

## **Division of Cannabis Regulation**

### **Section for Compliance & Enforcement**

### **Instructions for Business Change Application; Full Asset Transfer (Licensee)**

Pursuant to 19 CSR 100-1.100(2) and 19 CSR 100-1.100(3), respectively, marijuana and medical facility licensees must apply for and obtain the department's approval before they may make any changes that would result in an overall change in financial or voting interests of fifty percent (50%) or more from the last approved ownership of the licensee, including a full asset transfer to a different entity. Such requests may only be submitted after the licensee has received approval to operate for a new license or certification.

#### **INSTRUCTIONS**

Licensees and transferees are required to complete the applicable Business Change Application Checklist. The transferee checklist and instructions can be found in the Full Asset transfer to a Different Entity (Transferee Checklist). A complete application, including payment of fees from both parties, must be received from the licensee and the transferee before the Division of Cannabis Regulation (DCR) will begin processing the applications.

The following must be submitted through the online registry portal for the business change application to be considered complete:

- the applicable Business Change Application Checklist;
- fee; and
- **all** documentation outlined on the checklist.

The documents and information outlined in the checklist are the minimum required to verify the proposed change complies with Article XIV and 19 CSR 100-1. Considering the uniqueness of each request, DCR cannot anticipate questions that might arise from the documentation submitted or the need for additional documentation. Pursuant to 19 CSR 100-1.030(2)(B)3, licensed or certified entities must provide documents or records requested as part of an inspection or investigation within seven (7) days of the department issuing the request unless additional time is requested and granted. A department request for documents or records made as part of reviewing an application submitted by a licensee, such as a business change application, shall be considered an inspection of records. Failure to timely provide requested documents or records may result in a fine of up to five thousand dollars (\$5,000) for every day the requested documents or records have not been provided after the deadline.

Failure to submit all checklist documentation and payment within this timeframe will result in denial of the business change application, and the licensee will be required to submit a new application for DCR to process the requested change. A new application fee will be required for applications denied for missing or incomplete documentation.

Business change applications will be approved if the request contains all documentation and fees required by 19 CSR 100-1.100, and the resulting change in ownership or ownership interests does not violate any provision of 19 CSR 100-1 or Article XIV. Pursuant to Article XIV, DCR may deny a transfer if not unreasonable under the circumstances (e.g.: the facility is suspended, under investigation, or there is litigation on ownership). If DCR determines that an applicant has provided false or misleading information in the application, the license/certification may be subject to penalties, up to revocation. If you have any questions about the documentation or information requested in the Business Change Application Checklist, please reach out to your license's assigned Business Licensing Services Specialist.

## Business Change Application Checklist — Full Asset Transfer (Licensee)

<b>Licensee Name</b>		<b>License Number</b>	
<b>Indicate License Type:</b>			
<input type="checkbox"/> Marijuana Facility License (includes comprehensive and microbusiness licenses as well as testing and transportation certifications) <input type="checkbox"/> Medical Facility License (licenses designated as medical only)			
<b>Verify</b>	<b>Department Requested Document</b>	<b>File Name</b>	
<input type="checkbox"/>	Application for Transfer of License submitted as a Business License Update in the Missouri Registry Portal;	Update Application ID will be assigned upon application submission	
<input type="checkbox"/>	<p>All current and proposed owners of the licensed entity and their proposed individual ownership percentage;</p> <p>A chart comparing the previously approved ownership percentages to the proposed ownership percentages;</p> <p><i>Complete the <b>Licensee Ownership Reporting Tool</b> to show current (as of the date of application) ownership, including all individual ownership percentages of the licensed entity.</i></p>		
<input type="checkbox"/>	<p>A visual representation of the licensee’s current (as of the date of application) ownership structure, including all entities;</p> <p><i>Organizational Chart</i></p>		
<input type="checkbox"/>	<p>Board resolution</p> <p><i>Must contain all pertinent stakeholder signatures according to business operating agreement, or shareholders’ consent according to bylaws, if applicable, confirming that all required parties consent to the proposed transaction;</i></p>		
<input type="checkbox"/>	Asset purchase agreement between licensee and transferee;		
<input type="checkbox"/>	Merger, sale, transfer, memorandum of understanding (MOU) or other like agreements between licensee and transferee;		
<input type="checkbox"/>	<p>Current operating agreement(s) with exhibit of members, or bylaws with capitalization schedule, for the licensed entity:</p> <p><i>Agreements provided should allow the Department to arrive at the same interest percentage stated on the Ownership Reporting Tool for each entity’s percent of economic and voting interest, as applicable to the license type;</i></p> <p><i>Include applicable agreements pertaining to interest purchase, sale, and/or transfer</i></p>		
<input type="checkbox"/>	Payment of the administrative and processing fee, which shall only be assessed once on multiple licensed entities with identical ownership making the same changes in ownership;	Payment is to be made through the registry system at time of application submission.	

<input type="checkbox"/>	Narrative description of request. <i>Detail all aspects of the proposed change</i>	
<input type="checkbox"/>	Completed Business Change Application Checklist.	