House and Senate before the end of the legislative session on May 31.

In other words, Illinois lawmakers, including House sponsor Representative Kelly Cassidy and Senate sponsor Senator Heather Steans, both from the Chicago area, have about four weeks to accomplish what no state has done successfully by legislature: pass one bill that would legalize cannabis possession and use and would set up a regulatory and tax structure for sales. On top of that, the bill has robust equity provisions. Cassidy told Cannabis Wire months ago “this is the hill I will die on. This is my ‘why.’ Doing the social justice piece is the reason I’m doing this. We want to be the model.”

The bill would: ensure small businesses and disadvantaged communities and applicants receive priority in the state’s business licensing process, expunge past convictions related to cannabis, and deliver dollars to communities most affected by America’s drug war.

The bill also allows for home grown cannabis, among other provisions.

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to subscribers.)

Email Address

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At the bill's announcement Saturday at the Black United Fund of Illinois on the South Side of Chicago, Pritzker emphasized that Illinois policymakers looked closely at what had worked and what hadn't in other states. Namely, he said, Illinois would be the first state that successfully ensures that disadvantaged communities and business applicants have a place in Illinois' new cannabis marketplace. Black and brown business owners are estimated to be less than 1% of all business owners in the US cannabis industry.

"Starting with equity as our north star, this framework reflects some of our most deeply held priorities for legalization," Pritzker said at the bill's announcement. "Equity guided the conversation on every component of this process, from licensing and revenue to sentencing laws and expungement. In hindsight, a lot of states got it wrong on licensing because their programs ended up with the unintended consequence of a consolidated marketplace where only a few profit."

The state's proposed scoring system for new businesses gives additional points for traditionally-marginalized business owners and sets aside \$20 million in low-interest loans for such applicants. (See more about the bill's key provisions below).

Legalization supporters will have to contend with a vocal opposition coalition led by the national anti-legalization group Smart Approaches to Marijuana (SAM). The group's Illinois chapter sent out an email blast this weekend with the names and office phone numbers of a dozen key House members that SAM hopes to sway against legalization. SAM says the planning to target key swing lawmakers and, especially, members of the legislative Black Caucus deemed as vital supporters for the bill's prospects.

Omari Prince, the field director for SAM Illinois, told *Cannabis Wire* that the group is starting with House members because of backing SAM has received from Representative Marty Moylan, a Democrat from Des Plaines, who has emerged as the group's key ally. Moylan has

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pass the House if it gets a vote.

“They’re thinking about their constituents,” Prince said of SAM’s list. “Do they really want a drug store in their district? [They think] ‘Is my district going to thrive?’ I get their concerns. No one wants a drug store.”

Representative Cassidy told *Cannabis Wire* in an interview that she didn’t know why so many had signed onto a resolution calling for the state to slow down on legalization. But she said that because she and Steans introduced a cannabis legalization measure two years ago—when they knew it had little chance given the stated opposition of then-Governor Bruce Rauner, a Republican—and held town halls around the state to solicit feedback, proponents are in a good position.

“I fight for every vote on every bill, every time,” Cassidy said. “I work every roll call as if it’s the most important bill I’ve ever worked on. Now it’s time. It’s time to really do the head count.”

She said statehouse leaders would make decisions next week about when hearings are held. The bill will be introduced as an amendment to [SB 7](#) in the Senate and likely follow in the House later, although that plan could change, she said.

“I fight for every vote on every bill, every time,” Cassidy said. “I work every roll call as if it’s the most important bill I’ve ever worked on. Now it’s time. It’s time to really do the head count.”

Similar pressure from SAM and its affiliates has worked against legalization efforts in York and New Jersey, despite the support of those state’s governors and other key lawmakers. The struggle to push through legalization-by-legislature perhaps illustrates why the majority of adult use and medical cannabis programs to-date have resulted from voter support at the ballot box. (Vermont’s legislature became the first to [legalize](#) cannabis last year, but not sales. Legislation to tax and regulate sales has been passed by the state Senate and is now being considered by the House).

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groups, as well as chapters of the NAACP. Not all NAACP local chapters have come out against legalization, although the group's state president has.

"It's an uphill fight, we know that, and we're prepared for it," McAnarney said.

SAM Illinois says it supports decriminalization, and criminal justice aims, but believes that legalization isn't necessary to accomplish those goals.

He also said police have particular issues with the measure's home grow provision for up to five plants. "Five home grown plants in a basement is creating your own homegrown black market," McAnarney said. "The police don't want any part of this."

Cassidy said she knew that the home grow provision would be controversial, but she was determined to keep it because she said that when her brother-in-law had cancer, he had a greater quality of life because he used cannabis that he grew. "For me, it's personal," she said. "I know that he couldn't afford medical cannabis and I know that he would have wasted away and really been miserable."

Senator Steans said at the bill's announcement that about 800,000 Illinoisans use cannabis regularly from the illicit market, which children can access.

"Prohibition simply does not work," Steans said. "We want safety for our kids and the public and keeping it away from our kids. We want social justice. And we want revenue that instead of going to the illicit market comes and benefits the people in Illinois."

Pritzker, a Democrat in one of the US's few statehouses where the party controls both statehouse chambers, named cannabis legalization as an early priority, and has already budgeted \$170 million from future sales for next year.

Cassidy said that the bill envisions two waves of business applications — giving regulators time to make changes to the program if the bill's social equity goals are not met in the first round.

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Possession Limits

Those 21 and older could possess up to thirty grams of cannabis flower, five grams of concentrates and 500 milligrams contained in a THC-infused product. The thirty-gram limit doesn't apply to those growing at home.

Taxes

The bill envisions a range of taxes, which vary depending on the amount of THC in a given product. Further, the bill prescribes how tax dollars are spent.

First, a 7% tax is levied on gross receipts of a cultivator, grower or processor. Municipalities can also impose a tax up to 3% on the purchase price.

Otherwise:

- All infused products are taxed at a level of 20% of the purchase price;
- Cannabis with a THC level above 35% is taxed at 25% of the purchase price;
- Cannabis with a THC level at or below 35% is taxed at 10% of the purchase price;

The state's revenue would be allocated with 35% going to the state's general fund; 25% to Restoring Our Communities Fund (detailed below); 20% to fund mental health and substance abuse programs, along with local health departments; 10% to the state's budget stabilization fund, to pay the state's backlog of unpaid debt; 8% for a law enforcement grant program; and 2% to fund public education and awareness of cannabis-related health issues.

Social Equity

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arrests and incarceration for cannabis-related crimes. Applicants from those areas, or those who have a past cannabis conviction or similar juvenile history, are awarded more points.

Those who qualify as a “social equity applicant” can also access a \$20 million pool of low-interest state loans.

Applicants currently operating under the state’s medical program would be first in line for adult-use licenses, paying application and business development fees, a fee based on a percentage of sales, between \$100,000 and \$500,000. New applicants to the program would pay application fees of \$5,000 and business development fees between \$10,000 and \$40,000.

Further, a Restoring Our Communities board would be appointed and a program would be developed to decide on investments in communities that have been most affected by America’s drug war.

Small and Diverse Industry

The proposal includes provisions aimed at preventing operators from having too big of a presence in the state and instead encourages a diverse set of entrepreneurs. For example, the bill includes a “craft grower” level license. That said, some of the largest cannabis companies in the US, like Cresco Labs and MedMen, have already set up shop in Illinois, and Cresco CEO Charlie Bachtell joined Pritzker’s cannabis legalization subcommittee transition team. According to the governor’s summary:

- No person or entity shall hold any legal, equitable, or beneficial interest, directly or indirectly of more than 3 cultivation centers.
- No person or entity shall hold any legal, equitable, or beneficial interest, directly or indirectly of more than 10 dispensing organizations.
- No craft grower license shall be issued to any person or entity with more than 10% interest in a cultivation center.

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grower license under this article.

Expungement

Illinois would be the first state to automatically expunge certain past cannabis-related convictions. Cassidy said to *Cannabis Wire*, emphasizing her work around Class 4 felonies, which are entry level: "We're going further with expungements than any other state has."

Cannabis-related crimes from low-level possession, intent to distribute, manufacturing and delivery and possession of plants ranging from low-level misdemeanors to Class 4 felonies would be automatically expunged. Under the bill, the State Police Department would identify all past crimes that qualify and notify prosecutors and the relevant courts around the state, which would order the expungement of the crime and related law enforcement records.

The governor's summary points out: "The automatic expungement process does not apply to individuals with misdemeanor or Class 4 felony violations that were accompanied by charges other than a qualifying offense."

Home Grow

Those 21 and older can legally grow up to five plants for their own use as long as the grow is kept locked and out of view from those under the age of 21. They must own their residence or have permission from a landlord to do so.

Local Control

Municipalities have one year (or until January 2021) to "opt out" of providing sales through dispensaries, although other types of cannabis businesses would be permitted. Municipalities, however, could pass zoning restrictions regarding those businesses.

From: CPAAS@illinois.gov
 To: Wah@wahgroup.com
 Subject: Application Scorecard
 Date: Thursday, September 10, 2020 12:24:07 PM

Please find the scoring results for your Conditional Adult Use Dispensing Organization License below:

Region	Name	Exhibit D	Exhibit E	Exhibit F	Exhibit G	Exhibit H	Exhibit I	Exhibit J	Exhibit K	Exhibit M	Exhibit N	Exhibit O	Exhibit P	Exhibit Q	Exhibit R	Exhibit S	Exhibit T	Total	Exhibit L (for Tie)	Grand Total
N/A	Available points:	15	4	16	16	48	17	22	6	5	30	1	50	5	5	5	5	250	2	252
Chicago-Naperville-Elgin	WAH GROUP LLC D/B/A LEAFING LIFE	15	4	16	16	48	16	22	6	5	30	1	0	5	5	5	0	194	0	194

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FILED DATE: 10/6/2020 3:10 PM 2020CH05759

From: "FPR_AdultUseCannabis" <FPR_AdultUseCannabis@illinois.gov>
 Date: September 10, 2020 at 12:04:10 PM CDT
 To: "robert.walker.esq@gmail.com" <robert.walker.esq@gmail.com>; "COREYWALKER12345@GMAIL.COM" <COREYWALKER12345@GMAIL.COM>
 Subject: Application Scores

Please find the scoring results for your Conditional Adult Use Dispensing Organization License below:

Region	Name	Exhibit D	Exhibit E	Exhibit F	Exhibit G	Exhibit H	Exhibit I	Exhibit J	Exhibit K	Exhibit M	Exhibit N	Exhibit O	Exhibit P	Exhibit Q	Exhibit R	Exhibit S	Exhibit T	Total	Exhibit L (for Tie)	Grand Total
n/a	Available points:	15	4	16	16	48	17	22	6	5	30	1	50	5	5	5	5	250	2	252
Chicago-Naperville-Evanston	HAAAY, LLC	15	4	16	16	48	16	22	6	5	30	1	0	5	5	5	0	194	0	194

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Robert Walker <robert.walker.esq@gmail.com>

Notice of Deficiency in Dispensary Application

1 message

 Plaintiffs Ex. F - Notice of Deficiency
 Pg. 1 of 7

FPR.AdultUseCannabis <FPR.AdultUseCannabis@illinois.gov>

Fri, May 8, 2020 at 10:55 AM

To: "robert.walker.esq@gmail.com" <robert.walker.esq@gmail.com>, "COREYWALKER12345@GMAIL.COM" <COREYWALKER12345@gmail.com>

Cc: US-FM ADV IDFPFR <us-advidfpr@kpmg.com>

 Dear **HAAAYY, LLC**,

This e-mail serves as your notification that one or more deficiencies have been identified in your application for a Conditional Adult Use Dispensing Organization License. Please carefully read the instructions below and submit the information addressing the identified deficiencies.

You have **10 calendar days** beginning the day after the date this e-mail was sent to submit the required information in the manner described below. Submissions delivered to the Illinois Department of Financial and Professional Regulations by any other means or after this timeframe will not be accepted. In your submission, do not include any supplemental information related to your application other than that required to address the identified deficiencies. Such supplemental information will not be considered in the review and scoring process. Please note that deficiencies identified are not comprehensive of all applicable statutes identified in the Cannabis Regulation and Tax Act (410 ILCS 705/).

IMPORTANT: If you do not submit the required information in the required manner within 10-calendar days, your entire application will not be scored and will be disqualified. (410 ILCS 705/15-30(b)). You will **NOT** receive a refund of your application fee.

Below, are the deficiencies in your application that have been identified at this time. This may not be a complete list of all deficiencies in your application, so please continue to monitor your e-mail account for additional correspondence regarding other deficiencies that may be identified in the future.

Instructions for Submitting Information to Address Deficiencies:

1. Review the list below to learn which deficiencies apply to your application.
2. Prepare responses in PDF format addressing each deficiency. A separate PDF document should be created for each Exhibit in which a deficiency has been identified. Unless the deficiency is that an entire Exhibit is missing, only submit supplemental information and materials that address the deficiency identified. For each corrected Exhibit, title the document "Exhibit [letter of exhibit]_[Organization FEIN Number or Organization Name]_Deficiency_[Region ID(s) separated by underscores]."

File Naming Convention Example: Exhibit N_81-3780373-Deficiency_1_4_10_17

Region IDs:

- (1) Bloomington
- (2) Carbondale-Marion
- (3) Champaign-Urbana
- (4) Cape Girardeau
- (5) Danville
- (6) Davenport-Moline-Rock Island
- (7) Decatur

- (8) Kankakee
- (9) Springfield
- (10) Rockford
- (11) East Central Illinois nonmetropolitan
- (12) South Illinois nonmetropolitan
- (13) Peoria
- (14) Northwest Illinois nonmetropolitan
- (15) West Central Illinois nonmetropolitan
- (16) St. Louis
- (17) Chicago-Naperville-Elgin

3. Once you've assembled your PDF responses, you will access the Secure File Transfer Protocol (SFTP) file as described in the information below with the following username and password. For SFTP related questions only, please contact the following email address: us-advIDFPR@kpmg.com and a resource will get back to you promptly. We recommend logging into the SFTP as soon as possible to determine any access issues as extensions to submit your content beyond the 10 calendar days will not be provided.

Primary Contact Username: robert.walker.esq@gmail.com

Primary Contact Password: n3Hz1BS4

Secondary Contact Username: COREYWALKER12345@GMAIL.COM

Secondary Contact Password: 5DKv14w1

Listing of alphabetical deficiencies in your Application as provided by Section 15-30(b) of the Cannabis Regulation and Tax Act:

-

BLS Region:

Bloomington

N/A

Cape Girardeau

N/A

Carbondale – Marion

N/A

Champaign Urbana

N/A

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

Chicago-Naperville-Elgin

Exhibit J

The application did not include the required statement that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate.

Danville

N/A

Davenport-Moline-Rock Island

N/A

Decatur

N/A

East Central Illinois Non-Metropolitan

N/A

Kankakee

N/A

Northwest Illinois Non-Metropolitan

N/A

Peoria

N/A

Rockford

N/A

South Illinois Non-Metropolitan

N/A

Springfield

N/A

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St. Louis

N/A

West Central Illinois Non-Metropolitan

N/A

In your response please provide all relevant documents, combined in one searchable PDF file, by exhibit to support your assertion(s)

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 **SFTP Information.pdf**
50K

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

From: [FPR.AdultUseCannabis](#)
To: [Mazie Harris](#); KENNY@WAHGROUPLLC.COM
Cc: [US-FM ADV IDFPFR](#)
Subject: Notice of Deficiency in Dispensary Application
Date: Saturday, May 16, 2020 3:56:30 PM
Attachments: [SFTP Information.pdf](#)

Dear **WAH GROUP LLC D/B/A LEAFING LIFE**,

This e-mail serves as your notification that one or more deficiencies have been identified in your application for a Conditional Adult Use Dispensing Organization License. Please carefully read the instructions below and submit the information addressing the identified deficiencies.

You have **10 calendar days** beginning the day after the date this e-mail was sent to submit the required information in the manner described below. Submissions delivered to the Illinois Department of Financial and Professional Regulations by any other means or after this timeframe will not be accepted. In your submission, do not include any supplemental information related to your application other than that required to address the identified deficiencies. Such supplemental information will not be considered in the review and scoring process. Please note that deficiencies identified are not comprehensive of all applicable statutes identified in the Cannabis Regulation and Tax Act (410 ILCS 705/).

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Below, are the deficiencies in your application that have been identified at this time. This may not be a complete list of all deficiencies in your application, so please continue to monitor your e-mail account for additional correspondence regarding other deficiencies that may be identified in the future.

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Primary Contact Username: mah@harlawgroup.com

Primary Contact Password: ro5XV2DX

Secondary Contact Username: KENNY@WAHGROUPLLC.COM

Secondary Contact Password: 2Zq2j5U8

Listing of alphabetical deficiencies in your Application as provided by Section 15-30(b) of the Cannabis Regulation and Tax Act:

BLS Region:

Bloomington

N/A

Cape Girardeau

N/A

Carbondale – Marion

N/A

Champaign Urbana

N/A

Chicago-Naperville-Elgin

Exhibit J

The application did not include the required statement that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate.

Danville

N/A

Davenport-Moline-Rock Island

N/A

Decatur

N/A

East Central Illinois Non-Metropolitan

N/A

Kankakee

N/A

Northwest Illinois Non-Metropolitan

Exhibit J

The application did not include the required statement that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate.

Peoria

N/A

Rockford

Exhibit J

The application did not include the required statement that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate.

South Illinois Non-Metropolitan

Exhibit J

The application did not include the required statement that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate.

Springfield

N/A

St. Louis

Exhibit J

The application did not include the required statement that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate.

West Central Illinois Non-Metropolitan

Exhibit J

The application did not include the required statement that the issuance of a license will not have a detrimental impact on the community in which the applicant wishes to locate.

In your response please provide all relevant documents, combined in one searchable PDF file, by exhibit to support your assertion(s)

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INSTRUCTION SHEET

APPLICATION FOR AUTHORIZATION APPROVAL MEDICAL CANNABIS DISPENSARY

*In order for your application to be processed,
ALL REQUIRED SUPPORTING DOCUMENTATION MUST BE SUBMITTED
with the Application Form and required fee unless otherwise directed in the instructions.*

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Fees: Fees are non-refundable	2
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Receipt of Applications	5-6
Submission of Application	7
Application Receipt.....	7
Submission Deadline and Timetables.....	8
Incomplete Applications	8
After Application Submission	8
Change to Principal Contact.....	8
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Application Fee Form	11-12

Additional application forms can be downloaded from the IDFPR Web site at www.idfpr.com.

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PURPOSE

The Medical Cannabis Pilot Program Act (the “Act”) 410 ILCS 130 and the Administrative Rules 68 IAC 1290 (the “Rules”) require that all entities engaged in the dispensing of medical cannabis be registered by the Illinois Department of Financial and Professional Regulation – Medical Cannabis Division (“Division”) to engage in such activity.

DISCLAIMER

Pursuant to the Act, the State of Illinois may not award more than 60 registrations to operate a dispensing organization. DFPR reserves the right to award fewer than 60 authorizations to register during the first request for applications if the Division concludes that no qualified applications are timely received for a specific district or districts.

After filing an application for Authorization to register a dispensing organization with the Division, applicant will be provided with a date and time stamped receipt issued by the Division. In filing an application for Authorization and receiving a date and time stamped receipt, the applicant consents and acknowledges:

- a. Applicant retains no claim or action against the Division for its denial of an Application;
- b. The Division is vested with the discretion to select the applicants to be awarded an Authorization; and
- c. The Division’s decisions in selecting the applicants shall be final.

FEES

FEES ARE NON-REFUNDABLE

The Application fee is \$5,000. The application fee shall be provided in a sealed envelope labeled "application fee" along with the submission checklist listed on pages 11 and 12 of these instructions. One application fee is to be submitted with each application.

Application fee payment must be hand delivered in the form of a **certified check** or **money order only**, made payable to “Illinois Department of Financial and Professional Regulation.”

Cash or personal checks will not be accepted.

DEFINITIONS

The Pilot Program Act uses the terms “day care center,” “day care home,” “group day care home,” “part day child care facility.” The Child Care Act of 1969 [225 ILCS 10/] defines “day care center,” “day care home,” “group day care home,” and “part day child care facility.”

For purposes of this Application, minority, female, and disabled shall be defined as found in Section 2 of the Business Enterprise for Minorities, Females, and Persons with Disabilities Act [30 ILCS 575/2].

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DISPENSING ORGANIZATION DISTRICTS

Applications will be accepted for the following dispensing organization districts. The applicant is solely responsible for ensuring that the proposed location is within the district boundaries of the district for which the applicant applies. Applicants should confirm the boundary line between the City of Chicago and adjacent districts. An applicant may submit separate applications for authorization for a dispensing organization in up to five Districts.

District 1 includes Carroll, Ogle, Whiteside and Lee counties.

District 6 includes Livingston, McLean and Dewitt counties.

District 7 includes Rock Island, Mercer, Knox and Henry counties.

District 8 includes Marshall, Peoria, Stark, Tazewell and Woodford counties.

District 9 includes Cass, Christian, Logan, Mason, Menard, Morgan and Sangamon counties.

District 10 includes Champaign, Coles, Douglas, Edgar, Macon, Moultrie, Piatt, Shelby and Vermillion counties.

District 11 includes Bond, Clinton, Madison, Monroe and St. Clair counties.

District 12 includes Clark, Crawford, Cumberland, Effingham, Fayette, Jasper, Lawrence, Marion and Richland counties.

District 13 includes Franklin, Jackson, Jefferson, Perry, Randolph, Washington and Williamson counties.

District 14 includes Fulton, Hancock, Henderson, McDonough and Warren counties.

District 16 includes Boone, Jo Daviess, Stephenson and Winnebago counties.

District 17 includes Bureau, LaSalle and Putnam counties.

District 18 includes Calhoun, Greene, Jersey, Macoupin and Montgomery counties.

District 19 includes Edwards, Gallatin, Hamilton, Saline, Wabash, Wayne and White counties.

District 20 includes Adams, Brown, Pike, Schuyler and Scott counties.

District 21 includes Ford, Iroquois and Kankakee counties.

District 22 includes Alexander, Hardin, Johnson, Massac, Pope, Pulaski and Union counties.

That part of the State within the Chicago metropolitan area but outside of Cook County are dispensing organization districts as follows:

District 23 includes DeKalb County.

District 24 includes DuPage County.

District 25 includes Grundy and Kendall Counties.

District 26 includes Kane County.

District 27 includes Lake County.

District 28 includes McHenry County.

District 29 includes Will County.

That part of Cook County outside of the City of Chicago are dispensing organization districts as follows:

District 30 includes Barrington, Hanover and Palatine Townships.

District 31 includes Elk Grove and Schaumburg Townships.

District 32 includes Maine and Wheeling Townships.

District 33 includes New Trier and Northfield Townships.

DISPENSING ORGANIZATION DISTRICTS (cont'd)

District 34 includes Evanston and Niles Townships.

District 35 includes Leyden, Norwood Park and Proviso Townships.

District 36 includes Berwyn, Cicero, Oak Park, River Forest and Riverside Townships.

District 37 includes Lemont, Lyons and Palos Townships.

District 38 includes Calumet, Stickney and Worth Townships.

District 39 includes Bremen, Orland and Rich Townships.

District 40 includes Bloom and Thornton Townships.

The City of Chicago includes the following districts:

District 41 includes Jefferson Township.

District 42 includes Hyde Park Township.

District 43 includes Lake Township.

District 44 includes Lakeview Township.

District 45 includes North Township.

District 46 includes Rogers Park Township.

District 47 includes South Township.

District 48 includes West Township.

COMPLETING THE APPLICATION

Please read the Act (410 ILCS 130), the Administrative Rules (68 IAC 1290), and these instructions carefully before you begin the Dispensary Authorization Application process to determine the documentation and forms you must submit to apply.

The Dispensary Authorization Application Form, Fee, Submission Checklist Form, Redacted Schedules, Redacted Addenda, Sealed Unredacted Hard Copy, and USB Drive containing a Redacted Copy and Unredacted Copy of the Application in PDF Format must be submitted by applicant for an application to be complete.

Diagrams, Plot Plans and Photographs submitted with the application must be of sufficient resolution to allow for technical review of all text and measurements. All pages must be numbered and organized in the following sequence.

Application Form	REQUIRED
Schedule 1 – Suitability of Proposed Dispensary	REQUIRED
● Suitability for Public Access- 3 page limit	
● Plot Plans and Photographs – No page limit	
● Zoning – No page limit	
Schedule 2 – Business and Operations Plan	REQUIRED
● Knowledge and Experience – No page limit	
● Staffing- 3 page limit	
● Business Management Practices- 5 page limit	
● Operating Plan – 5 page limit	
● Services Provided- 3 page limit	

COMPLETING THE APPLICATION (cont'd)

Schedule 3 – Security Plan

REQUIRED

- Facility Security – No page limit
- Security Surveillance System- 6 page limit excluding supporting documents (i.e. designs or drawings)
- Product Security- 6 page limit excluding supporting documents
- Shipping/Transportation Security measures- 3 page limit

Schedule 4 – Recordkeeping and Inventory Plan

REQUIRED

- Recordkeeping Plan- 5 page limit
- Inventory Control Plan- 5 page limit
- Patient Education and Support Plan- 4 page limit

Schedule 5 – Financial Disclosures

REQUIRED

- No page limit

Schedule 6 – Bonus Section

OPTIONAL

- Labor and Employment Practice- 3 page limit
- Research Plan- 5 page limit
- Community Benefits Plan- 3 page limit
- Substance Abuse Prevention Plan- 3 page limit
- Local Community/Neighborhood Report- 3 page limit excluding support documents
- Environmental Plan- 3 page limit
- Verification of Minority-Owned, Female-Owned, Veteran-Owned, or Disabled Person Owned - 3 page limit excluding support documents
- Illinois Based Applicants - 3 page limit excluding support documents

RECEIPT OF APPLICATIONS

A one page cover letter, including applicant's legal business name, district applied in, and consultant name (if any), on company letterhead must be submitted with the application. The Application Form must be filled out completely and display applicant's personal identifying information. Schedules and Addenda must be redacted and scrubbed of all personal identifying information.

The cover letter, unredacted Application Form, redacted Schedules and Addenda must be three hole punched and placed in a three ring binder. Between each Application Schedule insert a divider. Each Application Schedule must be labeled with a tab corresponding to the Schedule number. Each Application Addendum must be separated by a divider as well, with a tab corresponding to the Addendum letter on the divider. Please do not staple or permanently bind the application materials in any way.

For each application submission the applicant must also submit: one (1) unredacted paper copy of the application in a sealed envelope or box, one USB drive containing one (1) redacted copy of the application and one (1) unredacted copy of the application in Adobe Portable Document Format (PDF), and a sealed envelope labeled "application fee" containing the application fee along with the submission checklist listed on pages 11 and 12 of these instructions.















The unredacted application hard copy must be submitted in a separate envelope or box that is sealed and must have a label displaying the name of the applicant entity applying, district applied in, and consultant used (if any). No application materials will be accepted via US mail or electronic mail.

Applicant must submit one USB drive containing one (1) unredacted copy and one (1) redacted copy of the application materials in PDF. PDF's must be text-searchable, where feasible. The USB drive must be virus-free, not contain any encryption or password protection, and be compatible with Windows 7 Operating System. PDF's must be sanitized.

RECEIPT OF APPLICATIONS (cont'd)

Except where indicated, all application materials, whether paper or PDF, must be in black and white, 8.5x11, 12-point Times New Roman font, 1.5 spaced paragraphs, 1 inch margins. No portion of the application may be handwritten except for signatures. All PDF's must be readily printable on 8.5x11 paper, or configured to scale to those dimensions, provided doing so still meets the typeface requirements. Applicant assumes sole responsibility for ensuring that the electronic documents are not corrupted and are readily accessible by Division employees.

Except where provided, the contents of the USB drive must be identical to the paper application. Make one folder for the complete un-redacted application and a separate folder for the complete redacted version. Each folder must be organized in the following manner:

-  Application Forms
-  A. Principal Officer Attestation Form(s)
-  B. Principal Officer Certification Form(s)
-  C. Property Ownership Form(s)
-  D. Zoning Form(s)
-  E. Criminal History Form(s)
-  F. Livescan Receipt Form(s)
-  G. Photocopy of Application Fee
-  Schedule 1 – Suitability of Proposed Disp
-  Schedule 2 – Business and Operations Plan
-  Schedule 3 – Security Plan
-  Schedule 4 – Recordkeeping & Inventory
-  Schedule 5 – Financial Disclosures
-  Schedule 6 – Bonus Section

Applicants are encouraged to make all reasonable efforts to ensure the documents are included as a PDF. The Department recognizes that some materials, such as blueprints or technical diagrams, may not be practicably included as a PDF. If that is the case, please include these documents only in the physical application copy and provide a placeholder page in the electronic PDF indicating where the document can be found in the physical copy.

Redacting Identifiable Information

To ensure the scoring process is conducted fairly, applicants must omit personal information from designated portions of the application that would reveal, or cause to reveal, the identity of the applicants. Personal information that must be removed on the redacted Application and the redacted electronic copy on the USB drive:

- | | |
|--|---|
| <ul style="list-style-type: none"> a. All first and last names listed in the application b. Name of company, including parent or subsidiary companies c. Employer taxpayer identification number d. Driver's license number e. State identification number (FEIN) f. Proposed dispensary name g. All phone numbers h. All e-mail addresses | <ul style="list-style-type: none"> i. All business and personal addresses j. Consultant name k. The names of all Corporations, LLCs, sole proprietorships, non-for-profits that have a financial interest in the dispensary. l. Any personal identifying information in the photographs, plot plans or drawings m. Signatures n. Any additional personal identifying information contained in the application |
|--|---|

Application forms may be downloaded from the IDFPR website at www.idfpr.com.

SUBMISSION OF APPLICATION

Submission Checklist – To be completed and submitted with Application Fee

- Application fee in the form of a money order or certified check
- Submission Checklist Form (see page 11 of application instruction sheet) and fee in a sealed envelope labeled "application fee".
- One (1) hard copy of redacted Application scrubbed of all personal identifying information, three hole punched and placed in a three ring binder together with unredacted Application Form
- One (1) hard copy of unredacted Application containing wet signatures that displays all personal identifying information, in a sealed envelope together with unredacted Application Form
- Addendum A. Medical Cannabis Principal Officer Attestation Form with original signatures
- Addendum B. Principal Officer Certification Form with original signatures (Complete separate form for each Principal Officer)
- Addendum C. Confirmation of Property Ownership with original signatures
- Addendum D. Zoning Form with original signatures
- Addendum E. Criminal History Form (Complete separate form for each Principal Officer)
- Addendum F. Livescan Receipt (Submit separate receipt for each Principal Officer including all information from Section 230 of the Administrative Rules. Applicants may submit the same livescan receipt in any other applications)
- Addendum G. Photocopy of Application Fee
- Plot Maps, Diagrams and Photographs
- One (1) USB Drive containing one (1) redacted copy of application, scrubbed of all personal identifying information and one (1) unredacted copy of application, displaying all personal identifying information

**If you would like to include a key for this section the key will be kept separate from the materials during scoring.
Example of a key would be: Principal Officer #1 = John Smith, Principal Officer #2 = John Doe.*

Applications must be hand delivered to the Division during the application submission time period:

Department of Financial and Professional Regulation

ATTN: Bridget Carlson - Division of Professional Regulation – Medical Cannabis

James R. Thompson Center

100 W. Randolph - 9th Floor

Chicago, Illinois 60601

All application materials, upon submission to the Division, become property of the State of Illinois. No application materials will be returned.

APPLICATION RECEIPT

The Division will provide a time and date stamped receipt upon application submission. The receipt will serve as a record that the application was delivered to the Division. Application materials must be presented to a Division employee. You may not leave the application materials unattended at the front desk.

SUBMISSION DEADLINE AND TIMETABLE:

All Application materials must be hand delivered to the Division between September 8, 2014 and September 22, 2014.

Application materials will be accepted between 8:30 a.m. and 5:00 p.m. Central Standard Time, except for Monday, September 22, 2014 the last day of acceptance.

On Monday, September 22, 2014 materials will be accepted until 3:00 p.m. Time shall be determined by the clock at the reception desk at the Division.

The Division will not accept applications after the deadline on September 22, 2014.

It is the applicant's responsibility to submit the application on time, and consider potential delays. Sole responsibility rests with the applicant to ensure that their application is received and date and time-stamped, on or before the submission deadline.

INCOMPLETE APPLICATIONS

The Division will follow 68 IAC 1290.70(b) regarding incomplete applications. If the missing or incomplete schedule is not submitted in connection with 68 IAC 1290.70(b), your application will be disqualified. Applications will not be returned to you. You will be notified by the Division if your application is disqualified.

AFTER APPLICATION SUBMISSION

Unless the applicant is contacted by the Division in connection with 68 IAC 1290.70(b) regarding incomplete applications, no applicant may submit an amendment or add information to their application after it has been submitted.

CHANGE TO PRINCIPAL CONTACT

You must notify the Division in writing of any change to principal or alternate contact information, address or e-mail after you file this application in order to receive further information. Please send these materials to: FPR.MedicalCannabis@Illinois.gov, Attn: Change to Principal/Alternate Contact or to:

Department of Financial and Professional Regulation

ATTN: Bridget Carlson - Division of Professional Regulation – Medical Cannabis

James R. Thompson Center

100 W. Randolph - 9th Floor

Chicago, Illinois 60601

NOTE: Confidential and time sensitive information may be sent to the applicant's email address provided in the application. Failure to respond to emails may result in your application being withdrawn or denied. It is the applicant's responsibility to add FPR.MedicalCannabis@Illinois.Gov to their safe senders and safe receipts list.

DOCUMENTS REQUIRING TRANSLATION

Any documents submitted in a foreign language must be accompanied by an original, notarized translation that has been transcribed by a person, other than the applicant, and who is fluent in both English and the language of the document(s). The translator shall certify to the above requirements as well as to the accuracy of the translation.

APPLICATION QUESTIONS

Please direct all questions about the application forms to: FPR.MedicalCannabis@Illinois.gov.

APPLICATION SCORING

The Application Form must be completed but will not be scored (incomplete Application Forms will be disqualified). Only Application Schedules will be scored based on the following point and percentage based system.

Schedule Name	Total Points Available	Percentage
Schedule 1: Suitability of the Proposed Dispensary	150	15%
Schedule 2: Business and Operations Plan	200	20%
Schedule 3: Security Plan	200	20%
Schedule 4: Record Keeping and Inventory Plan	200	20%
Schedule 5: Financial Disclosures	150	15%
Schedule 6: Bonus	100	10%
Total	1,000	100%

As stated in 68 IAC 1290.40, these instructions identify the minimum number of percentage points necessary from the required schedules to be eligible for consideration in the bonus categories. All applications will be reviewed and points awarded based upon the same point system in a fair and unbiased manner. Applications scoring in the top 30 percent of each district may have their bonus categories scored. Points available for each bonus category are identified below.

Labor and Employment Practices:	15
Research Plan:	10
Community Benefits Plan:	10
Substance Abuse Prevention Plan:	15
Local Community/Neighborhood Report:	10
Environmental Plan:	10
Verification of Minority-Owned, Female -Owned, Veteran-Owned, or Disabled Person-Owned:	15
Illinois Based Applicants:	15

CHECKLIST

Consistent with the Medical Cannabis Pilot Program Act, in order to be considered for a Dispensing Organization Registration in Illinois, an applicant

- 1) Must be a business entity where none of the prospective Principal Officers have been convicted of an excluded offense;
- 2) Shall select a location that is in compliance with local zoning rules or can cure the zoning deficiency in a reasonable time;
- 3) Must not have a prospective Principal Officer who has served as a principal officer, owner, officer, or board member of a registered medical cannabis Dispensing Organization that had its Registration, license or permit revoked;
- 4) Must not have a prospective Principal Officer under 21 years of age;
- 5) Must not have a prospective Principal Officer that is a registered qualified patient or a designated caregiver;
- 6) Must not include a physician who holds a direct or indirect economic interest in a dispensing organization if he or she recommends the use of medical cannabis to qualified patients or is in a partnership or other fee or profit-sharing relationship with a physician who recommends medical cannabis.

SUBMISSION CHECKLIST – To be completed and submitted with Application Fee

Submit applications and payment:

September 8, 2014 – September 22, 2014

Monday – Friday

8:30 am – 5:00 pm.

*****The application period will end at 3:00 pm on Monday, September 22, 2014*****

James R. Thompson Center
100 W. Randolph St. – 9th Floor
Chicago, Illinois 60601

Name: _____

Dispensing Organization District: _____

County: _____

Check Number: _____

Initial on the lines below verifying the information is included in your application packet.

- Application fee in the form of money order or certified check
- Application Submission Checklist
- One (1) hard copy of redacted Application scrubbed of all personal identifying information, three hole punched and placed in a three ring binder together with unredacted Application Form
- One (1) hard copy of unredacted Application containing wet signatures that displays all personal identifying information, in a sealed envelope together with unredacted Application Form

- Schedule 1 – Suitability of Proposed Facility
- Schedule 2 – Business and Operations Plan
- Schedule 3 – Security Plan
- Schedule 4 – Recordkeeping and Inventory Plan
- Schedule 5 – Financial Disclosures
- Schedule 6 – Bonus Section

- Addendum A. Medical Cannabis Principal Officer Attestation Form with original signatures
- Addendum B. Principal Officer Certification Form with original signatures
(Complete separate form for each Principal Officer)
- Addendum C. Confirmation of Property Ownership with original signatures
- Addendum D. Zoning Form with original signatures
- Addendum E. Criminal History Form (Complete separate form for each Principal Officer)

SUBMISSION CHECKLIST – To be completed and submitted with Application Fee

___ Addendum F. Livescan Receipt (Submit separate receipt for each Principal Officer including all information from Section 230 of the Administrative Rules. Applicants may submit the same livescan receipt in any other applications)

___ Addendum G. Photocopy of Application Fee

___ One (1) USB Drive containing one (1) redacted copy of application, scrubbed of all personal identifying information and one (1) unredacted copy of application, displaying all personal identifying information.

** If you would like to include a key for this section the key will be kept separate from the materials during scoring.
Example of a key would be: Principal Officer #1 = John Smith, Principal Officer #2 = John Doe.*

Applicant Signature: _____

Printed Name: _____

Date: _____

*****Office use ONLY*****

<p>Application Number: _____</p> <p>Name: _____</p> <p>ISP District: _____</p> <p>County: _____</p> <p>Check Number: _____</p> <p>Receipt Number: _____</p>

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

Services Publications/Forms Departments News Contact



Office of the Secretary of State Jesse White

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Corporation/LLC Search/Certificate of Good Standing

Corporation File Detail Report

File Number	72394763
Entity Name	V3 HOLDINGS INC.
Status	NOT GOOD STANDING

Entity Information

Entity Type	CORPORATION
Type of Corp	DOMESTIC BCA
Incorporation Date (Domestic)	Friday, 19 July 2019
State	ILLINOIS
Duration Date	PERPETUAL

Agent Information

Name	VIKTOR KOTSYULYM
Address	8721 LAKE RIDGE DR DARIEN , IL 60561

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

Change Date Friday, 19 July 2019

Annual Report

Filing Date 00/00/0000

For Year 2020

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Mon Sep 07 2020

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Office of the Secretary of State Jesse White

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Corporation/LLC Search/Certificate of Good Standing

Corporation File Detail Report

File Number	72394763
Entity Name	V3 HOLDINGS INC.
Status	ACTIVE

Entity Information	
Entity Type	CORPORATION
Type of Corp	DOMESTIC BCA
Incorporation Date (Domestic)	Friday, 19 July 2019
State	ILLINOIS
Duration Date	PERPETUAL

Agent Information	
Name	VIKTOR KOTSYULYM
Address	8721 LAKE RIDGE DR DARIEN , IL 60561

Change Date	Friday, 19 July 2019
-------------	----------------------

Annual Report

Filing Date	Friday, 11 September 2020
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For Year	2020
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Officers

President Name & Address	VIKTOR KOTSYULYM 8721 LAKE RIDGE DR DARIEN IL 60561
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Secretary Name & Address	8721 LAKE RIDGE DR, DARIEN IL60561
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Mon Sep 14 2020

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

MARIJUANA NEWS POLITICS

Finalist for marijuana dispensary licenses also works for firm that graded applications

Hamd Kamal is a risk management consultant for KPMG, which is being paid nearly \$4.2 million through a no-bid contract with the state to evaluate applicants.

By Tom Schuba | Updated Sep 8, 2020, 9:04pm CDT



Global accounting firm KPMG, which has offices in the Aon building on Randolph Street, has been hired by the state to grade cannabis dispensary license applications. | Sun-Times staff photo

An employee of the global accounting firm that was awarded a no-bid contract to grade applications for the state’s next round of pot shop licenses is also a partner in one of the 21 groups that secured a spot in the upcoming lottery to determine the winners.

Hamd Kamal works as a risk management consultant for KPMG, which is getting nearly \$4.2 million through a no-bid contract with the Illinois Department of Financial and Professional Regulation, the agency that oversees dispensaries. All told, 937 candidates submitted 4,518 total applications seeking dispensary licenses.

Kamal is also listed as a manager of EHR Holdings LLC, an upstart pot firm that also counts former Chicago Police Supt. Terry Hillard as a backer, according to records kept by the Illinois secretary of state's office. EHR's principal address is a Near West Side head shop, Smoke Stop, that's also run by Kamal.



Smoke Shop, at 1333 W. Taylor St., is run by Hamd Kamal. | Tyler LaRiviere/Sun-Times

Kamal's LinkedIn account stated last week that he's a risk consultant at KPMG, though the reference to the firm has since been wiped from the page.

RELATED

As new pot licenses delayed indefinitely, global accounting firm pockets \$7M from state to rank applicants

Pritzker urged to halt lottery for new marijuana licenses, address 'orchestrated injustice' of application process

Like the other 20 firms in the lottery, EHR earned perfect scores on the applications that represent its five chances in drawings in three of the 17 possible regions across the state.

The news that a KPMG employee is also part of a firm that's secured five spots in the dispensary lottery comes as lawmakers and applicants continue to pepper Gov. J.B. Pritzker with concerns about the firm's contract, methods and how the application process shook out.

KPMG spokesman James McGann said Kamal "is an employee but he was not part of the engagement team that scored the applications."

He added: "The scoring process was objective, following the state's criteria, with a blind scoring methodology. The team scoring the applications would have no knowledge of the names or affiliations of applicants. A separate team scored certain aspects of the application, such as social equity."

EHR spokesman Eric Kowalczyk said the firm was formed last July, seven months before KPMG signed its initial contract with the IDFPR.

"The EHR team learned of KPMG's selection at the same time as the rest of the state when it was published in the newspaper," Kowalczyk said, pointing to a news report in July. "In fact, EHR was made aware KPMG only learned of any association two days ago.

"As with every submission, by every applicant who applied for a license, EHR's application contained no information that could be used to identify the members of EHR or their employers," added Kowalczyk, who claimed the firm followed state rules "to the letter."

Despite Kowalczyk saying KPMG just recently learned of Kamal's ties to EHR, Pritzker spokeswoman Jordan Abudayyeh noted that "KPMG had a plan in place to ensure that any potential conflicts of interest were addressed and did not influence the process. They are a large international firm with experience ensuring there aren't conflicts of interest."

Since the final contenders for the highly sought after dispensary were announced last week, losing applicants and lawmakers almost immediately started raising alarms.

The legalization law was passed to benefit so-called social equity applicants, who earn that status by living in areas that have been disproportionately impacted by past drug enforcement, having a minor cannabis conviction or meeting other criteria. The aim was ultimately to create more diverse ownership in an industry dominated by white men.

But KPMG has been one of the big winners as the state moves to dole out new recreational weed licenses.

In addition to the IDFPR deal, KPMG was awarded another no-bid contract by the Illinois Department of Agriculture valued at \$2.5 million. Under that contract, KPMG is grading applications for licenses to grow, transport and infuse cannabis products. Like the dispensary licenses, all those permits have also been delayed by the coronavirus pandemic.

Both Democratic lawmakers and applicants of color who saw their bids rejected slammed KPMG during a news conference Tuesday, framing the grading system as tainted as they urged Pritzker to delay the lottery. What's more, former state Sen. Rickey Hendon referenced the fact a KPMG employee was an applicant without using Kamal's name.

"The system is flawed. The system needs to be corrected," noted Antonio Williams, a Black social equity applicant who said KPMG "needs to be held accountable."



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Corporation/LLC Search/Certificate of Good Standing

LLC File Detail Report

File Number	08201269
Entity Name	CLEAN SLATE OPCO, LLC
Status	ACTIVE

Entity Information

Principal Office
1000 HILLGROVE AVE. STE 230
WESTERN SPRINGS, IL 605580000

Entity Type
LLC

Type of LLC
Domestic

Organization/Admission Date
Wednesday, 27 November 2019

Jurisdiction
IL

Duration
PERPETUAL

Agent Information

Name

ACFB INCORPORATED

Address71 S. WACKER DR., STE 1600
CHICAGO , IL 60606**Change Date**

Wednesday, 27 November 2019

Annual Report**For Year**

2020

Filing Date

00/00/0000

Managers**Name****Address**CLEAN SLATE HOLDINGS LLC
1000 HILLGROVE AVE. STE 230
WESTERN SPRINGS, IL 605580000**Series Name**

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Corporation/LLC Search/Certificate of Good Standing

LLC File Detail Report

File Number	08201285
Entity Name	DEALERSHIP, LLC
Status	ACTIVE

Entity Information

Principal Office
1000 HILLGROVE AVE. STE 230
WESTERN SPRINGS, IL 605580000

Entity Type
LLC

Type of LLC
Domestic

Organization/Admission Date
Wednesday, 27 November 2019

Jurisdiction
IL

Duration
PERPETUAL

Agent Information

Name

ACFB INCORPORATED

Address71 S. WACKER DR., STE 1600
CHICAGO , IL 60606**Change Date**

Wednesday, 27 November 2019

Annual Report**For Year**

2020

Filing Date

00/00/0000

Managers**Name****Address**CLEAN SLATE HOLDINGS LLC
1000 HILLGROVE AVE. STE 230
WESTERN SPRINGS, IL 605580000**Series Name**

NOT AUTHORIZED TO ESTABLISH SERIES

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FILED DATE: 10/6/2020 3:10 PM 2020CH05759

MARIJUANA NEWS POLITICS

Pot shop licenses to promote social equity could go to firms tied to co-founder of \$3B cannabis giant

Matt Estep, the former managing partner of Green Thumb Industries, runs an investment firm linked to two applicants hoping to win the right to open marijuana dispensaries in Illinois.

By Tom Schuba | Sep 10, 2020, 5:53pm CDT



Matt Estep, a co-founder of Loop-based pot giant Green Thumb Industries, appears connected to two applicants for new dispensary licenses that list the same address as his suburban investment firm. | [Linked In](#)

Two shadowy companies vying for multiple licenses in the upcoming pot shop lottery

share the same west suburban address as an investment firm led by the co-founder of Green Thumb Industries, a River North-based power player in the weed industry.

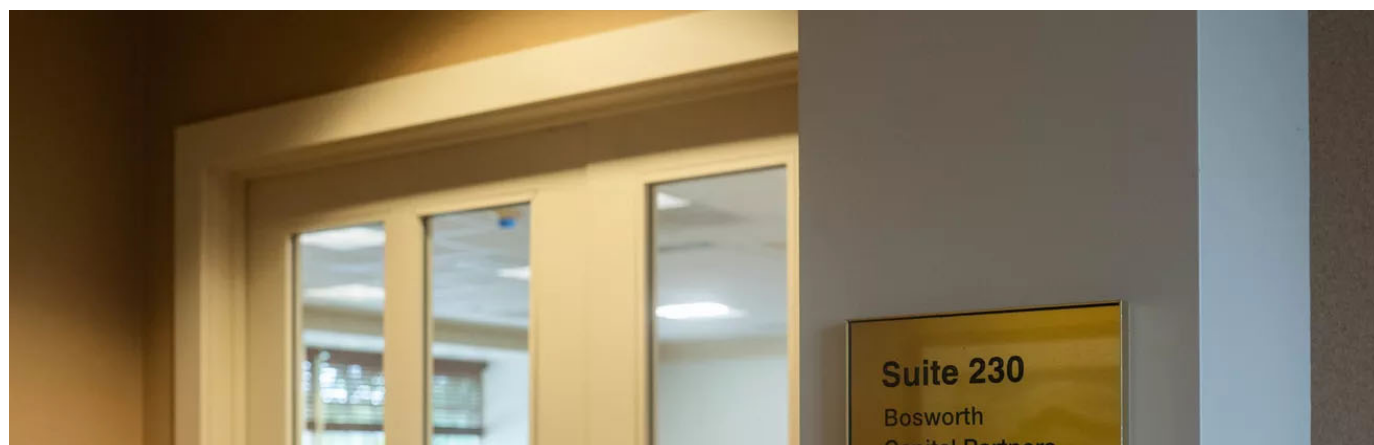
Matt Estep was among a group of investors who started GTI in 2014, the same year medical cannabis was legalized in Illinois. The firm, which has since blossomed into a publicly traded behemoth valued at roughly \$3 billion, has operations in multiple states and runs two cultivation centers and six dispensaries in Illinois, including Rise Joliet and Rise Mundelein.

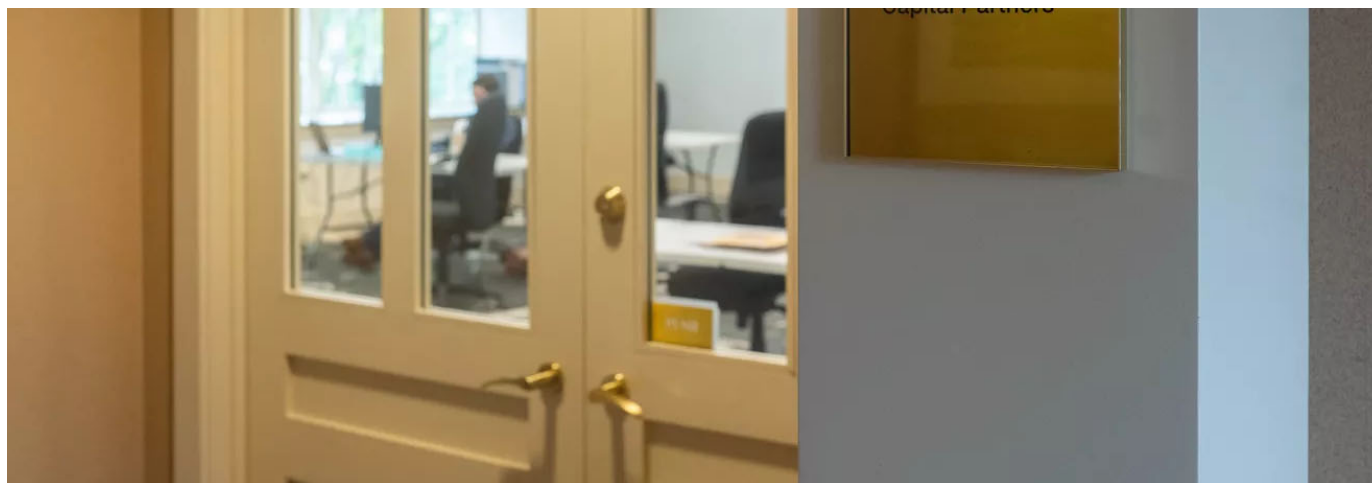
Although Estep no longer works at GTI, he told the Sun-Times earlier this year that he was still a shareholder.

Now, he appears connected to two finalists that each submitted 38 perfect applications for 75 new dispensary permits that will be awarded via a lottery later this month. Of the 19 other applicants that received the most points in a process that is supposed to prioritize social equity candidates, only one other firm submitted that many perfect applications.

The two companies tied to Estep — Dealership LLC and Clean Slate Opco LLC — both list Clean Slate Holdings LLC as their registered manager, according to records kept by the Illinois secretary of state's office. All three share the same Western Springs address as Bosworth Capital Partners, an investment group Estep leads.

They also share the same registered agent, ACFB Incorporated, which lists in state filings its agent and officers as three attorneys for Benesch, a major law firm headquartered in Ohio with offices in the Loop.





Bosworth Capital Partners shares the same Western Springs address as the managers of two companies that are finalists for new pot shop licenses. | Pat Nabong/Sun-Times

It's unclear how exactly Estep is tied to the applicant companies or Clean Slate Holdings, which hasn't registered in Illinois, state records show.

On Thursday, Estep didn't respond to questions, saying in an email, "At this time I am not able to discuss matters related to Clean Slate Holdings."

State officials have said the finalists for dispensary licenses all met the social equity criteria by having a majority owner who lives in an area that's been adversely impacted by the drug war or who has an expungeable cannabis offense or a family member who does. Applicants can also qualify by hiring a workforce of more than 10 people that mostly includes individuals who check those boxes.

Gov. J.B. Pritzker and other lawmakers in Springfield framed the social equity program as a way to bolster minority ownership in a booming industry overwhelmingly controlled by white men.

Estep, who is white, also didn't answer questions about how Dealership and Clean Slate Opco earned social equity status. Neither did a spokeswoman for Pritzker's office.

"From the beginning we have stated that it takes time to transform an industry that is lacking in diversity not just in Illinois, but worldwide," the governor's top pot adviser, Toi Hutchinson, said in a statement Thursday. Hutchinson added that 60% of the applicants who qualified for the lottery "are majority owned by people of color."



The first batch of customers enter Rise Joliet, a cannabis dispensary in southwest suburban Joliet, on the first day of legalized recreational marijuana in Illinois, Wednesday, Jan. 1, 2020. | Ashlee Rezin Garcia/Sun-Times | Ashlee Rezin Garcia/Sun-Times

‘Happy and supportive GTI shareholder’

Estep, who earned a master’s degree from Harvard Business School and previously worked at Peoples Energy, launched GTI six years ago alongside the firm’s chief executive Ben Kovler and Ari Levy, whose father founded Levy Restaurants.

In 2017, Estep and Levy filed a lawsuit after Kovler moved to remove them from the company’s board of directors, according to a former GTI employee familiar with the situation. The source said Estep and Levy ultimately settled for equity in a GTI entity and left the company.

But Estep was still an investor when applications for the second round of pot shop licenses were due on Jan. 2, the day after recreational sales kicked off across Illinois, including at GTI’s Rise dispensaries, ending decades of prohibition.

On May 26, weeks after the new dispensary licenses were initially set to be issued, Estep told the Sun-Times he remained close to Kovler.

“Ben Kovler and I maintain numerous successful business relationships today and I remain a happy and supportive GTI shareholder,” Estep said in an email.

Linda Marsicano, a GTI spokeswoman, said the firm “does not have ties, financial or otherwise, to Dealership LLC or Clean Slate Opco LLC.”

“Green Thumb’s LEAP program provided pro bono assistance to hundreds of social equity applicants navigating the license application process, none of whom are on the state’s list of potential license winners,” Marsicano said in a statement. “Green Thumb Industries Inc. is a publicly traded company and, as such, has a wide base of shareholders able to buy and sell our stock on the open market.”



State Rep. La Shawn Ford | Sun-Times Media

‘Too much abuse in the past’

The revelation about Estep’s connection to Dealership and Clean Slate Opco comes as lawmakers and losing applicants are calling on the governor to halt the lottery over concerns that the application process **apparently allowed clouted and seemingly well capitalized firms to move onto the next phase.**

With just 21 lottery contenders, applicants like Dealership and Clean Slate Opco who shelled out fees of \$2,500 each for multiple applications — with no guarantee of success — will have a clear advantage. Both companies will have 10 chances to win dispensary licenses.

Pritzker told reporters earlier this week that the law wouldn’t allow officials to hold up the lottery, though some applicants have filed suit to do just that.

During a press conference with losing applicants Wednesday, state Rep. Kathleen Willis (D-Northlake) called for a thorough review of “who truly are the officers of these corporations that won the bids.”

“Are they in name only or are they actually operating officers? That’s truly important to us,” Willis said. “And we’ve seen that there are some star names in some of these that we question, did they just fall into the category because they were African American, Hispanic, women, veterans? Or are they actually investors and going to be part of the day-in, day-out operations of these dispensaries once they get up and running?”

“We’ve seen too much abuse in the past to just take it on paper.”

State Rep. La Shawn Ford (D-Chicago) said the answers need to come before the winners of the lottery are announced, otherwise “it’s too late. And so it’s better that we know up front if there’s true social equity in the ownership of these licenses.”

Ford and Willis now plan to introduce legislation during an upcoming veto session to “make sure that true social equity is achieved.”

Hutchinson’s statement said the governor will work with “the General Assembly to address any challenges to equity as we move forward in implementing the law.”

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CHICAGO SUN★TIMES

MARIJUANA NEWS POLITICS

Clouted mix of insiders, others tied to state politics behind social equity pot bid

Green Renaissance Illinois was recently named a finalist in the state lottery for the next round of licenses for lucrative cannabis businesses.

By Tom Schuba | Sep 15, 2020, 8:08pm CDT



A finalists for a social equity marijuana dispensary license, Green Renaissance Illinois, listed its address as 123 E. Ogden Ave. in Hinsdale. | Tyler LaRiviere/Sun-Times

A famed restaurateur.

An ex-Chicago police commander.

A longtime Republican Party operative.

A former Chicago Transit Authority official.

A cannabis industry insider related to a former state lawmaker.

A former director of the state agency that oversees weed dispensaries.

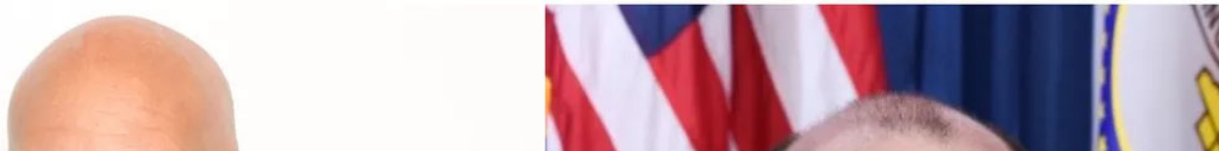
What do they all have in common?

They're working together for Green Renaissance Illinois, a budding firm that was recently named a finalist in the state lottery for the next round of pot shop licenses.

The company submitted 25 perfect applications under the name GRI Holdings LLC, meaning it could win the right to open up to 10 stores. Under one estimate, those licenses could be worth more than \$133 million.

GRI's registered managers make up a clouted mix of insiders and others with ties to state politics, including restaurant mogul Phil Stefani; former high-ranking Chicago cop Thomas Wheeler Jr. and John Trotta, the CTA's former vice president of purchasing and warehousing. Ashley Barry, the former director of operations for the Illinois House Republican Organization, is also serving as GRI's community outreach coordinator.

Throughout the application process, GRI has been guided by two consultants with close ties to Springfield: Ross Morreale, the co-founder of one of the state's highly lucrative marijuana cultivation sites and brother-in-law of former state Rep. Michael McAuliffe (R-Chicago), and Jay Stewart, a former director of the Illinois Department of Financial and Professional Regulation, the agency that will issue the new pot shop licenses.



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Consultants Ross Morreale (left) and Jay Stewart have helped the potential cannabis giant Green Revolution Illinois apply for multiple licenses. | [Linked In](#)

What’s more, GRI’s listed address in Hinsdale is the same office suite used by multiple high-powered lobbyists registered with the state. GRI spokeswoman Anne Kavanagh said the location is merely a mailing address and insisted that none of the tenants are financially tied to the company.

Under heavy fire from scorned applicants and Democratic lawmakers calling for a halt to the lottery over concerns the application process favored highly capitalized and connected firms like GRI, Gov. J.B. Pritzker’s office has continued to boast that all of the 21 lottery participants — out of more than 900 firms that submitted applications — are so-called social equity applicants. Those are the folks given a leg-up in the process in an effort to bolster diversity in the white world of weed.

‘In full compliance with state regulations’

After the Sun-Times reached out to multiple people tied to GRI, Kavanagh responded by saying the company’s chief executive is real estate developer Gabriel Martinez, who is Latino. Kavanagh said the team also includes women, veterans and African Americans, including Wheeler.

“Our application was submitted in full compliance with state regulations and we look

forward to having a positive impact on Illinois’ recreational cannabis industry,” Martinez said in a statement.

A bio on Martinez’s company website says he’s worked in residential and commercial real estate for more than 20 years, “creating strategic partnerships” with community, business and government leaders. He’s also a member of the Latino Leadership Council.



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Green Renaissance CEO Gabriel Martinez | Provided

Kavanagh said the firm qualified for social equity status in the state licensing process by hiring a workforce of at least six people that meet various requirements, like living in an area that's been harmed by the drug war or having an expungeable cannabis arrest or conviction.

State Rep. La Shawn Ford (D-Chicago), who has criticized the outcome of the social equity licensing process since the finalists were announced, decried "the well connected having their way in this cesspool of state government.

"Anybody that thought that they had a chance to get into cannabis with a fair shot, it seems as though they were wrong," Ford said Tuesday. "And they invested and borrowed to make this dream become a reality when their odds were against them because the odds were for the well connected. And that's a problem."

The state is now locked in legal battles with various losing applicants that seek to stop the lottery. A spokeswoman for Pritzker's office said the final date for the lottery hasn't been set.

"As we continue to review questions that have been raised, our goal is to provide time to ensure that the process is fair and equitable," spokeswoman Charity Greene said in a statement.

Firm seeking grow licenses, too

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Meanwhile, GRI isn't passing on the state's other grass-related opportunities.

Kavanagh said the team has also applied for the upcoming craft cultivation, infusion and transportation licenses, although her statement did not provide further details.

GRI is also tied directly to South Elgin CGF Inc. and Northbrook CGF Inc., firms that applied to open craft grow facilities in those suburbs before state officials have issued those licenses, which have been delayed by the pandemic.

Despite taking those steps, Kavanagh said the two corporations were dissolved Tuesday after the Sun-Times raised questions about the connections.



Phil Stefani owns multiple restaurants in Chicago and the suburbs, including Stefani Prime Italian at 6755 N Cicero Ave. in Lincolnwood. | Anthony Vazquez/Sun-Times

But members of GRI's management group match descriptions of the unnamed board of managers outlined in a zoning document submitted by applicant South Elgin CGF earlier this year.

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Stefani, who runs Tavern on Rush and other hot spots, appears to be listed as the applicant's chief financial officer, who is described as having "built a highly successful family enterprise from the ground up" and operating 15 successful businesses in the Chicago area. Former President Bill Clinton has described Stefani as a "good friend."



Phil Stefani | Sun-Times file photo

Ties to state politics

Ross Morreale played a key role in the efforts to gain approval for those suburban facilities, presenting himself to local officials as an expert in the field.

He co-founded Ataraxia, a downstate weed grower, though he's no longer affiliated

with the firm. He also helped start the Medical Cannabis Alliance of Illinois, an industry group whose membership has included many of the state's existing owners.

But he's also the brother of Kim Morreale, who's married to the former state Rep. McAuliffe and previously served as the spokeswoman for the trade group. Before stepping down last year, McAuliffe voted present on the bill that legalized recreational weed, choosing not to take a side.

When McAuliffe resigned, his wife was embroiled in a scandal over a \$6.6 million contract awarded to her communications firm by the Illinois Tollway Authority. Kim Morreale had previously served as a director of the Illinois Department of Transportation.

The uncle of Kim and Ross Morreale, Robert C. Gloppe, is among the registered managers of GRI.

Reached by phone Monday, Ross Morreale said he is simply a consultant and has no interest in the cannabis industry.

"I have no ownership," he said. "I have submitted no applications. I'm not on any applications in Illinois for anything."

However, Ross Morreale is listed as the primary contact person and full owner of Northbrook CGF in the firm's zoning application, which was submitted in January. And in February, Ross Morreale was described in a news report as South Elgin CGF's business manager when he appeared at a public meeting alongside Martinez, Wheeler and Stewart, another consultant with state government ties.

Stewart was the director of the division of professional regulation at the IDFPR when medical cannabis was legalized in 2014. That section of the agency deals directly with licensing.

Before that, Stewart was the general counsel for former Lt. Gov. Pat Quinn. When Quinn, a Democrat, moved into the governor's mansion after his successor Rod Blagojevich was removed from office, Stewart was tapped as his senior counsel.

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Stewart later went on to serve as chairman of the state's Procurement Policy Board and chief of the Cook County Bureau of Economic Development.

But a former Republican operative is also in loop. In addition to working for GRI, Barry's LinkedIn profile states that she's also a cannabis application consultant with Morreale's firm. She previously worked as a communications analyst for GOP members of the Illinois House of Representatives before moving onto the Illinois House Republican Organization.

Lawsuit: Competition was not anonymous

A federal lawsuit filed by a list of losing applicants against the IDFPR and a top agency official seeks to halt the lottery for dispensary licenses, alleging that many of the participants are "owned by politically-connected insiders." In a motion seeking an injunction filed Sept. 8 in the Northern District of Illinois, the plaintiffs' attorney, Jon Loevy, states that the application scoring process "did not control for political influence or bias by scoring anonymously."

"The vast majority of states with competitions to award cannabis licenses (including the original rounds in Illinois) do so via a process that requires applicants to redact all references to the names and affiliations of their principals for grading purposes," the filing states. "Inexplicably, this competition was not graded anonymously."

State officials didn't immediately respond to the lawsuit's claims. But last week, a spokesman for the outside firm that graded the applications said the process was "objective, following the state's criteria, with a blind scoring methodology."

STATE OF ILLINOIS
CONTRACT - OBLIGATION DOCUMENT

FY20

Agency Code 440

Fiscal Year	Transaction Code	Contract/Obligation No.	Transaction Date	Nine Digit Taxpayer Identification No.	Legal Status
20	2813	04100127192	04/09/2020		03
Contract Action		Class Code	Governor's Release	Vendor Name and Address	
1	X New	12		KPMG LLP 345 Park Ave New York NY 10154-0004 POSTED 2	
2	Change		Order Type		
			K		
Appropriation Code			Net Price		
218-44070-1900-00-00			\$2500000.00		
			Multiple Year Contract	Maximum Contract Amount	
			From 02/21/2020 To 02/20/2021	\$2,500,000.00	
			Month/Day/Year Month/Day/Year		
			Current Fiscal year of contract	Annual Contract Amount	
			From 02/21/2020 To 06/30/2020	\$2,500,000.00	
			Month/Day/Year Month/Day/Year	Reimbursement expenses included	
			Multiple year contract amounts		Year 2-7(and over)
			2 \$0.00	3 \$0.00	4 \$0.00
			5 \$0.00	6 \$0.00	7 \$0.00

Description:

KPMG Adult Use

Agreement for the implementation of the State of Illinois Adult Use Cannabis Program for the stand-alone cannabis dispensary application evaluations.

Not to Exceed \$2,500,000

PA 101-0027 Section 900-15.5
30 ILCS 500/1-10

RECEIVED

APR 28 2020

STATE COMPTROLLER
OBLIGATIONS SECTION

Method of compensation		Procurement Information		Travel Expenses	
\$0.00	(If Multiple rates specify) MR	Award Code	Z	N	
		Publication Date		\$0.00	
Rate/Time		Reference#		Amount	
		Subcontractor Utilization(Y/N)	Y	Advance Payment	
		Subcontractor Disclosure(Y/N)	N	N	

Prepared By: Christina Banker	Date: 04/09/2020	Contracting Agency/Division FINANCIAL AND PROFESSIONAL REG
Authorized By: Thanh Melick	Date: 04/09/2020	Filing Agency/Division FINANCIAL AND PROFESSIONAL REG

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

**STATE OF ILLINOIS
CONTRACT**

Illinois Department of Financial and Professional Regulation
EXEMPT Cannabis Implementation Dispensary Application Grading
20 DPR 12633

The Parties to this contract are the State of Illinois acting through the undersigned Agency (collectively the State) and the Vendor. This contract, consisting of the signature page and numbered sections listed below and any attachments referenced in this contract, constitute the entire contract between the Parties concerning the subject matter of the contract, and in signing the contract, the Contractor affirms that the Certifications and if applicable the Financial Disclosures and Conflicts of Interest attached hereto are true and accurate as of the date of the Contractor's execution of the contract. This contract supersedes all prior proposals, contracts and understandings between the Parties concerning the subject matter of the contract. This contract can be signed in multiple counterparts upon agreement of the Parties. Illinois Department of Financial and Professional Regulation (IDFPR) represents to KPMG that award of this contract is being made under Public Act 101-0027, and that award of this contract is made in accordance with all applicable laws, regulations, rules, policies, and requirements.

Contract includes BidBuy Purchase Order? (The Agency answers this question prior to contract filing.)

Yes

No

Contract uses Illinois Procurement Gateway Certifications and Disclosures?

Yes (IPG Certifications and Disclosures including FORMS B)

No

1. DESCRIPTION OF SUPPLIES AND SERVICES
2. PRICING
3. TERM AND TERMINATION
4. STANDARD BUSINESS TERMS AND CONDITIONS
5. SUPPLEMENTAL PROVISIONS
6. STANDARD CERTIFICATIONS
7. FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST (IF APPLICABLE)
8. CONTRACT SPECIFIC CERTIFICATIONS AND DISCLOSURES – “FORMS B” (IF APPLICABLE)
9. PURCHASE ORDER FROM BIDBUY (IF APPLICABLE)

In consideration of the mutual covenants and agreements contained in this contract, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree to the terms and conditions set forth herein and have caused this contract to be executed by their duly authorized representatives on the dates shown on the following CONTRACT SIGNATURES page.

STATE OF ILLINOIS

CONTRACT

Illinois Department of Financial and Professional Regulation
EXEMPT Cannabis Implementation Dispensary Application Grading
20 DPR 12693

VENDOR

Vendor Name: KPMG LLP	Address: 345 Park Avenue, New York, NY 10154
Signature: <i>Anthony Monaco</i>	Phone: 212 672 6448
Printed Name: Anthony Monaco	Fax: N/A
Title: Partner	Email: amonaco@kpmg.com
Date: February 21, 2020	

STATE OF ILLINOIS

Procuring Agency or University: IDPR	Phone: 312-874-4500
Street Address: 100 W Randolph St. 9 th Floor	Fax: N/A
City, State ZIP: Chicago, IL 60601	
Official Signature: <i>Deborah Hagan</i>	Date: 2/21/2020
Printed Name: Deborah Hagan	
Official's Title: Secretary	
Legal Signature: <i>Charles Wiggins</i>	Date: 2/21/2020
Legal Printed Name: Hurter Wiggins	
Legal's Title: General Counsel	
Fiscal Signature: <i>Thanh Melick</i>	Date: 2/21/2020
Fiscal's Printed Name: Thanh Melick	
Fiscal's Title: Acting Chief Financial Officer	

**STATE OF ILLINOIS
CONTRACT**

Illinois Department of Financial and Professional Regulation
EXEMPT Cannabis Implementation Dispensary Application Grading
20 DPR 12633

VENDOR

Vendor Name: KPMG LLP	Address: 345 Park Avenue, New York, NY 10154
Signature: <i>Anthony Monaco</i>	Phone: 212 872 6448
Printed Name: Anthony Monaco	Fax: N/A
Title: Partner	Email: amonaco@kpmg.com
Date: February 21, 2020	

STATE OF ILLINOIS

Procuring Agency or University: IDFP	Phone: 312-814-4500
Street Address: 100 W Randolph St. 9 th Floor	Fax: N/A
City, State ZIP: Chicago, IL 60601	
Official Signature: <i>Deborah Hagan</i>	Date: <i>2/21/2020</i>
Printed Name: Deborah Hagan	
Official's Title: Secretary	
Legal Signature:	Date:
Legal Printed Name: Hunter Wiggins	
Legal's Title: General Counsel	
Fiscal Signature: <i>Thanh Melick</i>	Date: <i>2/21/2020</i>
Fiscal's Printed Name: Thanh Melick	
Fiscal's Title: Acting Chief Financial Officer	

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

AGENCY USE ONLY

NOT PART OF CONTRACTUAL PROVISIONS

Agency Reference #: BidBuy Bid# B-12633

Project Title: EXEMPT Cannabis Implementation Dispensary Application Grading

Contract #: 20 DPR 12633

Procurement Method (IFB, RFP, Small Purchase, etc.): Exempt

IPB Reference #: BidBuy Bid# B-12633

IPB Publication Date: 01/DD/2020

Award Code: Z (P.A. 101-0027)

Subcontractor Utilization? Yes No

Subcontractor Disclosure? Yes No

Funding Source: Other State Funds – Fund 912

Obligation #:

Small Business Set-Aside? Yes No

Percentage:

Minority Owned Business? Yes No

Percentage:

Women Owned Business? Yes No

Percentage:

Persons with Disabilities Owned Business? Yes No

Percentage:

Veteran Owned Small Business? Yes No

Percentage:

Other Preferences?

1. DESCRIPTION OF SUPPLIES AND SERVICES

1.1. SUPPLIES AND/OR SERVICES REQUIRED: Public Act 101-0027 Cannabis Regulation and Taxation Act ("Act") exempts Illinois Department of Financial and Professional Regulation ("IDFPR") from the Illinois Procurement Code for any procurement necessary for the implementation of the Act. Under this contract and subsequent attachments, IDFPR and KPMG LLP ("Vendor") are completing an exempt procurement for the implementation of the State of Illinois Adult Use Cannabis Program for stand-alone cannabis dispensary application evaluations within IDFPR's regulatory oversight.

1.1.1. **PURPOSE:** To provide professional and technical services to conduct a blind evaluation, scoring, and reporting of the initial stand-alone cannabis dispensary applications to ensure that the applications comply with IDFPR's instructions for the applications, so that Vendor can support IDFPR's new regulatory oversight of the Act. All work performed to fulfill the purpose of this contract will be itemized in Statements of Work, as agreed upon in writing between IDFPR and the Vendor.

1.1.2. **CONSULTING SERVICES:** Vendor shall provide advice, assistance, guidance, or counseling in support of IDFPR's implementation of the Act, including grading of the applications. This includes, but is not limited to, studies, analyses, and reports documenting any proposed developmental, consultative, or implementation efforts. These services must be outlined and agreed upon by both parties in the initial Statement of Work, subsequent SOWs and/or any other supplementary documents that will be used and made a part of this contract as though originally attached. Examples of consulting services include, but are not limited to, the following:

- A. Management or strategy consulting
- B. Program evaluations
- C. Studies, analyses, scenarios, and reports relating to IDFPR's implementation of the Act.
- D. Customized business training as needed to successfully perform/complete a consulting engagement
- E. Policy and regulation development assistance
- F. Process and productivity improvement
- G. Services in support of litigation, claims, and/or settlements by providing fact witnesses and testimonies by same. ("Fact witness testimony")
- H. Advisory and assistance services

1.1.3. **VENDOR RESPONSIBILITIES:** Vendor shall perform all work as agreed upon in this contract and any attachments hereto, any SOWs, and/or any additional documents setting forth the responsibilities and duties of each party.

- A. Vendor will prepare a Conflicts Management Plan (CMP), for IDFPR's assessment and approval. The "Conflicts Management Plan" shall include processes and procedures that will govern Vendor's evaluation of potential conflicts, mitigation strategies, and which shall include details on how results of their conflicts evaluation will be documented. Vendor will provide IDFPR with a written Conflict of Interest Attestation within three (3) days of receipt of the applications and or within an agreed upon timeframe as outlined in the CMP prior to beginning the evaluation of any application.

The conflict of interest determination will be made by the Vendor pursuant to the terms of the CMP. The Conflict of Interest Attestation will affirm the vendor has verified and confirmed with each assigned evaluator that either:

- A relationship does not exist between the vendor, vendor staff, or evaluators and any applicant or any individual associated with an applicant that presents or could be perceived as a conflict of interest. In this event, the vendor will continue with the evaluation of the application; or
- A relationship does exist between the vendor, vendor staff, or evaluators and any applicant or any individual associated with an applicant that presents or could be perceived as to create a conflict of interest. In this event, the vendor will replace any staff or evaluators with a conflict of interest within five (5) business days of discovering the conflict. Vendor will continue to screen any additional staff involved in the application review until each evaluator is clear of all conflicts. If the vendor concludes that it is ultimately unable to provide a Conflict of Interest Attestation that affirms a relationship does not exist between the vendor, vendor staff, or evaluators and all applicants, vendor shall not begin an evaluation of applications and instead, return the applications and all supporting documentation to IDFPR.

B. Vendor will receive initial applications and supporting documentation from IDFPR. Vendor will send retrieve all applications and supporting documentation in person at IDFPR headquarters. KPMG will provide applications and files redacted or modified for scoring as requested by IDFPR. This will be further outlined in the Project Plan.

C. Develop and provide written information and training materials to evaluators prior to beginning any evaluation of applications. Training materials and guidance must be approved by IDFPR prior to dissemination to evaluators. Written information and training materials must include, at minimum:

- Direction to evaluators that any work conducted pursuant to this contract is confidential and that evaluators are prohibited from discussing the application, applicants, the evaluation process, instructions, training, or any aspect of the program with anyone other than the Vendor;
- Instruction to assist evaluators in the evaluation of applications per IDFPR rules, guidance, and any future revisions or replacements issued by IDFPR.

D. Evaluate all applications and supporting documentation, score each application, and report the score of each application to IDFPR. All application scores must be submitted back to IDFPR by April 1, 2020.

- Conduct blind evaluation of all submitted applications and supporting documentation as directed by IDFPR and any future revisions or replacements.
- Report the scoring of each application to IDFPR on the "Scorecard for Dispensary Selection" form as mutually agreed upon by Vendor and IDFPR.

- Document the scores for each application to IDFPR on a numbered spreadsheet in Excel format with the following information for each application:
 - Unique Identifier;
 - The score for each of the sections of the application; and
 - The total score for each application defined as the sum of each of the sections of the application.

Vendor will assist and provide witnesses for fact-based testimony, whether in person or by way of affidavit, to explain Vendor's procedures and conclusions on a per-hour, as-needed basis. ~~BB~~ For procurements conducted in BidBuy, the State may include in this contract the BidBuy Purchase Order as it contains the agreed Supplies and/or Services.

If checked, see the attached BidBuy Purchase Order for a Description of Supplies and/or Services.

1.2. MILESTONES AND DELIVERABLES: Statements of Work (SOW), as agreed upon in writing between IDFPR and the Vendor, will be generated on an as-needed basis during the term of this contract to conduct blind evaluation, scoring, and reporting the initial stand-alone cannabis dispensary applications that comply with IDFPR's new regulatory oversight of the Act. SOWs will include, but not be limited to, an itemized list of job titles and/or functions being utilized to complete the technical responsibilities needed to accomplish each SOW.

1.2.1. All supplies, services, milestones, deliverables, work plans, Statements of Work, and related tasks must be 100% completed as specified in this Contract, the initial SOW, and subsequent SOWs. Failure to satisfactorily complete or submit a supply, service, milestone, or deliverable in the time and manner specified will result in a reduction in payment as indicated in this Section 1.1.2 subsection C.

- A. Receipt, review, scoring, and score reporting of each stand-alone adult use cannabis application and supporting documentation in the time and manner specified in this contract and Statements of Work agreed upon between IDFPR and vendor.
- B. Perform a comprehensive check of applications and minimum submission requirements and deliver daily reports in a numbered Excel spreadsheet to IDFPR of deficient applications. This report shall contain the Unique Identifier, types of deficiencies, and the exhibits where the deficiencies were identified.
- C. Failure to provide satisfactorily completed or submitted supplies, services, milestones, or deliverables in the time and manner specified in this contract and Statements of Work agreed upon between IDFPR and vendor will result in a reduction in payment of 10% of the total monthly invoiced amount for each task that is not completed or provided as specified.

1.2.2. Vendor and IDFPR will agree upon a Change Order process where both Parties will mutually agree upon any documented changes to the contract and/or supplementary attachments to ensure the terms of this contract and its supplementary documents are met.

1.2.3. Please reference attachments "IDFPR Conditional Adult Use Dispensing Organization Application Review Work Plan" and "Conditional Adult Use Dispensing Organization SOW" for initial implementation of contract services. Additional Work Plans and Scopes of Work will be generated on an as-needed basis during the term of this contract.

1.3. VENDOR / STAFF SPECIFICATIONS: Vendor will confirm all assigned staff and qualified evaluators have the applicable experience(s) to meet their respective titles and functions to perform the requirements and deliverables to successfully complete this contract. Personnel, and their functions, provided by the Vendor shall, and in addition to the staff to be used per SOW, shall include the following:

1.3.1. **Contract Point of Contact:** Vendor shall provide a point of contact ("POC") to IDFPR's Agency Purchasing Officer (APO) to ensure all contract documents and purchasing processes are appropriately followed. Vendor Contract POC may work with IDFPR's APO on invoice review and processing.

1.3.2. **Principal and/or Manager Project Point of Contact:** Vendor shall provide executive level Project Point of Contact to IDFPR senior staff to manage the project's daily operations, Vendor personnel, and ensure timely performance and completion of the services and deliverables as provided for in this contract and supplementary attachments.

1.3.3. **Technical consultant:** provide technical and subject matter expertise to ensure quality control on grading, including expertise on social equity scoring, and to provide technical assistance for timely completion of deliverables.

1.3.4. **Program Support:** provide training and support services to project staff, including communicating project initiatives and goals, performing the work to produce project deliverables and to serve administrative functions to support project staff.

1.3.5. **Qualified evaluator(s)** for each of the sections listed for the scoring of stand-alone adult use cannabis dispensary applications received by IDFPR. Ensure that each of the assigned evaluators meets minimum qualifications for their assigned section of the application. Please reference Section 1.3 Vendor / Staff Specification for more details:

- **Technical Ability – Dispensing Organization Agent and Training:** Bachelor's degree or 2 years of professional experience in one of the following areas: supply chain management, strategic management, industrial engineering, general business, or comparable field.
- **Accountability – Business Plan:** Bachelor's degree or 2 years of management experience within a business operating in a regulated industry.
- **Infrastructure – Security Plan:** Bachelor's degree or 2 years of management experience within a business operating in a regulated industry or 2 years of professional experience in one of the following areas: surveillance, commercial security alarm, facility security operations, or comparable field.

- Accountability – Inventory Monitoring and Recordkeeping Plan: Bachelor's degree or 2 years of professional experience within a business operating in a regulated industry.
 - Infrastructure – Proposed Floor Plan: Bachelor's degree or 2 years of professional experience in one of the following areas: surveillance, commercial security alarm, facility security operations, or comparable field.
 - Accountability – Operating Plan: Bachelor's degree or 2 years of professional experience within a business operating in a regulated industry or 2 years of experience working in human resources.
 - Accountability – Diversity Plan: Bachelor's degree or 2 years of professional experience within a business operating in a regulated industry or 2 years of professional experience in human resources.
 - Technical Ability – Knowledge and Experience of Principal Officers: Bachelor's degree or 2 years of professional experience in one of the following areas: supply chain management, strategic management, industrial engineering, or comparable field.
 - Accountability – Social Equity Applicant Status: Bachelor's degree or 2 years of professional experience in corporate forensics, background research, investigations, or comparable field.
 - Accountability – Labor and Employment Practices: Bachelor's degree or 2 years of professional experience within a business operating in a regulated industry or 2 years of professional experience in human resources
 - Technical Ability – Environmental Plan: Bachelor's degree or 2 years of professional experience in energy efficiency engineer, environmental design, or comparable field.
 - Accountability – Illinois Owner: Bachelor's degree or 2 years of professional experience in corporate forensics, background research, investigations, or comparable field.
- Accountability – Veteran Status: Bachelor's degree or 2 years of professional experience in corporate forensics, background research, investigations, or comparable field.

1.4. TRANSPORTATION AND DELIVERY: N/A

1.5. SUBCONTRACTING

Subcontractors are allowed.

For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. If subcontractors will be utilized, Vendor must identify below the names and addresses of all subcontractors it will be entering into a contractual agreement that has an annual value of \$100,000 or more in the performance of this Contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money to the extent the information is known that each subcontractor is expected to receive pursuant to the Contract. Attach additional sheets as necessary.

1.5.1. Will subcontractors be utilized? Yes No

- Subcontractor Name: Indelible Solutions, LLLP

Amount to be paid: \$700,000

Address: 841 Prudential Drive, Suite 1203, Jacksonville, FL 32207

Description of work: Support with application grading

If additional space is necessary to provide subcontractor information, please attach an additional page

1.5.2. All contracts with the subcontractors identified above must include the Standard Certifications completed and signed by the subcontractor.

1.5.3. If the annual value of any subcontracts is more than \$100,000, then the Vendor must provide to the State the Financial Disclosures and Conflicts of Interest for that subcontractor.

1.5.4. If the subcontractor is registered in the Illinois Procurement Gateway (IPG) and the Vendor is using the subcontractor's Standard Certifications or Financial Disclosures and Conflicts of Interest from the IPG, then the Vendor must also provide to the State a completed Forms B for the subcontractor.

1.5.5. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, Vendor will be required to promptly notify, in writing, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to this Contract. Any subcontracts entered into prior to award of the Contract are done at the sole risk of the Vendor and subcontractor(s).

1.6. SUCCESSOR VENDOR

Yes No This contract is for services subject to 30 ILCS 500/25-80. Heating and air conditioning service contracts, plumbing service contracts, and electrical service contracts are not subject to this requirement. Non-service contracts, construction contracts, qualification based selection contracts, and professional and artistic services contracts are not subject to this requirement.

If yes is checked, then the Vendor certifies:

- (i) that it shall offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective

bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and

- (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit who perform substantially similar work to the work that will be performed pursuant to this contract.

This certification supersedes a response to certification 4, Form F, of the Illinois Procurement Gateway (IPG).

- 1.7. **WHERE SERVICES ARE TO BE PERFORMED:** Unless otherwise disclosed in this section all direct services shall be performed in the United States. If the Vendor performs the direct services purchased hereunder in another country in violation of this provision, such action may be deemed by the State as a breach of the contract by Vendor.

Vendor shall disclose the locations where the direct services required shall be performed and the known or anticipated value of the services to be performed at each location. If the Vendor received additional consideration in the evaluation based on work being performed in the United States, it shall be a breach of contract if the Vendor shifts any such work outside the United States.

- Location where services will be performed: United States

Value of services performed at this location: \$2,500,000

2. PRICING

- 2.1 TYPE OF PRICING:** The Illinois Office of the Comptroller requires the State to indicate whether the contract value is firm or estimated at the time it is submitted for obligation.
- 2.2 EXPENSES ALLOWED:** Expenses are not allowed.
- 2.3 DISCOUNT:** The State may receive a N/A % discount for payment within N/A days of receipt of correct invoice.
- 2.4 VENDOR'S PRICING:** Attach additional pages if necessary.

2.4.1. Vendor's Price for the Initial Term: Please see pricing table below for details:

Product/Service Type	Price
Flat Fee: Application Grading	\$ 2,500 /app
Per Hour Fee: Fact Testimony Support Services	\$ 200 /hour

Per Hour Fee will be utilized on an as-needed basis. Invoices shall be submitted biweekly for application reviews completed.

For procurements conducted in BidBuy, the State may include in this contract the BidBuy Purchase Order as it contains the agreed Pricing.

If checked, see the attached BidBuy Purchase Order for the Vendor's Price for the Initial Term.

2.4.2. Renewal Compensation: If the contract is renewed, the price shall be at the same rate as for the initial term unless a different compensation or formula for determining the renewal compensation is stated in this section.

2.4.2.1 Agency Formula for Determining Renewal Compensation: N/A.

2.4.2.2 Vendor's Price for Renewal(s): N/A

- 2.5 MAXIMUM AMOUNT:** The total payments under this contract shall not exceed \$2,500,000.00 without a formal amendment.

3. TERM AND TERMINATION

3.1 TERM OF THIS CONTRACT: This contract has an initial term of 12 months and the term shall commence upon the last dated signature of the Parties.

For procurements conducted in BidBuy, the State may include in this contract the BidBuy Purchase Order as it contains the agreed term.

If checked, see the attached BidBuy Purchase Order for the Term of this Contract.

3.1.1 In no event will the total term of the contract, including the initial term, any renewal terms and any extensions, exceed 10 years.

3.1.2 Vendor shall not commence billable work in furtherance of the contract prior to final execution of the contract except when permitted pursuant to 30 ILCS 500/20-80.

3.2 RENEWAL:

3.2.1. Any renewal is subject to the same terms and conditions as the original contract unless otherwise provided in the pricing section. The State may renew this contract for any or all of the option periods specified, may exercise any of the renewal options early, and may exercise more than one option at a time based on continuing need and favorable market conditions, when in the best interest of the State. The contract may neither renew automatically nor renew solely at the Vendor's option.

3.2.2. Pricing for the renewal term(s), or the formula for determining price, is shown in the pricing section of this contract.

3.2.3. The State reserves the right to renew for a total of N/A years in any one of the following manners:

3.2.3.1 One renewal covering the entire renewal allowance;

3.2.3.2 Individual one-year renewals up to and including the entire renewal allowance; or

3.2.3.3 Any combination of full or partial year renewals up to and including the entire renewal allowance.

3.3 TERMINATION FOR CAUSE: The State may terminate this contract, in whole or in part, immediately upon notice to the Vendor if: (a) the State determines that the actions or inactions of the Vendor, its agents, employees or subcontractors have caused, or reasonably could cause, jeopardy to health, safety, or property, or (b) the Vendor has notified the State that it is unable or unwilling to perform the contract.

If Vendor fails to perform to the State's satisfaction any material requirement of this contract, is in violation of a material provision of this contract, or the State determines that the Vendor lacks the financial resources to perform the contract, the State shall provide written notice to the Vendor to cure the problem identified within the period of time specified in the State's written notice. If not cured by

that date the State may either: (a) Immediately terminate the contract without additional written notice or (b) enforce the terms and conditions of the contract.

For termination due to any of the causes contained in this Section, the State retains its rights to seek any available legal or equitable remedies and damages.

3.4 TERMINATION FOR CONVENIENCE: The State may, for its convenience and with thirty (30) days prior written notice to Vendor, terminate this contract in whole or in part and without payment of any penalty or incurring any further obligation to the Vendor.

3.4.1. Upon submission of invoices and proof of claim, the Vendor shall be entitled to compensation for supplies and services provided in compliance with this contract up to and including the date of termination.

3.5 AVAILABILITY OF APPROPRIATION: This contract is contingent upon and subject to the availability of funds. The State, at its sole option, may terminate or suspend this contract, in whole or in part, without penalty or further payment being required, if (1) the Illinois General Assembly or the federal funding source fails to make an appropriation sufficient to pay such obligation, or if funds needed are insufficient for any reason (30 ILCS 500/20-60), (2) the Governor decreases the Department's funding by reserving some or all of the Department's appropriation(s) pursuant to power delegated to the Governor by the Illinois General Assembly, or (3) the Department determines, in its sole discretion or as directed by the Office of the Governor, that a reduction is necessary or advisable based upon actual or projected budgetary considerations. Contractor will be notified in writing of the failure of appropriation or of a reduction or decrease.

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

4. STANDARD BUSINESS TERMS AND CONDITIONS

4.1 PAYMENT TERMS AND CONDITIONS:

- 4.1.1 Late Payment: Payments, including late payment charges, will be paid in accordance with the State Prompt Payment Act and rules when applicable. 30 ILCS 540; 74 Ill. Adm. Code 900. This shall be Vendor's sole remedy for late payments by the State. Payment terms contained on Vendor's invoices shall have no force and effect.
- 4.1.2 Minority Contractor Initiative: Any Vendor awarded a contract under Section 20-10, 20-15, 20-25 or 20-30 of the Illinois Procurement Code (30 ILCS 500) of \$1,000 or more is required to pay a fee of \$15. The Comptroller shall deduct the fee from the first check issued to the Vendor under the contract and deposit the fee in the Comptroller's Administrative Fund. 15 ILCS 405/23.9.
- 4.1.3 Expenses: The State will not pay for supplies provided or services rendered, including related expenses, incurred prior to the execution of this contract by the Parties even if the effective date of the contract is prior to execution.
- 4.1.4 Prevailing Wage: As a condition of receiving payment Vendor must (i) be in compliance with the contract, (ii) pay its employees prevailing wages when required by law, (iii) pay its suppliers and subcontractors according to the terms of their respective contracts, and (iv) provide lien waivers to the State upon request. Examples of prevailing wage categories include public works, printing, janitorial, window washing, building and grounds services, site technician services, natural resource services, security guard and food services. The prevailing wages are revised by the Illinois Department of Labor (DOL) and are available on DOL's official website, which shall be deemed proper notification of any rate changes under this subsection. Vendor is responsible for contacting DOL at 217-782-6206 or (<http://www.state.il.us/agency/idol/index.htm>) to ensure understanding of prevailing wage requirements.
- 4.1.5 Federal Funding: This contract may be partially or totally funded with Federal funds. If Federal funds are expected to be used, then the percentage of the good/service paid using Federal funds and the total Federal funds expected to be used will be provided to the awarded Vendor in the notice of intent to award.
- 4.1.6 Invoicing: By submitting an invoice, Vendor certifies that the supplies or services provided meet all requirements of the contract, and the amount billed and expenses incurred are as allowed in the contract. Invoices for supplies purchased, services performed and expenses incurred through June 30 of any year must be submitted to the State no later than July 31 of that year; otherwise Vendor may have to seek payment through the Illinois Court of Claims. 30 ILCS 105/25. All invoices are subject to statutory offset. 30 ILCS 210.
- 4.1.6.1 Vendor shall not bill for any taxes unless accompanied by proof that the State is subject to the tax. If necessary, Vendor may request the applicable Agency's state tax exemption number and federal tax exemption information.
- 4.1.6.2 Vendor shall invoice at the completion of this contract unless invoicing is tied in this contract to milestones, deliverables, or other invoicing requirements agreed to in the contract.

Send invoices to:

Agency:	IDFPR
Attn:	Division of Professional Regulation – Cannabis Control Deputy Director
Address:	100 W Randolph St. 9 th Floor
City, State Zip	Chicago, IL 60601

See attached BidBuy Purchase Order

BB For procurements conducted in BidBuy, the Agency may include in this contract the BidBuy Purchase Order as it contains the Bill To address.

- 4.2 **ASSIGNMENT:** This contract may not be assigned, transferred in whole or in part by Vendor without the prior written consent of the State.
- 4.3 **SUBCONTRACTING:** For purposes of this section, subcontractors are those specifically hired to perform all or part of the work covered by the contract. Vendor must receive prior written approval before use of any subcontractors in the performance of this contract. Vendor shall describe, in an attachment if not already provided, the names and addresses of all authorized subcontractors to be utilized by Vendor in the performance of this contract, together with a description of the work to be performed by the subcontractor and the anticipated amount of money that each subcontractor is expected to receive pursuant to this contract. If required, Vendor shall provide a copy of any subcontracts within fifteen (15) days after execution of this contract. All subcontracts must include the same certifications that Vendor must make as a condition of this contract. Vendor shall include in each subcontract the subcontractor certifications as shown on the Standard Certification form available from the State. If at any time during the term of the Contract, Vendor adds or changes any subcontractors, then Vendor must promptly notify, by written amendment to the Contract, the State Purchasing Officer or the Chief Procurement Officer of the names and addresses and the expected amount of money that each new or replaced subcontractor will receive pursuant to the Contract. 30 ILCS 500/20-120
- 4.4 **AUDIT/RETENTION OF RECORDS:** Vendor and its subcontractors shall maintain timekeeping and expense records relating to the performance of the contract or subcontract and necessary to support amounts charged to the State pursuant the contract or subcontract. Timekeeping and expense records, including information stored in databases or other computer systems, shall be maintained by the Vendor for a period of three (3) years from the later of the date of final payment under the contract or completion of the contract, and by the subcontractor for a period of three (3) years from the later of final payment under the term or completion of the subcontract. If Federal funds are used to pay contract costs, the Vendor and its subcontractors must retain their respective records for five (5) years. Timekeeping and expense records required to be maintained under this section shall be available for review or audit by representatives of: the procuring Agency, the Auditor General, the Executive Inspector General, the Chief Procurement Officer, State of Illinois internal auditors or other governmental entities with monitoring authority, upon reasonable notice and during normal business hours. Vendor and its subcontractors shall cooperate fully with any such audit and with any investigation conducted by any of these entities. Failure to maintain such records required by this section shall establish a presumption in favor of the State for the recovery of any funds paid by the State under this contract or any subcontract for which adequate

such records are not available to support the purported disbursement. The Vendor or subcontractors shall not impose a charge for audit or examination of the Vendor's or subcontractor's books and records. 30 ILCS 500/20-65.

- 4.5 SCHEDULING:** Vendor shall adhere to all scheduling requirements as outlined in this contract as well the Statement of Work. Vendor shall continue to perform its obligations while any dispute concerning the contract is being resolved unless otherwise directed by the State.
- 4.6 NO WAIVER OF RIGHTS:** Except as specifically waived in writing, failure by a Party to exercise or enforce a right does not waive that Party's right to exercise or enforce that or other rights in the future.
- 4.7 FORCE MAJEURE:** Failure by either Party to perform its duties and obligations will be excused by unforeseeable circumstances beyond its reasonable control and not due to its negligence, including acts of nature, acts of terrorism, riots, labor disputes, fire, flood, explosion, and governmental prohibition. The non-declaring Party may cancel the contract without penalty if performance does not resume within thirty (30) days of the declaration.
- 4.8 CONFIDENTIAL INFORMATION:** Each Party to this contract, including its agents and subcontractors, may have or gain access to confidential data or information owned or maintained by the other Party in the course of carrying out its responsibilities under this contract. Vendor shall presume all information received from the State or to which it gains access pursuant to this contract is confidential. Vendor information, unless clearly marked as confidential and exempt from disclosure under the Illinois Freedom of Information Act, shall be considered public. No confidential data collected, maintained, or used in the course of performance of the contract shall be disseminated except as authorized by law and with the written consent of the disclosing Party, either during the period of the contract or thereafter. The receiving Party must return any and all hard copy data collected, maintained, created or used in the course of the performance of the contract, in whatever form it is maintained, promptly at the end of the contract, or earlier at the request of the disclosing Party, and notify the disclosing Party in writing of its deletion of electronic information. The foregoing obligations shall not apply to confidential data or information lawfully in the receiving Party's possession prior to its acquisition from the disclosing Party; received in good faith from a third Party not subject to any confidentiality obligation to the disclosing Party; now is or later becomes publicly known through no breach of confidentiality obligation by the receiving Party; or is independently developed by the receiving Party without the use or benefit of the disclosing Party's confidential information. Information stored on routine back-up media for the purpose of disaster recovery will be subject to destruction in due course. Latent data such as deleted files and other non-logical data types, such as memory dumps, swap files, temporary files, printer spool files and metadata that can customarily only be retrieved by computer forensics experts and are generally considered inaccessible without the use of specialized tools and techniques will not be within the requirement for the destruction of records as contemplated by this paragraph. Consultant may retain a copy of information received, developed, or otherwise relating to this Agreement in order to comply with its contractual obligations and applicable professional standards.

4.9 USE AND OWNERSHIP: All Deliverables provided to the State by Vendor under this contract, whether written documents or data, goods or deliverables of any kind, shall be deemed work for hire under copyright law and all intellectual property and other laws, and the State of Illinois is granted sole and exclusive ownership to all such work, unless otherwise agreed in writing. Vendor hereby assigns to the State all right, title, and interest in and to such work including any related intellectual property rights, and/or waives any and all claims that Vendor may have to such work including any so-called "moral rights" in connection with the work. Vendor acknowledges the State may use the work product for any purpose. Confidential data or information contained in such work shall be subject to confidentiality provisions of this contract.

4.10 INDEMNIFICATION AND LIMITATION OF LIABILITY: The Vendor shall indemnify and hold harmless the State of Illinois, its agencies, officers, employees, agents and volunteers from any and all costs, demands, expenses, losses, claims, damages, liabilities, settlements and judgments, including in-house and contracted attorneys' fees and expenses, arising out of: (a) any breach or violation by Vendor of any of its certifications, representations, warranties, covenants or agreements; (b) any actual or alleged death or injury to any person, damage to any real or personal property, or any other damage or loss claimed to result in whole or in part from Vendor's negligent performance; (c) any act, activity or omission of Vendor or any of its employees, representatives, subcontractors or agents; or (d) any actual or alleged claim that the services or goods provided under this contract infringe, misappropriate, or otherwise violate any intellectual property (patent, copyright, trade secret, or trademark) rights of a third party. In accordance with Article VIII, Section 1(a),(b) of the Constitution of the State of Illinois and 1973 Illinois Attorney General Opinion 78, the State may not indemnify private parties absent express statutory authority permitting the indemnification.

Notwithstanding anything else in this contract to the contrary, including all attachments, the liability of the Vendor on account of any actions, damages, claims, liabilities, costs, expenses or losses in any way arising out of or relating to the services performed under the Contract shall be limited to the amount of fees paid and/or owing to the Vendor under the Contract. In no event shall the either party be liable for consequential, special, indirect, incidental, punitive or exemplary damages, costs, expenses, or losses (including, without limitation, lost profits and opportunity costs). The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss asserted, whether in contract, statute, rule, regulation or tort (including but not limited to negligence) or otherwise, and shall survive contract termination or expiration.

4.11 INSURANCE: Vendor shall, at all times during the term of this contract and any renewals or extensions, maintain and provide a Certificate of Insurance naming the State as an additionally insured for General Liability. Certificates may not be modified or canceled until at least thirty (30) days' notice has been provided to the State. Vendor shall provide: (a) General Commercial Liability insurance in the amount of \$1,000,000 per occurrence (Combined Single Limit Bodily Injury and Property Damage) and \$2,000,000 Annual Aggregate; (b) Auto Liability, including Hired Auto and Non-owned Auto (Combined Single Limit Bodily Injury and Property Damage), in amount of \$1,000,000 per occurrence; and (c) Worker's Compensation Insurance in the amount required by law. Insurance shall not limit Vendor's obligation to indemnify, defend, or settle any claims.

- 4.12 INDEPENDENT CONTRACTOR:** Vendor shall act as an independent contractor and not an agent or employee of, or joint venture with the State. All payments by the State shall be made on that basis.
- 4.13 SOLICITATION AND EMPLOYMENT:** Vendor shall not employ any person employed by the State during the term of this contract to perform any work under this contract. Vendor shall give notice immediately to the Agency's director if Vendor solicits or intends to solicit State employees to perform any work under this contract.
- 4.14 COMPLIANCE WITH THE LAW:** The Vendor, its employees, agents, and subcontractors shall comply with all applicable federal, state, and local laws, rules, ordinances, regulations, orders, federal circulars and all license and permit requirements in the performance of this contract. Vendor shall be in compliance with applicable tax requirements and shall be current in payment of such taxes. Vendor shall obtain at its own expense, all licenses and permissions necessary for the performance of this contract.
- 4.15 BACKGROUND CHECK:** Whenever the State deems it reasonably necessary for security reasons, the State may conduct, at its expense, criminal and driver history background checks of Vendor's and subcontractor's officers, employees or agents. Vendor or subcontractor shall immediately reassign any individual who, in the opinion of the State, does not pass the background check.
- 4.16 APPLICABLE LAW:**
- 4.16.1 PREVAILING LAW:** This contract shall be construed in accordance with and is subject to the laws and rules of the State of Illinois.
- 4.16.2 EQUAL OPPORTUNITY:** The Department of Human Rights' Equal Opportunity requirements are incorporated by reference. 44 ILL. ADM. CODE 750.
- 4.16.3 COURT OF CLAIMS; ARBITRATION; SOVEREIGN IMMUNITY:** Any claim against the State arising out of this contract must be filed exclusively with the Illinois Court of Claims. 705 ILCS 505/1. The State shall not enter into binding arbitration to resolve any dispute arising out of this contract. The State of Illinois does not waive sovereign immunity by entering into this contract.
- 4.16.4 OFFICIAL TEXT:** The official text of the statutes cited herein is incorporated by reference. An unofficial version can be viewed at (www.ilga.gov/legislation/ilcs/ilcs.asp).
- 4.17 ANTI-TRUST ASSIGNMENT:** If Vendor does not pursue any claim or cause of action it has arising under Federal or State antitrust laws relating to the subject matter of this contract, then upon request of the Illinois Attorney General, Vendor shall assign to the State all of Vendor's rights, title and interest in and to the claim or cause of action.
- 4.18 CONTRACTUAL AUTHORITY:** The Agency that signs this contract on behalf of the State of Illinois shall be the only State entity responsible for performance and payment under this contract. When the Chief Procurement Officer or authorized designee or State Purchasing Officer signs in addition to an Agency, he/she does so as approving officer and shall have no liability to Vendor. When the Chief Procurement Officer or authorized designee or State Purchasing Officer signs a master contract on behalf of State

agencies, only the Agency that places an order or orders with the Vendor shall have any liability to the Vendor for that order or orders.

- 4.19 EXPATRIATED ENTITIES:** Except in limited circumstances, no business or member of a unitary business group, as defined in the Illinois Income Tax Act, shall submit a bid for or enter into a contract with a State agency if that business or any member of the unitary business group is an expatriated entity
- 4.20 NOTICES:** Notices and other communications provided for herein shall be given in writing via electronic mail whenever possible. If transmission via electronic mail is not possible, then notices and other communications shall be given in writing via registered or certified mail with return receipt requested, via receipted hand delivery, via courier (UPS, Federal Express or other similar and reliable carrier), or via facsimile showing the date and time of successful receipt. Notices shall be sent to the individuals who signed this contract using the contact information following the signatures. Each such notice shall be deemed to have been provided at the time it is actually received. By giving notice, either Party may change its contact information.
- 4.21 MODIFICATIONS AND SURVIVAL:** Amendments, modifications and waivers must be in writing and signed by authorized representatives of the Parties. Any provision of this contract officially declared void, unenforceable, or against public policy, shall be ignored and the remaining provisions shall be interpreted, as far as possible, to give effect to the Parties' intent. All provisions that by their nature would be expected to survive, shall survive termination. In the event of a conflict between the State's and the Vendor's terms, conditions and attachments, the State's terms, conditions and attachments shall prevail.
- 4.22 PERFORMANCE RECORD / SUSPENSION:** Upon request of the State, Vendor shall meet to discuss performance or provide contract performance updates to help ensure proper performance of the contract. The State may consider Vendor's performance under this contract and compliance with law and rule to determine whether to continue the contract, suspend Vendor from doing future business with the State for a specified period of time, or whether Vendor can be considered responsible on specific future contract opportunities.
- 4.23 FREEDOM OF INFORMATION ACT:** This contract and all related public records maintained by, provided to or required to be provided to the State are subject to the Illinois Freedom of Information Act (FOIA) (50 ILCS 140) notwithstanding any provision to the contrary that may be found in this contract.
- 4.24 SCHEDULE OF WORK:** Any work performed on State premises shall be done during the hours designated by the State and performed in a manner that does not interfere with the State and its personnel.
- 4.25 WARRANTIES FOR SUPPLIES AND SERVICES:**
- 4.25.1. Vendor warrants that the supplies furnished under this contract will: (a) conform to the standards, specifications, drawing, samples or descriptions furnished by the State or furnished by the Vendor and agreed to by the State, including but not limited to all specifications attached as exhibits hereto; (b) be merchantable, of good quality and workmanship, and free from defects for a period of twelve months or longer if so specified in writing, and fit and sufficient for the intended use; (c) comply with all federal and state laws, regulations and ordinances pertaining to the

manufacturing, packing, labeling, sale and delivery of the supplies; (d) be of good title and be free and clear of all liens and encumbrances and; (e) not infringe any patent, copyright or other intellectual property rights of any third party. Vendor agrees to reimburse the State for any losses, costs, damages or expenses, including without limitations, reasonable attorney's fees and expenses, arising from failure of the supplies to meet such warranties.

4.25.2. Vendor shall ensure that all manufacturers' warranties are transferred to the State and shall provide to the State copies of such warranties. These warranties shall be in addition to all other warranties, express, implied or statutory, and shall survive the State's payment, acceptance, inspection or failure to inspect the supplies.

4.25.3. Vendor warrants that all services will be performed to meet the requirements of this contract in an efficient and effective manner by trained and competent personnel. Vendor shall monitor performances of each individual and shall immediately reassign any individual who does not perform in accordance with this contract, who is disruptive or not respectful of others in the workplace, or who in any way violates the contract or State policies.

4.25.4. Vendor shall implement an information security framework that is in accordance with applicable laws, regulations and professional standards and aligns with generally recognized industry standards. The framework shall address physical and environmental security, logical access, incident management, business continuity management, system development, and compliance. Vendor's framework shall consist of IT policies, procedures, baselines and standards used to secure information resources and protect confidential information. Vendor shall periodically evaluate its framework and, as necessary, implement new controls to further mitigate risk.

4.26 REPORTING, STATUS AND MONITORING SPECIFICATIONS: Vendor shall immediately notify the State of any event that may have a material impact on Vendor's ability to perform this contract.

EMPLOYMENT TAX CREDIT: Vendors who hire qualified veterans and certain ex-offenders may be eligible for tax credits. 35 ILCS 5/216, 5/217. Please contact the Illinois Department of Revenue (telephone #: 217-524-4772) for information about tax credits.

5. SUPPLEMENTAL PROVISIONS

5.1. STATE SUPPLEMENTAL PROVISIONS

Agency Definitions

Click here to enter text.

Required Federal Clauses, Certifications and Assurances

Click here to enter text.

Public Works Requirements (construction and maintenance of a public work) 820 ILCS 130/4.

Click here to enter text.

Prevailing Wage (janitorial cleaning, window cleaning, building and grounds, site technician, natural resources, food services, and security services, if valued at more than \$200 per month or \$2,000 per year or printing) 30 ILCS 500/25-60.

Click here to enter text.

Agency Specific Terms and Conditions

Click here to enter text.

Other (describe)

Attachments: "IDFPR Conditional Adult Use Dispensing Organization Application Review Work Plan," "Conditional Adult Use Dispensing Organization SOW," and "Conflict Management Plan" are included.

5.2. VENDOR SUPPLEMENTAL PROVISIONS

1 KPMG’s role is limited to providing the services articulated in this contract. In so doing, KPMG will have no contact with legislative officials or employees at any level of government for any reason that could be fairly interpreted as public policy advocacy, lobbying, or otherwise be perceived as impairing its objectivity or independence. In no event will KPMG undertake meetings with government officials on behalf of the Illinois Department of Financial and Professional Regulation or the State of Illinois or otherwise appear in a public or private context that could be fairly interpreted as public policy advocacy, lobbying, or otherwise be perceived as impairing its objectivity or independence. In providing our services in general, KPMG professionals will take no view will not undertake any role that could be fairly interpreted as public policy advocacy and the firm’s work is not intended to be used as such or in that context.

2 Management Decisions. IDFPR acknowledges and agrees that the Vendor’s services may include advice and recommendations; but all decisions in connection with the implementation of such advice and recommendations shall be the responsibility of, and made by, IDFPR. KPMG (“Vendor”) or its subcontractors will not perform management functions or make management decisions for IDFPR.

3 Third Party Usage. Client acknowledges and agrees that any advice, recommendations, information, Deliverables or other work product (“Advice”) provided by the Contractor in connection with the services under the Contract is

intended for Client's sole benefit and the Contractor does not authorize any party other than Client to benefit from or rely upon such Advice, or make any claims against the Contractor relating thereto. Any such benefit or reliance by another party shall be at such party's sole risk. KPMG may, in its sole discretion mark such Advice to reflect the foregoing.

- 4 California Accountancy Act. For engagements where services will be provided by KPMG through offices located in California, IDFPF acknowledges that certain Vendor personnel who may be considered "owners" under the California Accountancy Act and implementing regulations (California Business and Professions Code section 5079(a); 16 Cal. Code Regs. sections 51 and 51.1) and who may provide services in connection with this engagement, may not be licensed as certified public accountants under the laws of any of the various states.
- 5 Ownership. Upon full and final payment to Vendor under the Contract, Vendor assigns and grants to IDFPF, title in the tangible items specified as deliverables or work product in Contract (the "Deliverables") and any copyright interest in the Deliverables; provided that if and to the extent that any Vendor property is contained in any of the Deliverables ("KPMG Property"), Vendor hereby grants IDFPF, under Vendor's intellectual property rights in such KPMG Property, a royalty-free, non-exclusive, non-transferable, perpetual license to use such KPMG Property solely in connection with IDFPF's use of the Deliverables. Vendor acknowledges that it shall obtain no ownership right in Confidential Information of IDFPF. In addition, IDFPF acknowledges and agrees that Vendor shall have the right to retain for its files copies of each of the Deliverables and all information necessary to comply with its contractual obligations and applicable professional standards.
- 6 Electronic Communications. Vendor and IDFPF may communicate with one another by electronic mail or otherwise transmit documents in electronic form during the course of this engagement. Each party accepts the inherent risks of these forms of communication (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). IDFPF agrees that the final hardcopy or electronic version of a document, including a Deliverable, or other written communication that the Vendor transmits to IDFPF shall supersede any previous versions transmitted by the Vendor to IDFPF.
- 7 Active Spreadsheets and Electronic Files. Vendor may use models, electronic files and spreadsheets with embedded macros created by Vendor to assist Vendor in providing the services under the Contract. If IDFPF requests a working copy of any such model, electronic file or spreadsheet, the Vendor may, at its discretion, make such item available to IDFPF for its internal use only on an as-is basis and such item shall be considered a Deliverable; provided that Client is responsible for obtaining the right to use any third party products necessary to use or operate such item. Contractor. Vendor retains ownership of and all rights in such models, electronic files, and/or spreadsheets with embedded macros; except for IDFPF data contained therein
- 8 Use of Vendors. IDFPF acknowledges and agrees that in connection with the performance of services under the Contract, Vendor and its Member Firms, in their discretion or at IDFPF's direction, may utilize the services of third parties within and outside of the United States to complete the services under the Contract. IDFPF further acknowledges and agrees that Vendor-controlled parties, member Firms of KPMG International, and other third party service providers (collectively, "Vendors") may have access to Confidential Information from offshore locations, and that the Vendor uses Vendors within and outside of the United States to provide at Vendor's direction administrative or clerical services to Vendor. These Vendors may in the performance of such services have access to IDFPF's Confidential Information. Vendor represents to IDFPF that with respect to each Vendor, Vendor has technical, legal and/or other safeguards, measures and controls in place to protect Confidential Information of IDFPF from unauthorized disclosure or use. Vendor shall be responsible to IDFPF for Vendor-controlled, member Firms or Vendor's failure to comply.

- 9 State Vendors and Conflicts. IDFPR is aware that Vendor may be providing assurance, tax and/or advisory services to other actual or potential Applicants of IDFPR. Vendor will perform an internal search for any potential IDFPR conflicts relating to any of IDFPR's Applicants identified by IDFPR as having a role in connection with Vendor's performance of this Contract. IDFPR hereby agrees that an Applicant's status as the Vendor's client does not impact Vendor's engagement to perform this Contract. Vendor will advise the IDFPR of any conflicts of interest that could prevent it from performing the Contract. However, Vendor is a large firm that is engaged by new clients on a daily basis and as a result it cannot guarantee that, following its conflict search, an engagement for any other related party will not be accepted somewhere else in Vendor's firm. Should any new information come to Vendor's attention, Vendor will promptly inform IDFPR. Vendor shall perform this Contract in accordance with applicable professional standards. Additionally, Vendor and IDFPR will mutually agree upon a "Conflicts Management Plan." Vendor will provide a "Conflicts Management Plan" that will determine the procedures for evaluating potential conflicts, mitigation strategies, and details on how results of this plan will be documented.
- 10 Export Control. Vendor and IDFPR acknowledge and agree that each shall comply with all applicable United States export control laws and regulations in the performance of each party's respective activities under the Engagement Letter. IDFPR shall not provide Vendor, or grant Vendor access to, (a) information (including technical data or technology), verbally, electronically, or in hardcopy, (b) software or (c) hardware, that is controlled for export by the United States government under the Arms Export Control Act of 1976, Export Administration Act of 1979, the International Traffic in Arms Regulations ("ITAR"), Export Administration Regulations ("EAR"), Department of Energy Part 810 Regulations or Nuclear Regulatory Commission Part 110 Regulations, except information, software or hardware that is classified as EAR99 under the EAR.

CONDITIONAL ADULT USE DISPENSING ORGANIZATION LICENSE APPLICATION REVIEW
DRAFT WORK PLAN

Approach	July		August		September		October		November		December	
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	Week 11	Week 12
Phase 1: Planning and Preparation												
1.1 Finalize the project plan with processes, protocols, and controls												
1.2 Finalize status report cadence and templates												
1.3 Run conflict checks on applicants												
1.4 Finalize detailed scoring recommendations for objective scoring												
1.5 Finalize the review template and outputs with recommendations on scoring												
1.6 Finalize staffing plan												
1.7 Confirm credentials of team members and onboard												
1.8 Develop robust communications plan												
1.9 Conduct team training on processes, protocols, and expectations												
Phase 2: Data Collection, Scrubbing, and Completeness Checks												
2.1 Obtain USBs from IL												
2.2 Upload and inventory documentation; check all applications were provided												
2.3 Flag duplicate applications by unique identifier for one review												
2.3 Assign each application a unique identifier per region												
2.4 Perform a completeness check of applications and minimum submission requirements (page count, file naming, completeness check, etc.)												
2.5 Adjust the file names to include unique identifier												
2.6 Confirm whether applicant is appropriately classified as SE												
2.7 Prepare outstanding documentation listing for IL to send to applicants with deficient information												
2.8 Inventory additional documentation received against outstanding list												
2.8 Notify IL of non-responsive applicants to remove from pool at end of ten days												
2.10 Upload new information from deficient applicants												
2.11 Redact applicant specific information												
Phase 3: Application Reviews												
3.1 Parse and provide data to independent reviewer groups												
3.2 Complete application reviews by section												
3.3 Compile progress on an agreed upon basis												
Phase 4: Quality Control												
4.1 Review by Section lead of each score for completeness, quality, and accuracy of scoring												
4.2 Compile full scoring results and notes into one template												
4.3 Correlate and populate control file of applicants and scores by region												
4.4 Review of entire scorecards for consistency, accuracy, and quality												
4.5 Release of draft results by region												
4.6 Finalize results by region and provide complete scoring to IL												

Statement of Work

State of Illinois

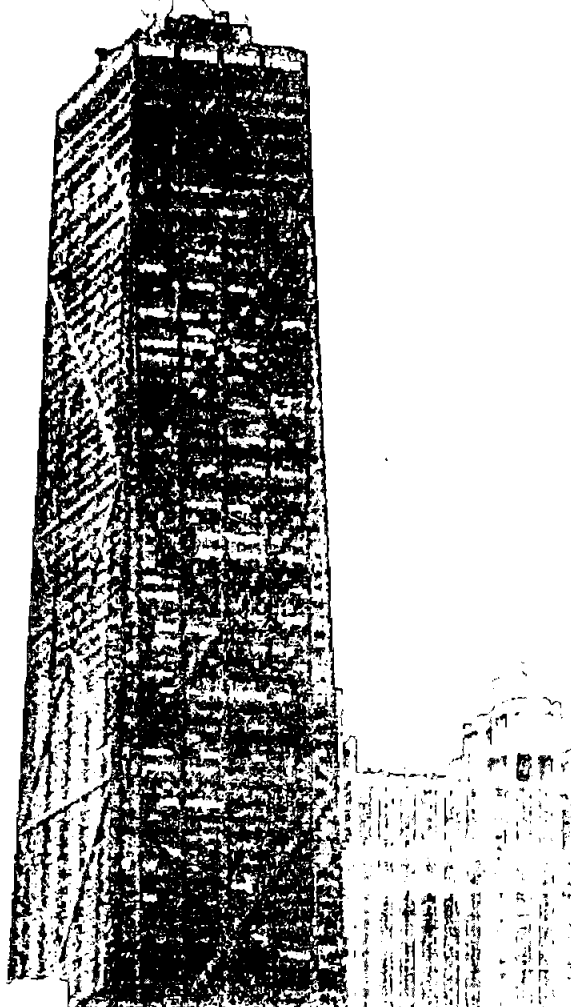
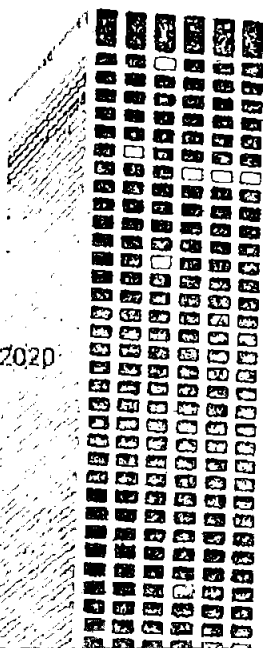
Department of Financial and Professional
Regulation

Conditional Adult Use Dispensing
Organization License Reviews

DRAFT

January 08, 2020

kpmg.com



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This proposal is made by KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity, and is in all respects subject to our client and engagement acceptance procedures as well as the negotiation, agreement, and execution of a specific engagement letter or contract. KPMG International provides no client services. No member firm has any authority to obligate or bind KPMG International or any other member firm vis-à-vis third parties, nor does KPMG International have any such authority to obligate or bind any member firm.

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Statement of Work

Background

The Cannabis Regulation and Tax Act in the State of Illinois provides a framework to regulate adult use cannabis as of January 1, 2020. The Illinois Department of Financial and Professional Regulation ("IDFPR" or "the Department") is responsible under the act for implementing and administrating multiple aspects of the program, including the licensing and oversight of dispensing organizations, dispensary agents, and agent education providers.

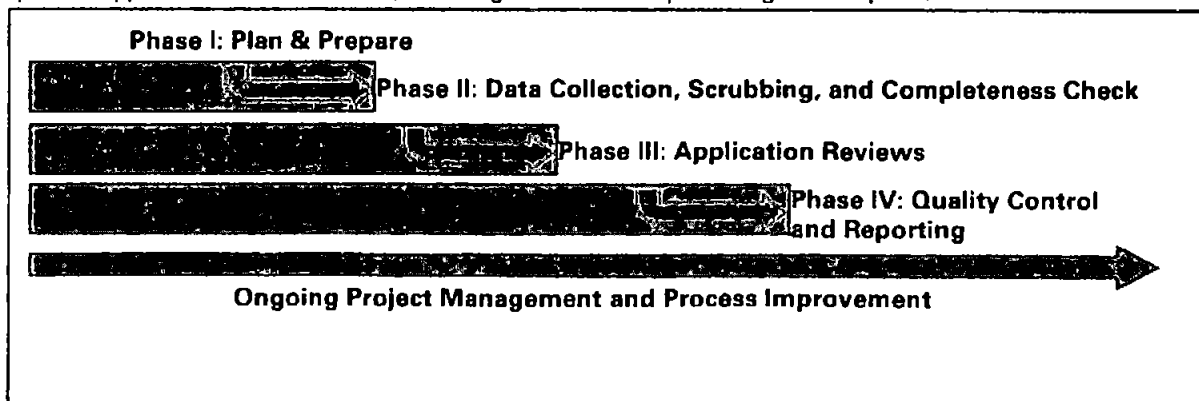
On October 1, 2019, IDFPR released the application for Conditional Adult Use Dispensing Organization Licenses ("licenses") due no later than January 1, 2020. The Department plans to award up to 75 licenses on or before May 1, 2020.

KPMG will support the State of Illinois to provide professional and technical services to blindly evaluate, score, and report the initial stand-alone cannabis dispensary applications that comply with IDFPR's new regulatory oversight of Public Act 101-0027 Cannabis Regulation and Taxation Act.

Approach

We have dedicated resources who have been tracking the progress of Conditional Adult Use Cannabis in Illinois, who deeply understand the State's needs and the challenges. We assist clients around the world in making informed decisions through identification of hidden factors or red flags that may impact negatively on their programs and decision making. We also highlight issues of concern that may cause potential reputational or financial damage to an organization, its directors and its shareholders. In high risk or unfamiliar areas we seek to help our clients to identify political or regulatory factors in local markets. Our teams assimilate and analyze publicly available information to provide accurate and reliable intelligence. We have vast experience and knowledge in obtaining public and non-public information that can enable our clients to understand what, or who, they are dealing with—no matter at what stage of the review cycle.

KPMG has developed a multi-phased approach to providing dispensary license application review and scoring support services. We understand the complexity and importance of the Conditional Adult Use program to the citizens of Illinois; our thoughtful approach is centered on quality, consistency, objectivity, and efficiency to help ensure the Department fairly and equitably supports the integrity of the application process. Our four phased approach is outlined below, including detailed tasks pertaining to each phase:



Phase I: Plan and Prepare

Upon contract award, the KPMG engagement leadership team will work diligently with Department stakeholders to finalize the work plan, including communication protocols, review processes, and quality control techniques to be embedded throughout the application review process. Upon the Department's acceptance of the work plan, the KPMG leadership team will schedule a formal Kickoff meeting with Department stakeholders to provide an overview of review procedures and a timeline for application reviews. Phase I of the approach will include the following components:

Phase I	
1.1	Finalize the work plan with processes, protocols, and controls
1.2	Finalize status report cadence and template
1.3	Perform conflict checks on applicants
1.4	Finalize detailed scoring recommendations for objective scoring
1.5	Finalize the review template and outputs with recommendations on scoring
1.6	Finalize staffing plan
1.7	Confirm credentials of team members and onboard
1.8	Develop robust communications plan
1.9	Conduct team training on processes, protocols, and expectations

Phase II: Data Collection, Scrubbing, and Completeness Checks

Based on the robust project management processes formed during Phase I, our independent and objective application review process will be fully established in Phase II. The Project Management Office (PMO) will help ensure early identification of deficient applications during the Data Collection, Scrubbing, and Completeness Checks phase. Our process will help promote a consistent review process, where we will perform a review of whether an applicant is appropriately classified as a Social Equity (SE) applicant, perform completeness reviews of applications based on minimum submission requirements, and flag duplicate applications for review, among many other critical steps. The KPMG team will establish and follow processes to help maintain confidentiality from application intake through the final score determination. Phase II of the approach will include the following components.

Phase II	
2.1	Obtain USBs from IL
2.2	Upload and inventory documentation; check all applications were provided
2.3	Flag duplicate applications by unique applicant for one review
2.3	Assign each application a unique identifier per region
2.4	Perform a completeness check of applications and minimum submission requirements (page count, file naming, completeness check, etc.)
2.5	Adjust the file names to include unique identifier
2.6	Confirm whether applicant is appropriately classified as SE
2.7	Prepare outstanding documentation listing for IL to send to applicants with deficient information
2.8	Inventory additional documentation received against outstanding list

Phase II	
2.9	Notify IL of non-responsive applicants to remove from pool at end of ten days
2.10	Upload new information from deficient applicants
2.11	Redact applicant specific information
2.12	Obtain USBs from IL

Phase III: Application Reviews

KPMG recognizes the environment in which IDFPF operates. We have experience working in high profile sensitive business environments and delivering compliance assessment services. We will provide a valid, reliable, independent, objective evaluation of the license applications. We also understand and respect the importance of IDFPF's execution of the program to the regions it serves. Our approach is based on a foundation that is service focused and enabled with a strong project management suite.

KPMG's services as outlined in this statement of work constitute an advisory engagement conducted under the American Institute of Certified Public Accountants ("AICPA") Standards for Consulting Services. Such services are not intended to be an audit, examination, attestation, special report or agreed-upon procedures engagements as those services are defined in AICPA literature applicable to such engagements conducted by independent auditors. Accordingly, these services shall not result in the issuance of a written communication to third parties by KPMG directly reporting on financial data or internal control or expressing a conclusion or any other form of assurance.

After information has been collected, scrubbed, and dispersed, the core phase in our approach, the application reviews, will commence. Phase III of the approach will include the following components:

Phase III	
3.1	Parse and provide data to independent reviewer groups
3.2	Complete application reviews by section
3.3	Compile progress on an agreed upon basis

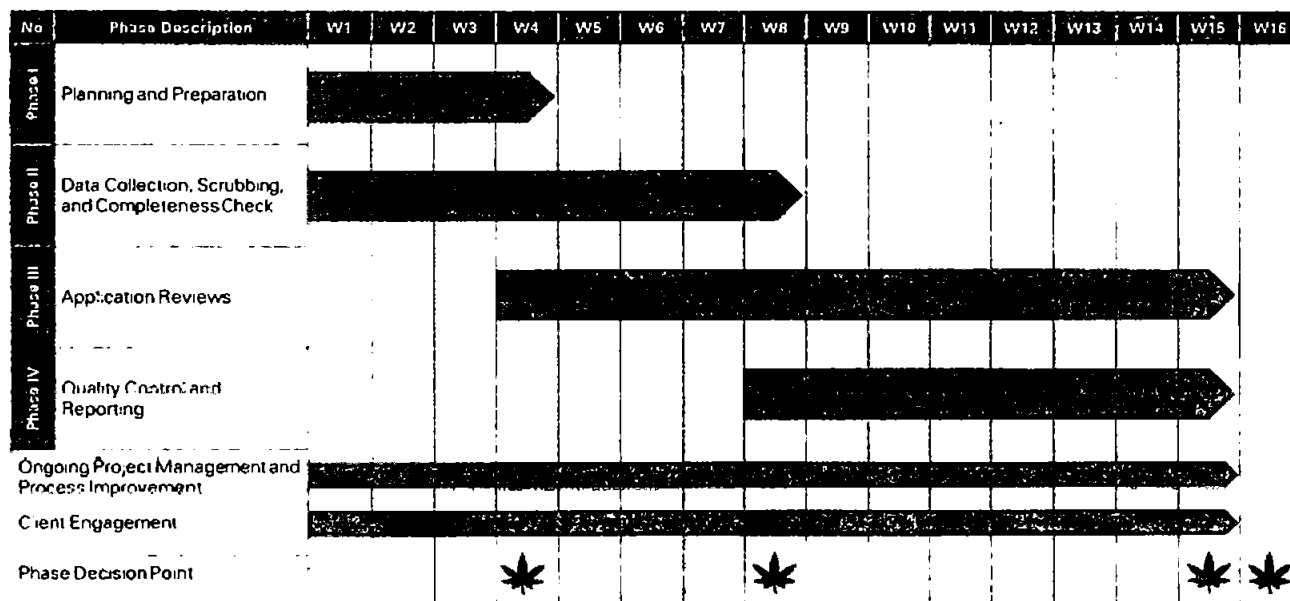
Phase IV: Quality Control and Reporting

KPMG implements a quality control function as the final step of the application review process to help ensure the accuracy review and the associated scoring results. Quality control team members will perform an overarching review, compilation, and final inspections prior to issuing applicant scoring results to the state of Illinois. The review function is a critical component of validating the precision of the scoring results for compliance with the Cannabis Regulation and Tax Act in scoring applicants seeking a Conditional Audit Use Dispensing Organization License. Phase IV of the approach will include the following components:

Phase IV	
4.1	Review by Section lead of each score for completeness, quality, and accuracy of scoring
4.2	Compile full scoring results and notes into one template
4.3	Compile and populate control file of applicants and scores by region
4.4	Review of entire scorecards for consistency, accuracy, and quality
4.5	Release of draft results by region
4.6	Finalize results by region and provide complete scoring to IL

Timeline

We have carefully considered your needs for the completion of the phases outlined in the SOW and tailored a plan outlined below that is designed to attain these requirements. The following project timeline illustrates how our project team expects to perform this work with key activities highlighted.



Deliverables

Throughout the course of this project, we understand the importance of reporting progress and providing results to IDFP. Therefore, we have outlined the following deliverables to report on progress and results of reviews.

Deliverable	Description
Deliverable 1 – Work Plan	KPMG will provide a Work Plan that outlines key processes, protocols, and controls for the engagement administration. This plan will also outline milestones, a timeline, key tasks, a communications plan with the Department, a risk register, training plans, conflicts management, credential checking, and other key information pertinent to project management. This plan must be agreed upon by both parties.
Deliverable 2 – Status Reporting	KPMG will provide status reports in an agreed upon cadence with the Department. Status reports will include at a minimum a summary of current period activities, upcoming period activities, progress against the timeline, key issues, discussion items, and status of reviews.
Deliverable 3 – Application Review Results	KPMG will provide the draft results of application reviews as they are finalized on a monthly basis. Once IDFP approves, KPMG will finalize the review and provide the scorecard with final grading.

Pricing

KPMG's philosophy in serving IDFP is to generate value and potential benefits greater than the cost of our services. Our fees are consistent with building long-term professional relationships. It is important that you feel our services are of high quality and that our fees are fair. We have given considerable thought to our proposed fees, recognizing that we operate in a very competitive and unpredictable environment. We do not want fees to be a barrier to our appointment, and we welcome to opportunity to discuss our estimates further with you.

The fees represent our estimates based on our preliminary assessment, understanding of the requirements, and information available. Any changes in scope or procedures will be communicated openly with management throughout the process to help avoid issues at the end. The following table summarizes our fees.

Product/Service/Type	Price	Estimated Quantity	Total Estimated Price
Social Equity Application Grading	\$ /app	2,000	\$
Non-Social Equity Application Grading	\$ /app	500	\$
Incomplete Application Grading	\$ /app	500	\$
Individual Scopes of Work for application grading depositions	\$ /hour	1,000	\$

Assumptions

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CONFLICT OF INTEREST MITIGATION PLAN

COMMITMENT BY KPMG

This Conflict of Interest (COI) Mitigation Plan, further referred to as "Plan", demonstrates a commitment by KPMG to comply with the provisions of Section 1.1.3.C and Section 5 related to COI contained within the contract between Illinois Department of Financial and Professional Regulation for Conditional Adult Use Dispensing Organization License Reviews.

This Plan is designed to reassure Illinois Department of Financial and Professional Regulation (IDFPR) representatives, that KPMG's engagement team does not and will not have conflicts of interest as a result of any prior, ongoing, or future work performed by KPMG. Moreover, this Plan is designed to help demonstrate to IDFPR that no member of the KPMG engagement team serving IDFPR has a personal conflict of interest due to a relationship with an applicant that presents a conflict of interest.

DEFINITIONS

- "Applicant" – Any individuals/company applying for an IDFPR license
- "Engagement Managing Director" – The partner responsible for project delivery
- "Government Contract Compliance (GCC)" – The team responsible for monitoring contract compliance and providing guidance on conflict of interest matters.
- "Government Quality and Contract Compliance Group (GQCC)" – The team responsible for contract management and contract compliance.
- "National Risk Management Partner-Government" – The partner responsible for assessing and addressing engagement risk.
- "Office of General Counsel ("OGC") – KPMG's legal counsel.
- "Sentinel" – KPMG's risk management tool, Sentinel™, is a secure online application developed to assist KPMG International member firms in complying with legal and regulatory independence requirements related to the provision of services, and in identifying potential conflicts of interest with proposed engagements.
- "Sentinel Lead Partner" - The partner designated to monitor and approve all opportunities with IDFPR
- "Vendor" – KPMG
- "Vendor Staff" – Any KPMG engagement team member

RESPONSIBILITIES

KPMG ENGAGEMENT PARTNER AND TEAM RESPONSIBILITIES

The responsibilities of KPMG's IDFPR engagement team include:

- Exercise diligence at all times in (1) discussions with IDFPR personnel, (2) obtaining access to documentation, or (3) providing information to IDFPR personnel,
- Exercise thoroughness in assessing for conflicts of interest, and immediately report the presence of a conflict of interest to (1) the Engagement Managing Director, (2) Sentinel Lead Partner (the partner designated to monitor and approve all opportunities with IDFPR), (3)



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Government Quality and Contract Compliance Group (GQCC), (4) National Risk Management Partner-Government, (5) Government Contract Compliance (GCC), and (6) Office of General Counsel (OGC),

- Follow a rigorous process to avoid and/or effectively mitigate conflicts of interest of Vendor, Vendor staff or evaluator relationships in accordance with the standards of conduct detailed in Section 1.1.3.C,
- Establish a technical project management office that will receive applicant information from IDFPR, scrub this information for applicant specific identifiers as outlined in the application instructions, and disseminate redacted information throughout the scoring team, and
- On this IDFPR Adult Use Cannabis Application Completeness Review engagement Plan, read and acknowledge understanding and acceptance of the Plan contents.

KPMG SUBCONTRACTORS' RESPONSIBILITIES

If KPMG engages the services of a subcontractor in the performance of portions of this work for IDFPR, each subcontractor is expected to:

- Conduct a conflict of interest assessment on each opportunity on which there is interest on the part of KPMG to engage the subcontractor, or interest by the subcontractor to be engaged by KPMG,
- Continually monitor for any situation in which an actual or potential conflict of interest is present, and report such activity immediately to KPMG,
- Recuse themselves early in the engagement planning stage in situations in which an actual or potential conflict of interest is present, and cannot be mitigated,
- Properly mark any information of a sensitive nature with the appropriate marking to minimize its inadvertent disclosure, and
- On this IDFPR Plan, read and acknowledge understanding and acceptance of the Plan contents, or provide a written Plan that is acceptable to KPMG and IDFPR representatives.

CONFLICT OF INTEREST MITIGATION PLAN

KPMG has identified two scenarios where potential conflicts of interest may exist. In order to address these scenarios, KPMG provides a detailed mitigation plan below.

- If an applicant has an existing business relationship with KPMG, this could create an actual or perceived conflict of interest (COI). To prevent this, once the applicant names are provided to KPMG, and prior to reviewing any application, KPMG's administrative PMO will perform a conflict check utilizing our Sentinel process. If a conflict is identified, KPMG will disclose the nature of the relationship as permitted, propose safeguards, and confirm IDFPR consents to referring the application to a subcontractor. If IDFPR does not consent, then KPMG will refer the application back to IDFPR for grading.
- If an applicant has an existing business relationship with a team member, this could create an actual or perceived Personal Conflict of Interest (PCI). To prevent this, personnel working



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on the engagement will be required to provide an acknowledgement documenting every cannabis related entity for whom they or an immediate family member are or have been employed or have an investment, loan, or other financial relationship. KPMG administrative PMO team will compare the entities identified in the acknowledgements to the list of applications. If a match is identified the administrative PMO team will ensure the scoring team member does not receive the conflicting application to review by following the steps outlined below.

- KPMG Administrative PMO team will record all of the entities identified by the Scoring Team members in a “relationships” spreadsheet.
- The KPMG Administrative PMO team will compare the names of the applicants to the names of the entities included on the “relationships spreadsheet.
- Where there is a match, the KPMG Administrative PMO team will assess the relationship to determine if there is a conflict of interest.
- In the event there is a conflict of interest, KPMG’s Administrative PMO team will implement a safeguard which will entail assigning the review of the application to a different member of the KPMG Scoring team or to a subcontractor.

ORGANIZATIONAL SEPARATION

To protect and guard against the inadvertent disclosure of verbal, electronic, or written information, the KPMG engagement team will maintain organizational and physical separation among the various scoring teams, or those performing dissimilar work within the same government facility, or other procedures, that are acceptable to IDFPR, to implement data separation techniques.

ONGOING REVIEW AND ASSESSMENT

The IDFPR engagement team has an ongoing responsibility for continuous review and assessment of actions that could create an actual or potential conflict of interest, both organizationally (OCI) and personally among the engagement team members (PCI). This ongoing review and assessment applies to work performed by the engagement team as well as work performed by other engagement teams for other agencies, and begins prior to engagement acceptance and continues until engagement completion of the IDFPR Conditional Adult Use Dispensing Organization License Reviews contract. KPMG will require team members to report any new relationships that meet the criteria above within two business days and reassign the application for complete rescoring of any sections previously scored by the individual if a conflict persists.

PLAN ACCEPTANCE

By signing below the Illinois Department of Financial and Professional Regulation acknowledges acceptance of KPMG’s COI Plan and deems the Plan to be adequate in mitigating any potential



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conflicts of interest related to the Conditional Adult Use Dispensing Organization License Reviews project.

By: [Signature] Bret Bender

Date: 2/14/20

By: [Signature] Brandon Purcell

Date: 02/14/2020



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NON-DISCLOSURE AGREEMENT

THIS NON-DISCLOSURE AGREEMENT is made on January 31, 2020 between KPMG LLP, a Delaware limited liability partnership (the "Receiving Party") and Illinois Department of Financial and Professional Regulation, a state agency (the "Disclosing Party").

1. **Purpose.** The Disclosing Party wishes to disclose confidential information to the Receiving Party in order to explore a business possibility of mutual interest regarding cannabis application review process (the "Purpose").
2. **Definition.** "Confidential Information" means all documents, software, reports, data, records, forms and other materials obtained by the Receiving Party from the Disclosing Party or at the request or direction of the Disclosing Party in furtherance of the Purpose: (i) that have been marked as confidential; (ii) whose confidential nature has been made known by the Disclosing Party to the Receiving Party; or (iii) that due to their character and nature, a reasonable person under like circumstances would treat as confidential.
3. **Exclusions.** Notwithstanding the foregoing, Confidential Information does not include information which: (1) is already known to the Receiving Party on a non-confidential basis at the time of disclosure by the Disclosing Party; (2) is or becomes publicly known through no wrongful act of the Receiving Party; (3) is independently developed by the Receiving Party without benefit of the Disclosing Party's Confidential Information; or (4) is received by the Receiving Party from a third party without restriction and without a breach of an obligation of confidentiality.
4. **Use Limitations.** The Receiving Party agrees not to use the Confidential Information for any reason except in furtherance of the Purpose. The Receiving Party agrees not to alter, modify, disassemble, reverse engineer or decompile any of the materials unless permitted in writing by the Disclosing Party, and shall not copy such materials unless reasonably required in furtherance of the Purpose.
5. **Non-Disclosure.** The Receiving Party agrees not to disclose the Confidential Information to any third parties except as expressly permitted herein. Confidential Information may be disclosed to or accessed by the Receiving Party's Affiliates, contractors, and/or other members of the KPMG network of independent firms and their Affiliates, contractors and personnel, in or outside of the United States ("Representatives"), in each case, who have a need to know the Confidential Information in order to perform their services to the Receiving Party. Such Representatives shall have previously agreed, either as a condition to employment or in order to obtain the Confidential Information, to be bound by terms and conditions substantially similar to but no less restrictive than the confidentiality obligations set forth in this Agreement. The Receiving Party shall be responsible for the failure of any of its Representatives to comply with the terms of this Agreement. The Receiving Party agrees that it shall exercise the same level of care to protect the Disclosing Party's Confidential Information as it exercises to protect its own confidential information but in no event less than reasonable care. The Receiving Party agrees to notify the Disclosing Party in writing of any misappropriation or misuse by any person of such Confidential Information of which the Receiving Party may become aware. "Affiliate" means any entity that directly, or indirectly through one or more intermediaries, controls, is controlled by or is under common control with the entity specified. The term "control" (including the terms "controlling," "controlled by" and "under common control with") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of an entity, whether through the ownership of voting securities, by contract, or otherwise. The provisions of this Agreement shall not be construed as preventing the Receiving Party from conducting its engagements for the Disclosing Party (if the Disclosing Party is a client of the Receiving Party) in accordance with firm policies and

professional standards, or conducting its normal review and quality assurance processes with regard to engagements for the Disclosing Party.

6. **Required Disclosures.** Notwithstanding the foregoing, the Receiving Party may disclose the Disclosing Party's Confidential Information to the extent that it is required to be disclosed pursuant to a statutory or regulatory provision or court or administrative order. If the Receiving Party receives a subpoena or other validly issued civil, administrative or judicial demand requiring it to disclose the Disclosing Party's Confidential Information, the Receiving Party shall, unless prohibited by law, provide prompt written notice to the Disclosing Party of such demand in order to permit it to seek a protective order. So long as the Receiving Party gives notice as provided herein, the Receiving Party shall be entitled to comply with such demand to the extent required by law, subject to any protective order or the like that may have been entered in the matter.
7. **Return of Materials.** The Receiving Party will deliver to the Disclosing Party or destroy all Confidential Information of the Disclosing Party and all copies thereof when the Disclosing Party requests the same, except for anything that may be stored in back up media or other electronic data storage systems, latent data and metadata. Any Confidential Information retained by the Receiving Party in accordance with this paragraph shall remain subject to the confidentiality provisions of this Agreement.
8. **Ownership.** The Disclosing Party agrees that it shall not disclose any information to the Receiving Party in violation of the proprietary rights of any third party. The Confidential Information shall remain the sole property of the Disclosing Party. No license is granted to the Receiving Party under any patents, copyrights or other proprietary rights by the disclosure of any information hereunder.
9. **Remedies.** The Receiving Party acknowledges and agrees that a breach of any of its promises or agreements contained herein may result in irreparable injury to the Disclosing Party for which there may be no adequate remedy at law, and the Disclosing Party shall be entitled to apply for equitable relief, including injunction and specific performance, in the event of any breach or threatened breach of this Agreement by the Receiving Party. Such remedies, however, shall not be deemed to be the exclusive remedies for any breach of this Agreement but shall be in addition to all other remedies available at law or in equity.
10. **Jurisdiction/Venue.** The parties agree that all litigation or other legal proceedings under this Agreement shall be brought in the state courts of the State of Illinois and the United States District Courts located therein and the parties hereby submit to the exclusive personal and subject matter jurisdiction and venue of such courts. The validity, interpretation and performance of this Agreement shall be governed by the laws of the State of Illinois, excluding its conflict of laws rules.
11. **Termination; Survival.** This Agreement shall govern all communications between the parties that are made during the period from the date hereof to the date which is one (1) year from such date, unless this Agreement is earlier superseded by a definitive agreement for the provision of products or services relating to the Purpose. The Receiving Party's obligations under this Agreement with respect to Confidential Information it has previously received shall continue for a period of three (3) years after termination of this Agreement, unless this Agreement is earlier superseded by a definitive agreement for the provision of products or services relating to the Purpose.
12. **General.** Any waiver, modification or amendment of any provision of this Agreement shall be effective only if in writing in a document that specifically refers to this Agreement and such document is signed by both parties. In the event that any term or provision of this Agreement shall be held to be invalid, void or unenforceable, then the remainder of this Agreement shall not be affected, and each such term

and provision shall be valid and enforceable to the fullest extent permitted by law. This Agreement shall not be construed as a teaming agreement, joint venture, partnership or other business relationship. Neither party may assign, transfer or delegate any of its rights or obligations under this Agreement, whether by operation of law or otherwise, without the prior written consent of the other party, such consent not to be unreasonably withheld, and any attempted assignment or transfer without such consent shall be void. Subject to the preceding sentence, this Agreement shall be binding upon the permitted successors and assigns of both parties.

- 13. **Export Control.** The Receiving Party and the Disclosing Party acknowledge and agree that each shall comply with all applicable United States export control laws and regulations in the performance of each party's obligations under this Agreement. The Disclosing Party shall not provide the Receiving Party, or grant the Receiving Party access to, (a) information (including technical data or technology), verbally, electronically, or in hardcopy, (b) software or (c) hardware, that is controlled for export by the United States government under the Arms Export Control Act of 1976, Export Control Reform Act of 2018, the International Traffic in Arms Regulations ("ITAR"), Export Administration Regulations ("EAR"), Department of Energy Part 810 Regulations or Nuclear Regulatory Commission Part 110 Regulations, except information, software or hardware that is classified as EAR99 under the EAR.
- 14. **Notices.** All notices permitted or required under this Agreement shall be in writing and shall be by personal delivery, nationally recognized overnight courier service, facsimile transmission or by certified or registered mail, return receipt requested, and shall be deemed given upon the earlier of actual receipt or one (1) day after deposit with the courier service, receipt by sender of confirmation of electronic transmission or five (5) days after deposit in the mail. Notices shall be sent to the addresses set forth at the end of this Agreement or such other address as either party may specify in writing.
- 15. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be an original, but which together shall constitute one and the same instrument. This Agreement may be executed and delivered by the exchange of faxed executed copies, certified electronic signatures or copies delivered by electronic mail in Adobe Portable Document Format or similar format, and any signature transmitted by such means for the purpose of executing this Agreement is deemed an original signature for purposes of this Agreement.
- 16. **Entire Agreement.** The Agreement constitutes the entire agreement between the Receiving Party and the Disclosing Party with respect to the Purpose and supersedes all other oral and written representations, understandings or agreements relating thereto.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed by a duly authorized representative of such party as of the date first above written.

RECEIVING PARTY:

DISCLOSING PARTY:

KPMG LLP

By: Anthony Monaco
Title: Partner

By: [Signature]
Title: General Counsel -
IPFPR

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

Date: 2/3/2020

Date: 1/31/20

Address for Notices:

KPMG LLP
345 Park Avenue
New York, NY 10154
Attn: Anthony Monaco

With a copy to:

KPMG LLP
Office of General Counsel
345 Park Avenue
New York, NY 10154
Attn: General Counsel

Address for Notices:

J. DEPR
100 W. Randolph
Chicago, IL
60601
Attn: Hunter Wigg
General Counsel

**STATE OF ILLINOIS
FORMS A**

A vendor responding to a solicitation by the State of Illinois must return the information requested within this section with their bid or offer if they are not registered in the Illinois Procurement Gateway (IPG) and do not have an approved, unexpired IPG Registration Number. Failure to do so may render their bid or offer non-responsive and result in disqualification.

Please read this entire Forms A and provide the requested information as applicable and per the instructions. All forms and signature areas contained in this Forms A must be completed in full and submitted along with the bid in an Invitation for Bid; and completed in full and submitted along with the technical response and price proposal, which combined will constitute the Offer, in a Request for Proposal.

Vendor Name: KPMG LLP	Phone: 718-344-1241
Street Address: 345 Park Avenue	Email: amonaco@kpmg.com
City, State Zip: New York, NY 10154	Vendor Contact: Anthony Monaco, Partner

As agreed upon between KPMG LLP and IDFPR, the information being provided for KPMG LLP throughout this Form A is limited solely to owners of KPMG LLP that are performing direct services under this contract.

In compliance with the State and Federal Constitutions, the Illinois Human Rights Act, the U.S. Civil Rights Act, and Section 504 of the Federal Rehabilitation Act, the State of Illinois does not discriminate in employment, contracts, or any other activity.

The State of Illinois encourages prospective vendors to consider hiring qualified veterans and Illinois residents discharged from any Illinois adult correctional center, in appropriate circumstances.

OUTLINE

FORMS A

Complete this section if you are not using an IPG (Illinois Procurement Gateway) Registration #

	Part
Business and Directory Information	1.
Illinois Department of Human Rights Public Contracts Number	2.
Authorized to Transact Business or Conduct Affairs in Illinois	3.
Standard Certifications	4.
State Board of Elections	5.
Disclosure of Business Operations in Iran.....	6.
Financial Disclosures and Conflicts of Interest	7.
Taxpayer Identification Number	8.

**STATE OF ILLINOIS
BUSINESS AND DIRECTORY INFORMATION**

1.1. Name of Business (official name and DBA)

KPMG LLP

1.2. Business Headquarters (address, phone and fax)

345 Park Avenue, New York, NY 10154

1.3. If a Division or Subsidiary of another organization provide the name and address of the parent

N/A

1.4. Billing Address

345 Park Avenue, New York, NY 10154

1.5. Name of Chief Executive Officer

Lynne Doughtie

1.6. Company Web Site Address

<https://home.kpmg/us/en/home.html>

1.7. Type of Organization (sole proprietor, corporation, etc.--should be same as on Taxpayer ID form below)

Limited Liability Partnership

1.8. Length of time in business

KPMG LLP was formed in 1994

1.9. Annual Sales for Offeror's most recently completed fiscal year

KPMG has provided its 2018-19 Consolidated Balance Sheets under seal. This information is confidential and proprietary in nature.

1.10. Show number of full-time employees, on average, during the most recent fiscal year

As of 2/15/20, KPMG had 35,793 employees.

1.11. Is your company at least 51% owned and controlled by individuals in one of the following categories? If "Yes," please check the category that applies:

1.11.1. Minority (30 ILCS 575/2(A)(1) & (3)) Yes

1.11.2. Women (30 ILCS 575/2(A)(2) & (4)) Yes

1.11.3. Person with Disability (30 ILCS 575/2(A)(2.05) & (2.1)) Yes

1.11.4. Disadvantaged (49 CFR 26) Yes

1.11.5. Veteran (30 ILCS 500/45-57)

Yes

FILED DATE: 10/6/2020 3:10 PM 2020CH05759

STATE OF ILLINOIS
ILLINOIS DEPARTMENT OF HUMAN RIGHTS PUBLIC CONTRACT NUMBER

- 2.1. If Offeror employed fifteen or more full-time employees at the time of submission of their response to this solicitation or any time during the previous 365-day period leading up to submission, it must have a current IDHR Public Contract Number or have proof of having submitted a completed application for one prior to contract award or prior to bid opening for construction or construction-related services. 775 ILCS 5/2-101. If the Agency cannot confirm compliance, it will not be able to consider a Vendor's bid or offer. Please complete the appropriate sections below:

Name of Company (and DBA): KPMG LLP

(check if applicable) The number is not required as the company has not met or exceeded the number of employees that makes registration necessary under the requirements of the Human Rights Act described above.

IDHR Public Contracts Number: 10094200 Expiration Date: 11/24/2024

- 2.2. If number has not yet been issued, provide the date a completed application for the number was submitted to IDHR: N/A- See above.
- 2.3. Upon expiration and until their Contractor Identification Number is renewed, companies will not be eligible to be awarded contracts by the State of Illinois or other jurisdictions that require a current IDHR number as a condition of contract eligibility. 44 IL. ADM. CODE 750.210(a).
- 2.4. Numbers issued by the Department of Human Rights (or its predecessor agency, the Illinois Fair Employment Practices Commission) prior to July 1, 1998 are no longer valid. This affects numbers below 89999-00-0. Valid numbers begin with 900000-00-0.
- 2.5. If Offeror's organization holds an expired number, it must re-register with the Department of Human Rights.
- 2.6. Offeror may obtain an application form by:
- 2.6.1. Telephone: Call the IDHR Public Contracts Unit at (312) 814-2431 between Monday and Friday, 8:30 AM - 5:00 PM, CST. (TDD (312) 263-1579).
- 2.6.2. Internet: You may download the form from the Department of Human Rights' website at <https://www.illinois.gov/dhr/PublicContracts/Pages/default.aspx>.
- 2.6.3. Mail: Write to the Department of Human Rights, Public Contracts Unit, 100 West Randolph Street, Suite 10-100, Chicago, IL 60601.

STATE OF ILLINOIS
AUTHORIZED TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN ILLINOIS

3. A person, other than an individual acting as a sole proprietor, must be a duly constituted legal entity prior to submitting a bid, offer, or proposal. The legal entity must be authorized to transact business or conduct affairs in Illinois prior to execution of the contract. 30 ILCS 500/20-43.

These requirements do not apply to construction contracts that are subject to the requirements of 30 ILCS 500/30-20 and 30 ILCS 500/33-10. The prequalification requirements of Sections 30-20 and 33-10 shall include the requirement that the bidder be registered with the Illinois Secretary of State.

Prior to execution of the contract, the State may request evidence from a vendor that certifies it is authorized to transact business or conduct affairs in Illinois. Failure to produce evidence in a timely manner may be considered grounds for determining the Vendor non-responsive or not responsible. For information on registering to transact business or conduct affairs in Illinois, please visit the Illinois Secretary of State's Department of Business Services at their website at (http://cyberdriveillinois.com/departments/business_services/home.html) or your home county clerk.

**EVIDENCE OF BEING AUTHORIZED TO TRANSACT BUSINESS OR CONDUCT AFFAIRS IN ILLINOIS IS
THE SECRETARY OF STATE'S CERTIFICATE OF GOOD STANDING**

File Number: 776-243-1


STATE OF ILLINOIS
SECRETARY OF STATE
DEPARTMENT OF BUSINESS SERVICES

To all to whom these Presents Shall Come, Greeting:

I, Jesse White, Secretary of State of the State of Illinois, do hereby certify that

ATK CON-BUILDING, INC. INCORPORATED IN GEORGIA AND LIKED TO DO
TRANSACTION BUSINESS IN THIS STATE ON JANUARY 26, 2011 APPEARS TO HAVE
COMPLIED WITH ALL THE PROVISIONS OF THE REVENUE CORPORATIONS ACT OF
THIS STATE RELATING TO THE PAYMENT OF FRANCHISE TAXES AND AS OF THIS
DATE IS A FOREIGN CORPORATION IN GOOD STANDING AND AUTHORIZED TO
TRANSACTION BUSINESS IN THE STATE OF ILLINOIS

*In Testimony Whereof, I have set
my hand and caused to be affixed the Great Seal of
the State of Illinois, this 27th
day of JUNE A.D. 2011*


Jesse White
Secretary of State

FILED DATE: 10/16/2020 3:10 PM 2020CH05759

STATE OF ILLINOIS STANDARD CERTIFICATIONS

Vendor acknowledges and agrees that compliance with this subsection in its entirety for the term of the contract and any renewals is a material requirement and condition of this contract. By executing this contract Vendor certifies compliance with this subsection in its entirety, and is under a continuing obligation to remain in compliance and report any non-compliance.

This subsection, in its entirety, applies to subcontractors used on this contract. Vendor shall include these Standard Certifications in any subcontract used in the performance of the contract using the Standard Certification form provided by the State.

If this contract extends over multiple fiscal years, including the initial term and all renewals, Vendor and its subcontractors shall confirm compliance with this section in the manner and format determined by the State by the date specified by the State and in no event later than July 1 of each year that this contract remains in effect.

If the Parties determine that any certification in this section is not applicable to this contract it may be stricken without affecting the remaining subsections.

4.1. As part of each certification, Vendor acknowledges and agrees that should Vendor or its subcontractors provide false information, or fail to be or remain in compliance with the Standard Certification requirements, one or more of the following sanctions will apply:

- the contract may be void by operation of law,
- the State may void the contract, and
- the Vendor and its subcontractors may be subject to one or more of the following: suspension, debarment, denial of payment, civil fine, or criminal penalty.

Identifying a sanction or failing to identify a sanction in relation to any of the specific certifications does not waive imposition of other sanctions or preclude application of sanctions not specifically identified.

4.2. Vendor certifies it and its employees will comply with applicable provisions of the United States Civil Rights Act, Section 504 of the Federal Rehabilitation Act, the Americans with Disabilities Act, and applicable rules in performance of this contract.

4.3. Vendor, if an individual, sole proprietor, partner or an individual as member of a LLC, certifies he/she is not in default on an educational loan. 5 ILCS 385/3.

4.4. Vendor, if an individual, sole proprietor, partner or an individual as member of a LLC, certifies it he/she has not received (i) an early retirement incentive prior to 1993 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code or (ii) an early retirement incentive on or after 2002 under Section 14-108.3 or 16-133.3 of the Illinois Pension Code. 30 ILCS 105/15a; 40 ILCS 5/14-108.3; 40 ILCS 5/16-133.

4.5. Vendor certifies that it is a legal entity authorized to do business in Illinois prior to submission of a bid, offer, or proposal. 30 ILCS 500/1-15.80, 20-43.

**STATE OF ILLINOIS
STANDARD CERTIFICATIONS**

- 4.6. To the extent there was a current Vendor providing the services covered by this contract and the employees of that Vendor who provided those services are covered by a collective bargaining agreement, Vendor certifies (i) that it will offer to assume the collective bargaining obligations of the prior employer, including any existing collective bargaining agreement with the bargaining representative of any existing collective bargaining unit or units performing substantially similar work to the services covered by the contract subject to its bid or offer; and (ii) that it shall offer employment to all employees currently employed in any existing bargaining unit who perform substantially similar work to the work that will be performed pursuant to this contract. This does not apply to heating, air conditioning, plumbing and electrical service contracts. 30 ILCS 500/25-80.
- 4.7. Vendor certifies it has neither been convicted of bribing or attempting to bribe an officer or employee of the State of Illinois or any other State, nor made an admission of guilt of such conduct that is a matter of record. 30 ILCS 500/50-5.
- 4.8. If Vendor has been convicted of a felony, Vendor certifies at least five years have passed after the date of completion of the sentence for such felony, unless no person held responsible by a prosecutor's office for the facts upon which the conviction was based continues to have any involvement with the business. 30 ILCS 500/50-10.
- 4.9. If Vendor or any officer, director, partner, or other managerial agent of Vendor has been convicted of a felony under the Sarbanes-Oxley Act of 2002, or a Class 3 or Class 2 felony under the Illinois Securities Law of 1953, Vendor certifies at least five years have passed since the date of the conviction. Vendor further certifies that it is not barred from being awarded a contract and acknowledges that the State shall declare the contract void if this certification is false. 30 ILCS 500/50-10.5.
- 4.10. Vendor certifies it is not barred from having a contract with the State based upon violating the prohibitions related to either submitting/writing specifications or providing assistance to an employee of the State of Illinois by reviewing, drafting, directing, or preparing any invitation for bids, a request for proposal, or request of information, or similar assistance (except as part of a public request for such information). 30 ILCS 500/50-10.5(e), *amended by Pub. Act No. 97-0895 (August 3, 2012)*.
- 4.11. Vendor certifies that it and its affiliates are not delinquent in the payment of any debt to the State (or if delinquent has entered into a deferred payment plan to pay the debt), and Vendor and its affiliates acknowledge the State may declare the contract void if this certification is false or if Vendor or an affiliate later becomes delinquent and has not entered into a deferred payment plan to pay off the debt. 30 ILCS 500/50-11, 50-60.
- 4.12. Vendor certifies that it and all affiliates shall collect and remit Illinois Use Tax on all sales of tangible personal property into the State of Illinois in accordance with provisions of the Illinois Use Tax Act and acknowledges that failure to comply may result in the contract being declared void. 30 ILCS 500/50-12.
- 4.13. Vendor certifies that it has not been found by a court or the Pollution Control Board to have committed a willful or knowing violation of the Environmental Protection Act within the last five years, and is therefore not barred from being awarded a contract. 30 ILCS 500/50-14.
- 4.14. Vendor certifies it has neither paid any money or valuable thing to induce any person to refrain from bidding on a State contract, nor accepted any money or other valuable thing, or acted upon the promise of same, for not bidding on a State contract. 30 ILCS 500/50-25.

**STATE OF ILLINOIS
STANDARD CERTIFICATIONS**

- 4.15. Vendor certifies it is not in violation of the "Revolving Door" provisions of the Illinois Procurement Code. 30 ILCS 500/50-30.
- 4.16. Vendor certifies that it has not retained a person or entity to attempt to influence the outcome of a procurement decision for compensation contingent in whole or in part upon the decision or procurement. 30 ILCS 500/50-38.
- 4.17. Vendor certifies that if it has hired a person required to register under the Lobbyist Registration Act to assist in obtaining any State contract, that none of the lobbyist's costs, fees, compensation, reimbursements, or other remuneration were billed to the State. 30 ILCS 500/50-38.
- 4.18. Vendor certifies it will report to the Illinois Attorney General and the Chief Procurement Officer any suspected collusion or other anti-competitive practice among any bidders, offerors, contractors, proposers, or employees of the State. 30 ILCS 500/50-40, 50-45, 50-50.
- 4.19. Vendor certifies steel products used or supplied in the performance of a contract for public works shall be manufactured or produced in the United States, unless the executive head of the procuring Agency grants an exception. 30 ILCS 565.
- 4.20. Drug Free Workplace
- 4.20.1. If Vendor employs 25 or more employees and this contract is worth more than \$5,000, Vendor certifies it will provide a drug free workplace pursuant to the Drug Free Workplace Act.
- 4.20.2. If Vendor is an individual and this contract is worth more than \$5000, Vendor certifies it shall not engage in the unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance during the performance of the contract. 30 ILCS 580.
- 4.21. Vendor certifies that neither Vendor nor any substantially owned affiliate is participating or shall participate in an international boycott in violation of the U.S. Export Administration Act of 1979 or the applicable regulations of the United States. Department of Commerce. 30 ILCS 582.
- 4.22. Vendor certifies it has not been convicted of the offense of bid rigging or bid rotating or any similar offense of any state or of the United States. 720 ILCS 5/33 E-3, E-4.
- 4.23. Vendor certifies it complies with the Illinois Department of Human Rights Act and rules applicable to public contracts, which include providing equal employment opportunity, refraining from unlawful discrimination, and having written sexual harassment policies. 775 ILCS 5/2-105.
- 4.24. Vendor certifies it does not pay dues to or reimburse or subsidize payments by its employees for any dues or fees to any "discriminatory club." 775 ILCS 25/2.
- 4.25. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been or will be produced in whole or in part by forced labor or indentured labor under penal sanction. 30 ILCS 583.
- 4.26. Vendor certifies that no foreign-made equipment, materials, or supplies furnished to the State under the contract have been produced in whole or in part by the labor of any child under the age of 12. 30 ILCS 584.

**STATE OF ILLINOIS
STANDARD CERTIFICATIONS**

- 4.27. Vendor certifies that any violation of the Lead Poisoning Prevention Act, as it applies to owners of residential buildings, has been mitigated. 410 ILCS 45.
- 4.28. Vendor warrants and certifies that it and, to the best of its knowledge, its subcontractors have and will comply with Executive Order No. 1 (2007). The Order generally prohibits Vendors and subcontractors from hiring the then-serving Governor's family members to lobby procurement activities of the State, or any other unit of government in Illinois including local governments if that procurement may result in a contract valued at over \$25,000. This prohibition also applies to hiring for that same purpose any former State employee who had procurement authority at any time during the one-year period preceding the procurement lobbying activity.
- 4.29. Vendor certifies that information technology, including electronic information, software, systems and equipment, developed or provided under this contract comply with the applicable requirements of the Illinois Information Technology Accessibility Act Standards as published at (www.dhs.state.il.us/iitaa) 30 ILCS 587.
- 4.30. Vendor certifies that it has read, understands, and is in compliance with the registration requirements of the Elections Code (10 ILCS 5/9-35) and the restrictions on making political contributions and related requirements of the Illinois Procurement Code. 30 ILCS 500/20-160 and 50-37. Vendor will not make a political contribution that will violate these requirements.

In accordance with section 20-160 of the Illinois Procurement Code, Vendor certifies as applicable:

Vendor is not required to register as a business entity with the State Board of Elections.

or

Vendor has registered with the State Board of Elections. As a registered business entity, Vendor acknowledges a continuing duty to update the registration as required by the Act.

- 4.31. Vendor certifies that if it is awarded a contract through the use of the preference required by the Procurement of Domestic Products Act, then it shall provide products pursuant to the contract or a subcontract that are manufactured in the United States. 30 ILCS 517.
- 4.32. For contracts other than construction contracts subject to the requirements of 30 ILCS 500/30-20 and 30 ILCS 500/33-10, a person (other than an individual acting as a sole proprietor) must be a duly constituted legal entity to qualify as a bidder or offeror prior to submitting a bid, offer, or proposal. 30 ILCS 500/20-43. Vendor certifies that it is a legal entity as of the date for submitting this bid, offer, or proposal.
- 4.33. Vendor certifies that, for the duration of this contract it will:
- post its employment vacancies in Illinois and border states on the Department of Employment Security's IllinoisJobLink.com website or its successor system; or
 - will provide an online link to these employment vacancies so that this link is accessible through the IllinoisJobLink.com website or its successor system; or
 - is exempt from 20 ILCS 1005/1005-47 because the contract is for construction-related services as that term is defined in section 1-15.20 of the Procurement Code; or the contract is for construction and vendor is a party to a contract with a bona fide labor organization and performs construction. (20 ILCS 1005/1005-47).

**STATE OF ILLINOIS
STATE BOARD OF ELECTIONS**

5. Section 50-37 of the Illinois Procurement Code prohibits political contributions of certain vendors, bidders and offerors. Additionally, section 9-35 of the Illinois Election Code governs provisions relating to reporting and making contributions to state officeholders, declared candidates for State offices and covered political organizations that promote the candidacy of an officeholder or declared candidate for office. The State may declare any resultant contract void if these Acts are violated.

Generally, if a vendor, bidder, or offeror is an entity doing business for profit (i.e. sole proprietorship, partnership, corporation, limited liability company or partnership, or otherwise) and has contracts with State agencies that annually total more than \$50,000 or whose aggregate pending bids or proposals and current State contracts that total more than \$50,000, the vendor, bidder, or offeror is prohibited from making political contributions and must register with the State Board of Elections. 30 ILCS 500/20-160.

**EVIDENCE OF REGISTRATION WITH THE STATE BOARD OF ELECTIONS
IS THE CERTIFICATE OF REGISTRATION**



STATE OF ILLINOIS
DISCLOSURE OF BUSINESS OPERATIONS WITH IRAN

6. In accordance with 30 ILCS 500/50-36, each bid, offer, or proposal submitted for a State contract, other than a small purchase defined in Section 20-20 of the Illinois Procurement Code, will include a disclosure of whether or not the bidder, offeror, or proposing entity, or any of its corporate parents or subsidiaries, within the 24 months before submission of the bid, offer, or proposal had business operations that involved contracts with or provision of supplies or services to the Government of Iran, companies in which the Government of Iran has any direct or indirect equity share, consortiums or projects commissioned by the Government of Iran and:

- more than 10% of the company's revenues produced in or assets located in Iran involve oil-related activities or mineral-extraction activities; less than 75% of the company's revenues produced in or assets located in Iran involve contracts with or provision of oil-related or mineral – extraction products or services to the Government of Iran or a project or consortium created exclusively by that Government; and the company has failed to take substantial action; or
- the company has, on or after August 5, 1996, made an investment of \$20 million or more, or any combination of investments of at least \$10 million each that in the aggregate equals or exceeds \$20 million in any 12- month period that directly or significantly contributes to the enhancement of Iran's ability to develop petroleum resources of Iran.

A bid or offer that does not include this disclosure may be given a period after the bid or offer is submitted to cure non-disclosure. A chief procurement officer may consider the disclosure when evaluating the bid or offer or awarding the contract.

There are no business operations that must be disclosed to comply with the above cited law.

The following business operations are disclosed to comply with the above cited law:

Click here to enter text.

**STATE OF ILLINOIS
FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST**

The Financial Disclosures and Conflicts of Interest form ("form") must be accurately completed and submitted by the vendor, parent entity(ies), and subcontractors. There are **nine** steps to this form and each must be completed as instructed in the step heading and within the step. A bid or offer that does not include this form shall be considered non-responsive. The Agency will consider this form when evaluating the bid or offer or awarding the contract.

The requirement of disclosure of financial interests and conflicts of interest is a continuing obligation. If circumstances change and the disclosure is no longer accurate, then disclosing entities must provide an updated form.

Separate forms are required for the vendor, parent entity(ies), and subcontractors.

This disclosure is submitted for:

- Vendor
- Vendor's Parent Entity(ies) (100% ownership)
- Subcontractor(s) >\$50,000 (annual value)
- Subcontractor's Parent Entity(ies) (100% ownership) > \$50,000 (annual value)

Project Name	IDFPR Cannabis Implementation Dispensary Application Grading
Illinois Procurement Bulletin Number	B-12633
Contract Number	20DPR12633
Vendor Name	KPMG LLP
Doing Business As (DBA)	N/A
Disclosing Entity	N/A
Disclosing Entity's Parent Entity	N/A
Subcontractor	N/A (Subcontractor's will complete this form, as applicable)
Instrument of Ownership or Beneficial Interest	Limited Liability Partnership <input type="checkbox"/> If you selected Other, please describe: Click here to enter text.

FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

STEP 1
SUPPORTING DOCUMENTATION SUBMITTAL
(All vendors complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than \$50,000 must complete)

You must select one of the six options below and select the documentation you are submitting. You must provide the documentation that the applicable section requires with this form.

Option 1 – Publicly Traded Entities

1.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

1.B. Attach a copy of the Federal 10-K or provide a web address of an electronic copy of the Federal 10-K, and skip to Step 3.

Option 2 – Privately Held Entities with more than 100 Shareholders

2.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

2.B. Complete Step 2, Option A for each qualifying individual or entity holding any ownership share in excess of 5% and attach the information Federal 10-K reporting companies are required to report under 17 CFR 229.401.

Option 3 – All other Privately Held Entities, not including Sole Proprietorships

3.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

Option 4 – Foreign Entities

4.A. Complete Step 2, Option A for each qualifying individual or entity holding any ownership or distributive income share in excess of 5% or an amount greater than 60% (\$106,447.20) of the annual salary of the Governor.

OR

4.B. Attach a copy of the Securities Exchange Commission Form 20-F or 40-F and skip to Step 3.

Option 5 – Not-for-Profit Entities

Complete Step 2, Option B.

Option 6 – Sole Proprietorships

Skip to Step 3.

FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

STEP 2

DISCLOSURE OF FINANCIAL INTEREST OR BOARD OF DIRECTORS

(All vendors, except sole proprietorships, must complete regardless of annual bid, offer, or contract value)
 (Subcontractors with subcontract annual value of more than \$50,000 must complete)

Complete either Option A (for all entities other than not-for-profits) or Option B (for not-for-profits). Additional rows may be inserted into the tables or an attachment may be provided if needed.

OPTION A – Ownership Share and Distributive Income

Ownership Share – If you selected Option 1.A., 2.A., 2.B., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of ownership if said percentage exceeds 5%, or the dollar value of their ownership if said dollar value exceeds \$106,447.20.

Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – X			
Name	Address	Percentage of Ownership	\$ Value of Ownership
Anthony Monaco	345 Park Avenue, New York, NY 10154	Less than 1%	Confidential
Remaining KPMG LLP Ownership**	Located throughout the U.S.	Remaining percentage (Confidential)	Confidential
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

**KPMG LLP has more than 2,200 partners and principals (as of September 30, 2019) who together own the firm. No partner or principal has more than a 1% ownership in the Firm.

Distributive Income – If you selected Option 1.A., 2.A., 3.A., or 4.A. in Step 1, provide the name and address of each individual or entity and their percentage of the disclosing vendor’s total distributive income if said percentage exceeds 5% of the total distributive income of the disclosing entity, or the dollar value of their distributive income if said dollar value exceeds \$106,447.20.

Check here if including an attachment with requested information in a format substantially similar to the format below.

TABLE – Y			
Name	Address	% of Distributive Income	\$ Value of Distributive Income
Anthony Monaco	345 Park Avenue, New York, NY 10154	Confidential	Confidential
Remaining KPMG LLP Ownership	Located throughout the U.S.	Confidential	Confidential.

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FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

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Click here to enter text.	Click here to enter text.	Click here to enter text.	Click here to enter text.

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FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

Please certify that the following statements are true.

I have disclosed all individuals or entities that hold an ownership interest of greater than 5% or greater than \$106,447.20.

Yes No

I have disclosed all individuals or entities that were entitled to receive distributive income in an amount greater than \$106,447.20 or greater than 5% of the total distributive income of the disclosing entity.

Yes No

OPTION B – Disclosure of Board of Directors (Not-for-Profits)

If you selected Option 5 in Step 1, list members of your board of directors. Please include an attachment if necessary.

TABLE – Z	
Name	Address
Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.
Click here to enter text.	Click here to enter text.
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**STEP 3
DISCLOSURE OF LOBBYIST OR AGENT**

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FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

(Complete only if bid, offer, or contract has an annual value over \$50,000)
(Subcontractors with subcontract annual value of more than \$50,000 must complete)

Yes No. Is your company represented by or do you employ a lobbyist required to register under the Lobbyist Registration Act (lobbyist must be registered pursuant to the Act with the Secretary of State) or other agent who is not identified through Step 2, Option A above and who has communicated, is communicating, or may communicate with any State officer or employee concerning the bid or offer? If yes, please identify each lobbyist and agent, including the name and address below.

If you have a lobbyist that does not meet the criteria, then you do not have to disclose the lobbyist's information.

Name	Address	Relationship to Disclosing Entity
Click here to enter text.	Click here to enter text.	Click here to enter text.

Describe all costs/fees/compensation/reimbursements related to the assistance provided by each representative lobbyist or other agent to obtain this Agency contract: Click here to enter text.

FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

STEP 4

PROHIBITED CONFLICTS OF INTEREST

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than \$50,000 must complete)

Step 4 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above. Please provide the name of the person for which responses are provided: Anthony Monaco

- 1. Do you hold or are you the spouse or minor child who holds an elective office in the State of Illinois or hold a seat in the General Assembly?
2. Have you, your spouse, or minor child been appointed to or employed in any offices or agencies of State government and receive compensation for such employment in excess of 60% (\$106,447.20) of the salary of the Governor?
3. Are you or are you the spouse or minor child of an officer or employee of the Capital Development Board or the Illinois Toll Highway Authority?
4. Have you, your spouse, or an immediate family member who lives in your residence currently or who lived in your residence within the last 12 months been appointed as a member of a board, commission, authority, or task force authorized or created by State law or by executive order of the Governor?
5. If you answered yes to any question in 1-4 above, please answer the following: Do you, your spouse, or minor child receive from the vendor more than 7.5% of the vendor's total distributable income or an amount of distributable income in excess of the salary of the Governor (\$177,412.00)?
6. If you answered yes to any question in 1-4 above, please answer the following: Is there a combined interest of self with spouse or minor child more than 15% in the aggregate of the vendor's distributable income or an amount of distributable income in excess of two times the salary of the Governor (\$354,824.00)?

STEP 5

POTENTIAL CONFLICTS OF INTEREST RELATING TO PERSONAL RELATIONSHIPS

(Complete only if bid, offer, or contract has an annual value over \$50,000)
(Subcontractors with subcontract annual value of more than \$50,000 must complete)

Step 5 must be completed for each person disclosed in Step 2, Option A and for sole proprietors identified in Step 1, Option 6 above.

Please provide the name of the person for which responses are provided: Anthony Monaco

- 1. Do you currently have, or in the previous 3 years have you had State employment, including contractual employment of services?
2. Has your spouse, father, mother, son, or daughter, had State employment, including contractual employment for services, in the previous 2 years?

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FINANCIAL DISCLOSURES AND CONFLICTS OF INTERESTS

3. Do you hold currently or have you held in the previous 3 years elective office of the State of Illinois, the government of the United States, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois? Yes No
4. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding elective office currently or in the previous 2 years? Yes No
5. Do you hold or have you held in the previous 3 years any appointive government office of the State of Illinois, the United States of America, or any unit of local government authorized by the Constitution of the State of Illinois or the statutes of the State of Illinois, which office entitles the holder to compensation in excess of expenses incurred in the discharge of that office? Yes No
6. Do you have a relationship to anyone (spouse, father, mother, son, or daughter) holding appointive office currently or in the previous 2 years? Yes No
7. Do you currently have or in the previous 3 years had employment as or by any registered lobbyist of the State government? Yes No
8. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) that is or was a registered lobbyist? Yes No
9. Do you currently have or in the previous 3 years had compensated employment by any registered election or re-election committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? Yes No
10. Do you currently have or in the previous 2 years had a relationship to anyone (spouse, father, mother, son, or daughter) who is or was a compensated employee of any registered election or reelection committee registered with the Secretary of State or any county clerk in the State of Illinois, or any political action committee registered with either the Secretary of State or the Federal Board of Elections? Yes No

STEP 6

EXPLANATION OF AFFIRMATIVE RESPONSES

(All vendors must complete regardless of annual bid, offer, or contract value)
(Subcontractors with subcontract annual value of more than \$50,000 must complete)

If you answered "Yes" in Step 4 or Step 5, please provide on an additional page a detailed explanation that includes, but is not limited to the name, salary, State agency or university, and position title of each individual.

N/A

FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

STEP 7
POTENTIAL CONFLICTS OF INTEREST
RELATING TO DEBARMENT & LEGAL PROCEEDINGS

(Complete only if bid, offer, or contract has an annual value over \$50,000)
(Subcontractors with subcontract annual value of more than \$50,000 must complete)

This step must be completed for each person disclosed in Step 2, Option A, Step 3, and for each entity and sole proprietor disclosed in Step 1.

Please provide the name of the person or entity for which responses are provided: Anthony Monaco.

1. Within the previous ten years, have you had debarment from contracting with any governmental entity? Yes No

KPMG LLP is not presently suspended, debarred, voluntarily excluded, or declared ineligible by any federal, state or local government department or agency.

To the best of our knowledge and belief, the firm has not been suspended, debarred, voluntarily excluded, or declared ineligible by any federal, state or local government department or agency within the previous ten years. To the best of our knowledge and belief, no current partner, principal, or employee has been suspended, debarred, voluntarily excluded, or declared ineligible by any federal, state or local government department or agency arising out of conduct while employed by KPMG.

2. Within the previous ten years, have you had any professional licensure discipline? Yes No

Like other professional services firms, over time KPMG LLP (KPMG or firm) has been the subject of disciplinary proceedings brought by, or sanctions imposed by, regulatory or law enforcement agencies, including the Department of Justice, the Securities and Exchange Commission (SEC), and/or State Boards of Accountancy. For example:

In January 2014, the firm entered into a settlement with the SEC in which the firm was censured, disgorged certain fees and paid a civil monetary penalty to the SEC in connection with alleged violations of SEC regulations governing auditor independence with respect to three public company audit clients between 2007 and 2011. In February 2016, KPMG entered into a Stipulation with the Utah Division of Occupational and Professional Licensing (on behalf of the Utah CPA Licensing Board), which contains a public reprimand of KPMG, based on the firm's entry into the January 2014 SEC settlement, but no fine or penalty. KPMG remains fully

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FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

licensed in Utah and its right to practice accounting there was not restricted. The conduct in the underlying SEC matter has no connection to Utah.

On December 6, 2016, KPMG settled a matter with the SEC that related to KPMG's inadvertent loss (in 2009) of certain papers from an audit work paper binder, while the binder was checked out for routine use in a subsequent audit of the client. The SEC settlement included an order directing KPMG to cease and desist from committing any future violations of the SEC's audit work paper retention rules, and imposed a civil monetary penalty of \$230,000. In the settlement, the SEC acknowledged that since 2010 KPMG has enhanced its policies and procedures governing the retention of audit work papers, which now include retention of electronic work papers in a central filing system.

In August 2017, KPMG and one of its partners entered into a settlement with the SEC which resolved allegations by the SEC that the firm's audit of a public company audit client's fiscal 2011 financial statements did not comply with applicable professional standards. In connection with the settlement, KPMG paid the SEC a civil monetary penalty of \$1,000,000, together with disgorgement of \$4,675,680, which represents audit and audit-related fees paid to KPMG by the client over the course of the auditor-client relationship (2011-2014), and prejudgment interest of approximately \$558,000. In connection with this settlement, the firm has agreed to certain undertakings to improve audit quality, including, among other things, conducting a firm-wide internal review of the adequacy of the firm's policies and procedures with respect to the audit areas in which the SEC found deficiencies, and then providing the SEC with a detailed report (the "KPMG Report") summarizing both the review itself and any changes that the firm has made in those areas between 2011 and the present, as well as any additional changes that the firm may decide to make as a result of the review. In addition, KPMG has undertaken to hire an independent consultant, to whom the firm will provide the KPMG Report, and who will conduct his or her own review of the same areas. The independent consultant will then prepare a detailed report (the "IC Report") summarizing the review and making recommendations for appropriate additional changes. The independent consultant will provide the IC Report to both KPMG and the SEC. As is typical in SEC settlements, the firm did not admit or deny the SEC's allegations. KPMG is committed to the highest standards of professionalism, integrity and quality, and we have fully cooperated with the SEC to reach this resolution.

On June 17, 2019, the SEC issued an order (the Consent Order) instituting public administrative and cease and desist proceedings against KPMG in relation to the two matters described below.

In early 2017, KPMG learned that an individual who had joined the firm from the

FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

PCAOB subsequently received confidential information from the PCAOB and shared it with other KPMG personnel. KPMG immediately reported the situation to the PCAOB and the SEC, took steps to separate implicated individuals from KPMG, and retained outside counsel to investigate. That investigation revealed that several KPMG individuals either had improper advance warnings of upcoming engagements to be inspected by the PCAOB, or knew that others had received such information and had failed to report the situation in a timely manner.

In January 2018, the U.S. Attorney's Office for the Southern District of New York announced that it had criminally charged five of the individuals who, months earlier, had been separated from KPMG. Four of these individuals have entered guilty pleas. On March 11, 2019, a former KPMG partner was convicted following a jury trial of four of the five charges against him, including wire fraud and conspiracy to commit wire fraud. He is appealing his conviction. Two individuals have been sentenced, and the rest are awaiting sentencing.

The SEC also instituted administrative proceedings against the same five individuals. Three of these five individuals have been sanctioned by the SEC. KPMG cooperated fully with the U.S. Attorney's Office and the SEC in connection with this matter and took several remedial actions designed to prevent the sort of individual misconduct at issue in this matter.

The second matter resolved by the Consent Order relates to training exams and arose in late-2018. Some of KPMG's professionals shared the answers to open-book tests that were administered in connection with internal, firm-sponsored training. In the context of investigating the training exams, KPMG discovered that prior to 2016 certain individuals also had manipulated the hyperlink associated with the training exams in order to ensure passing scores. KPMG immediately reported this misconduct to its regulators, and, in addition, KPMG's Board of Directors established a Special Committee to oversee the investigation conducted by outside counsel.

The Consent Order censured KPMG for a violation of PCAOB Rule 3500T and other standards. Rule 3500T requires KPMG and associated persons to comply with ethics standards mandated by the American Institute of Certified Public Accountants. The Consent Order also ordered the firm to cease and desist from committing or causing any future violations of PCAOB Rule 3500T and imposed a \$50 million civil money penalty and remedial undertakings upon the firm. The remedial undertakings obligate the firm to take certain actions, including but not limited to a comprehensive internal review of the firm's ethics and integrity policies and processes. That policy review will be evaluated by an independent, third-party consultant that KPMG will retain.

FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

Reporting to the SEC following the completion of these actions is also required. The Consent Order imposed no limitations on KPMG's ability to perform services for existing or new clients.

3. Within the previous ten years, have you had any bankruptcies? Yes No
4. Within the previous ten years, have you had any adverse civil judgments and administrative findings? Yes No

As is the case with all major professional services firms, from time to time KPMG LLP and/or individual partners or principals have been named as defendants in lawsuits by regulatory bodies and civil plaintiffs, particularly when one of the firm's clients suffers an economic downturn. Understandably, the details of such litigation are sensitive and highly confidential. KPMG has a professional indemnity insurance program in place to insure against such risks, and we have no pending litigation that would materially affect the firm's operations or our ability to perform services for you.

Like all major professional services firms, KPMG has a large number of clients that are registered with, or otherwise regulated by, the Securities and Exchange Commission (SEC), the Federal Deposit Insurance Corporation (FDIC), other regulatory agencies, the Federal Reserve Board, various stock exchanges, and other self-regulatory organizations ("Regulators"). Such clients are at times involved with investigations or informal inquiries by such Regulators. In addition, clients may be involved with investigations or informal inquiries by other federal, state and local government agencies involved with law enforcement, including, but not limited to, the Department of Justice, the Internal Revenue Service, various federal, state and local government agency Offices of Inspectors General, and state attorneys general ("Investigators"). KPMG and its personnel are regularly asked to, and do, cooperate with investigations and informal inquiries of such Regulators and Investigators related to services provided to clients. KPMG and its personnel are also from time to time involved with investigations and informal inquiries conducted by the firm's own Regulators, including the SEC, the Public Company Accounting Oversight Board (PCAOB) and various state boards of accountancy, regarding compliance by the firm and its personnel with laws, rules and regulations. Many of these investigations and informal inquiries are not public, and we are frequently not privy to the thoughts or focus of the Regulator or Investigator with respect to these matters. In the vast majority of cases, investigations and informal inquiries in which KPMG and its personnel have some involvement are closed without any action being threatened or taken against KPMG or its personnel. We are not aware of any pending investigation by any Regulator or Investigator concerning any current partner, principal or employee

FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

of the firm that would materially affect the firm's operations or our ability to provide services under this proposal.

On June 17, 2019, the SEC issued an order (the Consent Order) instituting public administrative and cease and desist proceedings against KPMG in relation to the two matters described below.

In early 2017, KPMG learned that an individual who had joined the firm from the PCAOB subsequently received confidential information from the PCAOB and shared it with other KPMG personnel. KPMG immediately reported the situation to the PCAOB and the SEC, took steps to separate implicated individuals from KPMG, and retained outside counsel to investigate. That investigation revealed that several KPMG individuals either had improper advance warnings of upcoming engagements to be inspected by the PCAOB, or knew that others had received such information and had failed to report the situation in a timely manner.

In January 2018, the U.S. Attorney's Office for the Southern District of New York announced that it had criminally charged five of the individuals who, months earlier, had been separated from KPMG. Four of these individuals have entered guilty pleas. On March 11, 2019, a former KPMG partner was convicted following a jury trial of four of the five charges against him, including wire fraud and conspiracy to commit wire fraud. He is appealing his conviction. Two individuals have been sentenced, and the rest are awaiting sentencing.

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The Consent Order censured KPMG for a violation of PCAOB Rule 3500T and other

FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

standards. Rule 3500T requires KPMG and associated persons to comply with ethics standards mandated by the American Institute of Certified Public Accountants. The Consent Order also ordered the firm to cease and desist from committing or causing any future violations of PCAOB Rule 3500T and imposed a \$50 million civil money penalty and remedial undertakings upon the firm. The remedial undertakings obligate the firm to take certain actions, including but not limited to a comprehensive internal review of the firm's ethics and integrity policies and processes. That policy review will be evaluated by an independent, third-party consultant that KPMG will retain. Reporting to the SEC following the completion of these actions is also required. The Consent Order imposed no limitations on KPMG's ability to perform services for existing or new clients.

5. Within the previous ten years, have you had any criminal felony convictions? Yes No

KPMG LLP (KPMG or firm) has not been convicted of a crime within the previous ten years.

To the best of our knowledge, no current partner, principal or employee of the firm has been charged with or convicted of a crime relating to the firm's business or provision of services to clients within the previous ten years.

If you answered "Yes", please provide a detailed explanation that includes, but is not limited to the name, State agency or university, and position title of each individual.

STEP 8
DISCLOSURE OF CURRENT AND PENDING CONTRACTS
 (Complete only if bid, offer, or contract has an annual value over \$50,000)
 (Subcontractors with subcontract annual value of more than \$50,000 must complete)

If you selected Option 1, 2, 3, 4, or 6 in Step 1, do you have any contracts, pending contracts, bids, proposals, subcontracts, leases or other ongoing procurement relationships with units of State of Illinois government?

- Yes No.

If "Yes", please specify below. Additional rows may be inserted into the table or an attachment may be provided if needed.

Agency	Project Title	Status	Value	Contract Reference/P.O./Illinois Procurement Bulletin #
State of Illinois Single Audit	Federal Compliance Audit	On-going	Unknown	Unknown
Illinois Housing Development Authority	Financial Statement Audit	On-going	Unknown	Unknown

FINANCIAL DISCLOSURES AND CONFLICTS OF INTEREST

Illinois State Board of Investment	Financial Statement Audit	On-going	Unknown	Unknown
Teacher's Retirement System	Various Audit and Tax Services	On-going	Unknown	Unknown
State University Retirement System	Tax Services	On-going	Unknown	Unknown
Chicago State University	Internal Audit Services	On-going	Unknown	Unknown
Illinois Department of Transportation	Various Consulting Projects	On-going	Unknown	Unknown

Please explain the procurement relationship: The above list is being completed to the best of my knowledge. KPMG LLP is a large organization that performs various audit, tax, and advisory services (as both a Prime and Subcontractor) throughout the State of Illinois.

STEP 9

SIGN THE DISCLOSURE

(All vendors must complete regardless of annual bid, offer, or contract value)

(Subcontractors with subcontract annual value of more than \$50,000 must complete)

This disclosure is signed, and made under penalty of perjury for all for-profit entities, by an authorized officer or employee on behalf of the bidder or offeror pursuant to Sections 50-13 and 50-35 of the Illinois Procurement Code. This disclosure information is submitted on behalf of:

Name of Disclosing Entity: KPMG LLP

Signature: Anthony Monaco

Date: February 21, 2020

Printed Name: Anthony Monaco

Title: Partner

Phone Number: 718-344-1241

Email Address: amonaco@kpmg.com

**STATE OF ILLINOIS
TAXPAYER IDENTIFICATION NUMBER**

I certify that:

The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me), and

I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding, and

I am a U.S. person (including a U.S. resident alien).

- If you are an individual, enter your name and SSN as it appears on your Social Security Card.
- If you are a sole proprietor, enter the owner's name on the name line followed by the name of the business and the owner's SSN or EIN.
- If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's name on the name line and the D/B/A on the business name line and enter the owner's SSN or EIN.
- If the LLC is a corporation or partnership, enter the entity's business name and EIN and for corporations, attach IRS acceptance letter (CP261 or CP277).
- For all other entities, enter the name of the entity as used to apply for the entity's EIN and the EIN.

Name: Anthony Monaco

Business Name: KPMG LLP

Taxpayer Identification Number:

Social Security Number:

or

Employer Identification Number: XXXXXXXXXX

Legal Status (check one):

- | | |
|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Governmental |
| <input type="checkbox"/> Sole Proprietor | <input type="checkbox"/> Nonresident alien |
| <input type="checkbox"/> Partnership | <input type="checkbox"/> Estate or trust |
| <input type="checkbox"/> Legal Services Corporation | <input type="checkbox"/> Pharmacy (Non-Corp.) |
| <input type="checkbox"/> Tax-exempt | <input type="checkbox"/> Pharmacy/Funeral Home/Cemetery (Corp.) |
| <input type="checkbox"/> Corporation providing or billing
medical and/or health care services | <input checked="" type="checkbox"/> Limited Liability Company
(select applicable tax classification) |
| <input type="checkbox"/> Corporation NOT providing or billing
medical and/or health care services | <input type="checkbox"/> C = corporation |
| | <input checked="" type="checkbox"/> P = partnership |

Signature of Authorized Representative: _____

Anthony Monaco

Date: February 21, 2020

Plaintiff's Ex. P, not filed with the Court pursuant to Privacy Issues



Robert Walker <robert.walker.esq@gmail.com>

Notice of Deficiency in Dispensary Application

1 message

FPR.AdultUseCannabis <FPR.AdultUseCannabis@illinois.gov> Fri, Jun 12, 2020 at 2:33 PM
 To: "robert.walker.esq@gmail.com" <robert.walker.esq@gmail.com>, "COREYWALKER12345@GMAIL.COM" <COREYWALKER12345@gmail.com>
 Cc: US-FM ADV IDFPFR <us-advidfpr@kpmg.com>

Dear **HAAAYY, LLC**,

This e-mail serves as your notification that one or more deficiencies have been identified in your application for a Conditional Adult Use Dispensing Organization License. Please carefully read the instructions below and submit the information addressing the identified deficiencies.

You have **10 calendar days** beginning the day after the date this e-mail was sent to submit the required information in the manner described below. Submissions delivered to the Illinois Department of Financial and Professional Regulations by any other means or after this timeframe will not be accepted. In your submission, do not include any supplemental information related to your application other than that required to address the identified deficiencies. Such supplemental information will not be considered in the review and scoring process. Please note that deficiencies identified are not comprehensive of all applicable statutes identified in the Cannabis Regulation and Tax Act (410 ILCS 705/).

IMPORTANT: If you do not submit the required information in the required manner within 10-calendar days, your entire application will not be scored and will be disqualified. (410 ILCS 705/15-30(b)). You will **NOT** receive a refund of your application fee.

Below, are the deficiencies in your application that have been identified at this time. This may not be a complete list of all deficiencies in your application, so please continue to monitor your e-mail account for additional correspondence regarding other deficiencies that may be identified in the future.

Instructions for Submitting Information to Address Deficiencies:

1. Review the list below to learn which deficiencies apply to your application.
2. Prepare responses in PDF format addressing each deficiency. A separate PDF document should be created for each Exhibit in which a deficiency has been identified. Unless the deficiency is that an entire Exhibit is missing, only submit supplemental information and materials that address the deficiency identified. For each corrected Exhibit, title the document "Exhibit [letter of exhibit]_[Organization FEIN Number or Organization Name]_Deficiency_[Region ID(s) separated by underscores]."

File Naming Convention Example: Exhibit N_81-3780373-Deficiency_1_4_10_17

Region IDs:

- (1) Bloomington
- (2) Carbondale-Marion
- (3) Champaign-Urbana
- (4) Cape Girardeau
- (5) Danville
- (6) Davenport-Moline-Rock Island
- (7) Decatur

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- (8) Kankakee
- (9) Springfield
- (10) Rockford
- (11) East Central Illinois nonmetropolitan
- (12) South Illinois nonmetropolitan
- (13) Peoria
- (14) Northwest Illinois nonmetropolitan
- (15) West Central Illinois nonmetropolitan
- (16) St. Louis
- (17) Chicago-Naperville-Elgin

3. Once you've assembled your PDF responses, you will access the Secure File Transfer Protocol (SFTP) file as described in the information below with the following username and password. For SFTP related questions only, please contact the following email address: us-advIDFPR@kpmg.com and a resource will get back to you promptly. We recommend logging into the SFTP as soon as possible to determine any access issues as extensions to submit your content beyond the 10 calendar days will not be provided.

Primary Contact Username: robert.walker.esq@gmail.com

Primary Contact Password: n3Hz1BS4

Secondary Contact Username: COREYWALKER12345@GMAIL.COM

Secondary Contact Password: 5DKv14w1

Listing of alphabetical deficiencies in your Application as provided by Section 15-30(b) of the Cannabis Regulation and Tax Act:

-

BLS Region:

Bloomington

N/A

Cape Girardeau

N/A

Carbondale – Marion

N/A

Champaign Urbana

N/A

Chicago-Naperville-Elgin

Exhibit P

The application did not include evidence which establishes the applicant’s status as a Social Equity Applicant. In particular, the application did not provide sufficient evidence that:

- One or more persons asserting they resided in a disproportionately impacted area for at least 5 of the preceding 10 years did not provide sufficient documentation to support that assertion, and/or did not provide sufficient documentation that the individual owns and controls a sufficient percentage of the dispensing organization alone or in conjunction with other proposed principal officers to qualify as a Social Equity Applicant.

and/or

- The applicant did not provide sufficient evidence to support its assertion that it is an Illinois resident.

Danville

N/A

Davenport-Moline-Rock Island

N/A

Decatur

N/A

East Central Illinois Non-Metropolitan

N/A

Kankakee

N/A

Northwest Illinois Non-Metropolitan

N/A

Peoria

N/A

Rockford

N/A

South Illinois Non-Metropolitan

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N/A

Springfield

N/A

St. Louis

N/A

West Central Illinois Non-Metropolitan

N/A

In your response please provide all relevant documents, combined in one searchable PDF file, by exhibit to support your assertion(s)

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 **SFTP Information.pdf**
50K

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Plaintiff's Ex. R, not filed with the Court pursuant to Privacy Issues

Plaintiff's Ex. S, not filed with the Court pursuant to Privacy Issues

Mazie Harris

From: FPR.AdultUseCannabis <FPR.AdultUseCannabis@illinois.gov>
Sent: Friday, June 12, 2020 6:17 PM
To: Mazie Harris; KENNY@WAHGROUPLLC.COM
Cc: US-FM ADV IDFPR
Subject: Notice of Deficiency in Dispensary Application
Attachments: SFTP Information.pdf

Dear **WAH GROUP LLC D-B-A LEAFING LIFE**,

This e-mail serves as your notification that one or more deficiencies have been identified in your application for a Conditional Adult Use Dispensing Organization License. Please carefully read the instructions below and submit the information addressing the identified deficiencies.

You have **10 calendar days** beginning the day after the date this e-mail was sent to submit the required information in the manner described below. Submissions delivered to the Illinois Department of Financial and Professional Regulations by any other means or after this timeframe will not be accepted. In your submission, do not include any supplemental information related to your application other than that required to address the identified deficiencies. Such supplemental information will not be considered in the review and scoring process. Please note that deficiencies identified are not comprehensive of all applicable statutes identified in the Cannabis Regulation and Tax Act (410 ILCS 705/).

IMPORTANT: If you do not submit the required information in the required manner within 10-calendar days, your entire application will not be scored and will be disqualified. (410 ILCS 705/15-30(b)). You will **NOT** receive a refund of your application fee.

Below, are the deficiencies in your application that have been identified at this time. This may not be a complete list of all deficiencies in your application, so please continue to monitor your e-mail account for additional correspondence regarding other deficiencies that may be identified in the future.

Instructions for Submitting Information to Address Deficiencies:

1. Review the list below to learn which deficiencies apply to your application.
2. Prepare responses in PDF format addressing each deficiency. A separate PDF document should be created for each Exhibit in which a deficiency has been identified. Unless the deficiency is that an entire Exhibit is missing, only submit supplemental information and materials that address the deficiency identified. For each corrected Exhibit, title the document "Exhibit [letter of exhibit]_[Organization FEIN Number or Organization Name]_Deficiency_[Region ID(s) separated by underscores]."

File Naming Convention Example: Exhibit N_81-3780373-Deficiency_1_4_10_17

Region IDs:

- (1) Bloomington
- (2) Carbondale-Marion
- (3) Champaign-Urbana
- (4) Cape Girardeau
- (5) Danville

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- (6) Davenport-Moline-Rock Island
- (7) Decatur
- (8) Kankakee
- (9) Springfield
- (10) Rockford
- (11) East Central Illinois nonmetropolitan
- (12) South Illinois nonmetropolitan
- (13) Peoria
- (14) Northwest Illinois nonmetropolitan
- (15) West Central Illinois nonmetropolitan
- (16) St. Louis
- (17) Chicago-Naperville-Elgin

3. Once you've assembled your PDF responses, you will access the Secure File Transfer Protocol (SFTP) file as described in the information below with the following username and password. For SFTP related questions only, please contact the following email address: us-advIDFPR@kpmg.com and a resource will get back to you promptly. We recommend logging into the SFTP as soon as possible to determine any access issues as extensions to submit your content beyond the 10 calendar days will not be provided.

Primary Contact Username: mah@harlawgroup.com

Primary Contact Password: ro5XV2DX

Secondary Contact Username: KENNY@WAHGROUPLLC.COM

Secondary Contact Password: 2Zq2j5U8

Listing of alphabetical deficiencies in your Application as provided by Section 15-30(b) of the Cannabis Regulation and Tax Act:

BLS Region:

Bloomington

N/A

Cape Girardeau

N/A

Carbondale – Marion

N/A

Champaign Urbana

N/A

Chicago-Naperville-Elgin

Exhibit P

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The application did not include evidence which establishes the applicant's status as a Social Equity Applicant. In particular, the application did not provide sufficient evidence that:

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and/or

- The applicant did not provide sufficient evidence to support its assertion that it is an Illinois resident.

Danville

N/A

Davenport-Moline-Rock Island

N/A

Decatur

N/A

East Central Illinois Non-Metropolitan

Exhibit P

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and/or

- The applicant did not provide sufficient evidence to support its assertion that it is an Illinois resident.

Kankakee

N/A

Northwest Illinois Non-Metropolitan

Exhibit P

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and/or

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Peoria

N/A

Rockford

Exhibit P

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South Illinois Non-Metropolitan

Exhibit P

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- The applicant did not provide sufficient evidence to support its assertion that it is an Illinois resident.

Springfield

N/A

St. Louis

Exhibit P

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West Central Illinois Non-Metropolitan

Exhibit P

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- The applicant did not provide sufficient evidence to support its assertion that it is an Illinois resident.

In your response please provide all relevant documents, combined in one searchable PDF file, by exhibit to support your assertion(s)

Plaintiff's Ex. U, not filed with the Court pursuant to Privacy Issues



Robert Walker <robert.walker.esq@gmail.com>

Fwd: [External] Score card

2 messages

Marc A. Pullins <mapullins1@gmail.com>
To: Robert Walker <robert.walker.esq@gmail.com>

----- Forwarded message -----
From: **FPR.AdultUseCannabis** <FPR.AdultUseCannabis@illinois.gov>
Date: Fri, Sep 11, 2020, 1:27 PM
Subject: RE: [External] Score card
To: Marc A. Pullins <mapullins1@gmail.com>

Region	Name	Exhibit D	Exhibit E	Exhibit F	Exhibit G	Exhibit H	Exhibit I	Exhibit J	Exhibit K	Exhibit M	Exhibit N	Exhibit O	Exhibit
n/a	Available points:	15	4	16	16	48	17	22	6	5	30	1	
Chicago-Naperville-Elgin	Lori's Leaves, LLC	15	4	16	16	47	16	22	6	5	30	1	

From: Marc A. Pullins <mapullins1@gmail.com>
Sent: Wednesday, September 9, 2020 9:16 AM
To: FPR.AdultUseCannabis <FPR.AdultUseCannabis@illinois.gov>
Subject: [External] Score card

I am Marc A. Pullins. The primary contact person for Lori's Leaves. We would like our scores for the dispensary application submitted on 12.24.19.

Thank you

Marc A. Pullins
773.781.7830

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Robert Walker <robert.walker.esq@gmail.com>
To: Mazie Harris <Mah@harlawgroup.com>

Fri, Sep 11, 2020 at 2:29 PM

[Quoted text hidden]

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All The Best,
Robert M. Walker, Esq.

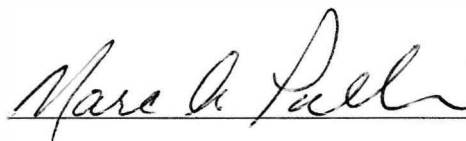
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AFFIDAVIT OF MARC PULLINS

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, MARC PULLINS, on oath states that:


1. I am a Managing Member and Primary Contact for Lori's Leaves, LLC Conditional Adult Use Dispensing Organization Application.
2. Lori's Leaves, LLC hired The Walker Law Group LLC to draft the company's Conditional Adult Use Dispensing Organization Application.
3. On September 11, 2020, we received our final scorecard on our application from the Illinois Department of Financial and Professional Regulation. The final score on our Exhibits D, E, F, G, I, J, K exactly matches Plaintiffs' final score on those corresponding Exhibits.
4. Our final score on Exhibit H was 47/48 points.
5. I, nor did any of the other Managing Members or Managers, edit, change, or alter in anyway the Exhibit H, The Walker Law Group, LLC drafted for our company.
6. Therefore, it is my company's opinion that our Exhibit H, should have received the exact same score as Plaintiffs' Exhibit H, a perfect score of 48/48 points.



Marc Pullins

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, CERTIFY THAT Marc Fullins personally known to me to be the same person(s), whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal
This 12 day of September, 2020.



Notary Public

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[Pritzker announces partial do-over of cannabis dispensary application process](#)

Tuesday, Sep 22, 2020

[Bumped up from late yesterday afternoon for visibility.]

* Press release...

Following a careful examination of the process to award the first round of conditional adult-use cannabis dispensary licenses after receiving feedback from community leaders and stakeholders, Governor JB Pritzker and the Illinois Department of Financial and Professional Regulation (IDFPR) announced additional steps to ensure the process moves forward in a fair and equitable manner. These steps will ensure applicants whose applications did not achieve the maximum score of 252 points will receive a supplemental deficiency notice and a score sheet identifying each exhibit to the application on which they lost points. After receiving the supplemental deficiency notice, applicants will have an opportunity to provide a response that amends the application exhibits or to ask IDFPR to conduct a rescore of their original application exhibits if they believe there was an error or an inconsistency in the scoring.

“As we worked with the General Assembly, equity and fairness have always been at the heart of our approach to legalizing cannabis, and when we heard significant concerns from numerous stakeholders about the process to award dispensary licenses, I said we needed to take a pause to fix their concerns, within the bounds of our landmark law,” said Governor JB Pritzker. “While this process remains a marathon and not a sprint, we believe that these new steps will inject more equity and fairness in the first round of license awards and provide insight as we improve the process for future rounds.”

The supplemental deficiency notices and score sheet will notify applicants which application exhibits did not receive a perfect score. For each exhibit, an applicant can either submit additional information, request a rescore of the exhibit, or do nothing and keep the original score on that exhibit.

- * [The money race](#)
- * [Millions being spent on cognitive dissonance](#)
- * [Frerichs cancels retirement tax presser](#)
- * [Gaming revenues took a tumble](#)
- * [St. Clair County thinks it's gaming the system](#)
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IDFPR will review all timely responses to the supplemental deficiency notices and will issue a final score for each application. The Department will then conduct the lottery for Conditional Licenses in accordance with its tiebreaker rules. The Department will provide detailed instructions for applicants, including all deadlines, in the coming weeks.

“The Pritzker administration continues to work towards creating the most equity-centric cannabis industry in the nation. From day one of the administration’s work with the legislature, equity has been at the center of this legislation from day one of negotiations as we worked to create a system that prioritizes social equity applicants and reinvests revenues in communities hardest hit by the war on drugs,” said Toi Hutchinson, Senior Advisor to the Governor on Cannabis Control. “Before awarding the next 110 dispensary licenses, as the statute requires, the State will conduct a disparity study to better understand how this new industry is working and correct any structural challenges to equity as we move forward in implementing the law.”

This supplemental process is designed to ensure the Cannabis Regulation and Tax Act is implemented in a fair and equity-centric manner as intended by both the administration and the General Assembly and will be conducted in accordance with the Act. Applicants will not be permitted to change the owners or ownership percentages identified on their original application in an attempt to qualify for social equity status, Illinois resident ownership status, or veteran ownership status if the original owner or group of majority owners on the application did not fall into those categories. The points allocated for these categories are outlined in the Act and, therefore, can only be changed through the legislative process.

Following the awarding of the first 75 licenses, the Act provides that IDFPR must conduct a disparity study, which will be a comprehensive evaluation of the adult-use cannabis market. Based on the results of that study, additional measures will be proposed to further improve equity and inclusion in the market. The administration has already suggested steps for the General Assembly to take to improve the process going forward, including providing that all applicants who meet or exceed a cut-off score will advance to the lottery and limiting the number of applications one entity can submit.

IDFPR received 2,588 cannabis dispensary applications from 937 applicants, more than double the number of dispensary applications

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that have been submitted to any other state awarding a limited number of dispensary licenses. The applications also far surpass the 221 applications submitted to the state for medical cannabis licenses in 2014. The vast increase in the number of applicants reflects the significant steps taken in the Act to ensure a wide variety of applicants were given an opportunity to participate in this new industry.

In 2019, Governor Pritzker signed the Cannabis Regulation and Tax Act into law, the most equity-centric cannabis legislation in the country. In addition to committing to conduct a disparity study, the administration offered lower application fees, low-interest loans, and informational workshops on cannabis-related licenses to social equity applicants. The administration remains committed to upholding the intent and language of the law and ensuring the cannabis industry is equitable for all Illinois residents, regardless of background.

Under this new law, 25% of revenues collected from recreational cannabis sales are being directed to communities that have been disproportionately impacted by the justice system through the Restore, Reinvest and Renew (R3) Program. The innovative R3 program recently announced \$31.5 million in grant opportunities to organizations working in historically underserved communities across Illinois.

Governor Pritzker is also working with State's Attorney Kim Foxx, the Prisoner Review Board, and state's attorneys across Illinois to expunge the records of non-violent offenders with a cannabis related conviction, with over 11,000 Illinoisans already seeing their records expunged.

For more information on the adult-use legal cannabis industry, go to <https://www2.illinois.gov/cannabis/Pages/default.aspx>.

- Posted by **Rich Miller**  

15 Comments »

1. - **AgentOrange - Monday, Sep 21, 20 @ 5:03 pm:**

Doesn't sound like the Gov's staff solved for the veteran points Easter egg conundrum. In order to receive a perfect score, an applicant has to be 51% owned by a veteran. The regs only allow a lottery to decide among tied scores. Since there are currently several perfect scores, the only applicants eligible for the lottery would, therefore, be any other groups that also have perfect scores.

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Sun-Times

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St. Rita's Kaleb Brown, Henry Wilson a bit hit with colleges

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