

Division of Cannabis Regulation

Section for Compliance & Enforcement

Instructions for Business Change Application; Full Asset Transfer (Transferee)

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 interest 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 licensee checklist and instructions can be found in the Full Asset transfer to a Different Entity (Licensee 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 via email to CannabisLicense@health.mo.gov 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 time frame 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.

Transferees may submit business change application documents via email to cannabislicense@health.mo.gov. If the transferee is unable to attach all documentation to email, alternate arrangements can be made upon request.

Payment can be remitted at <https://magic.collectorsolutions.com/magic-ui/Login/mo-health-senior-serv>, and a copy of the payment receipt must be provided with the business change application. The current fee schedule can be accessed at <https://health.mo.gov/safety/cannabis/fees.php>.

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 CannabisLicense@health.mo.gov.

Business Change Application Checklist— Full Asset Transfer (Transferee)

Licensee Name		License Number	
Indicate License Type:			
<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)			
Verify	Department Requested Document		File Name
<input type="checkbox"/>	Completed Transferee Application for Transfer of License;		
<input type="checkbox"/>	Completed Transferee Ownership Reporting Tool (ORT) identifying all proposed owner entities, and showing all individual ownership percentages, to satisfy 19 CSR 100-1.100(2)(C)1-2/19 CSR 100-1.100(3)(B)1-2 (as applicable). See detailed instructions within the ORT;		
<input type="checkbox"/>	A visual representation of the licensee’s proposed ownership structure, including all entities; <i>Organizational Chart</i>		
<input type="checkbox"/>	MICROBUSINESS LICENSEES Provide documentation sufficient to demonstrate eligibility for microbusiness facility ownership for all individuals whose interest will contribute to the majority interest, as provided in 19 CSR 100-1.060; <i>Upload eligibility documentation for each individual, for all criteria selected</i>		
<input type="checkbox"/>	Verification that the change will not result in any substantially common control, ownership, or management between a testing licensee and any other medical or marijuana licensee; <i>Complete the Common Control section of the Transferee Ownership Reporting Tool;</i>		
<input type="checkbox"/>	An attestation that all individuals subject to analysis for disqualifying felony offenses will submit fingerprints within two (2) weeks after the application submission, for a state and federal fingerprint-based criminal background check to be conducted by the Missouri State Highway Patrol;		

<input type="checkbox"/>	Any branding, management, consulting, or other agreements or contracts, between the transferee and any other entity, either assumed from the current owners or that will be in place after transfer. If no such agreements are in place, provide a statement to confirm;	
<input type="checkbox"/>	Proposed operating agreement(s), bylaws, and/or other documentation as applicable in support of the proposed ownership; <i>Documentation should be provided for the proposed licensed entity as well as for all parent, subsidiary, and affiliated entities, to include capitalization schedule or exhibit of members, with percentages</i> <i>Agreements provided should allow the Department to arrive at the same interest percentage stated on the Ownership Reporting Tool</i>	
<input type="checkbox"/>	Board resolution <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>	
<input type="checkbox"/>	Location lease agreement or proof of ownership;	
<input type="checkbox"/>	IRS documentation of EIN;	
<input type="checkbox"/>	Articles of Organization/Incorporation for transferee entity Fictitious Name Registration(s) <i>If the transferee identified fictitious (DBA) name(s) in their application, please provide documentation of the fictitious name registration(s).</i>	
<input type="checkbox"/>	Payment receipt for administrative and processing fee, which shall only be assessed once on multiple licensed entities with identical ownership making the same changes in ownership;	
<input type="checkbox"/>	Transferees of a Comprehensive license must provide a plan that explains how the applicant would serve both the medical and adult-use markets, while maintaining adequate supply at a reasonable cost to qualifying patients, and a plan to promote and encourage participation in the regulated marijuana industry by people from communities that have been disproportionately impacted by marijuana prohibition.	
<input type="checkbox"/>	Completed Business Change Application Checklist.	