



OFFICE OF
MEDICAL CANNABIS

**Application to Request Sale of
Cannabis Business License**

License No. _____

License
Category _____

County _____

Date _____

Instructions and Required Attachments

All information and documentation must be received **before** a request will be reviewed. The sale of a cannabis business license shall not occur unless and until the Office approves the sale in writing.

The Office will consider the initial license application requirements for a cannabis business contained in KRS Chapter 218B and 915 KAR 1:010, and any other factors that the Office deems relevant in making its determination on the request.

Request Approval or Denial: The Office will review the written request and notify the licensee in writing whether the proposed sale is approved or denied. The Office shall approve a licensee’s sale of a license if the proposed purchaser and any new location or facilities meet the requirements of KRS Chapter 218B and 915 KAR Chapter 1. The Office shall deny a licensee’s sale of a license to any proposed purchaser who currently holds a license in a different cannabis business category than that being offered for sale, except that a cultivator may sell its license to another licensed cultivator in the same or different cultivator tier. Cultivators may hold licenses in more than one (1) cultivator tier at any given time if each license contains a separate and distinct physical address where cultivator conducts licensed cannabis activities and the licensee is otherwise in compliance with the requirements of KRS Chapter 218B and 915 KAR Chapter 1.

Submit this completed application form (which includes the Proposed Purchaser Affidavit) along with all required documentation in one (1) compressed (zipped) file folder to: kymedcanreporting@ky.gov. Each individual document (including this completed form) contained in the compressed (zipped) file folder should be in a portable document format (PDF).

Section I. *Current Licensee Information*

This section is to be completed by the current licensee.

Individual or Entity Named on License: _____

Business Phone Number: _____ Business Email-Address: _____

Business Mailing Address: _____

Primary Contact Information

Legal Name: _____ Business Title/Role: _____

Phone Number: _____ Email-Address: _____

Section II. *Transaction Details*

This section is to be completed by the current licensee.

Sale Price: \$ _____

Closing Sale Date: _____

Reason(s) for requesting sale:

As part of the proposed sale process, you are required to **provide a transition plan for transferring the license from the current licensee to the proposed purchaser**. Please submit the transition plan in the manner instructed on Page 1.

Please check the box below to confirm that you are submitting the transition plan along with this application.

Transition Plan

Section III. *Proposed Purchaser Information*

This section is to be completed by the proposed purchaser.

Individual or Entity to be Named on License: _____

Does the proposed purchaser hold any type of cannabis business license issued by the Commonwealth? Yes No

If yes, please provide the following:

License No.: _____ License Category: _____

County: _____ Dispensary Region (if applicable): _____

Section IV. *Proposed Purchaser Eligibility*

This section is to be completed by the proposed purchaser.

All information and documentation required to be submitted by a proposed cannabis business as part of the initial license application process, including signed attestations from the proposed purchaser, must be provided to show that the proposed purchaser would be eligible for entry into a license lottery conducted according to 915 KAR Chapter 1.

A. General Information

Legal Business Name: _____ Type of Business: _____

Trade Name(s) (DBAs): _____

Federal Tax ID No.: _____ Kentucky Secretary of State Organization Number: _____

Business Website: _____ Business Email-Address: _____

Business Phone Number: _____ Do you have a management service agreement in place? Yes No

B. License Information

License Category: _____

C. Location Information for Cannabis Business Activities

Physical Business Address

Street: _____ Unit/Apt Number: _____

City: _____ ZIP: _____ County: _____ Region: _____

Location Latitude: _____ Location Longitude: _____

Business Mailing Address

Street: _____ Unit/Apt Number: _____

City: _____ ZIP: _____

Do you have an existing lease or deed for the site and location that you have identified for conducting cannabis business activities? Yes No

Are you entering into a Contingent Agreement to lease or purchase the property identified for cannabis business activities subject to receiving a license? Yes No

Are you located within 1,000 feet of the nearest property boundary line of a school or daycare? Yes No

D. Primary Contact Information

Legal Name: _____ Business Title/Role: _____

Phone Number: _____ Email-Address: _____

Street: _____ Unit/Apt. Number: _____

City: _____ State: _____ ZIP: _____

Did anyone assist with preparing this application? Yes No

If yes, please provide the information for the entity or individual below:

Legal Name: _____ Business Title/Role: _____

Phone Number: _____ Email-Address: _____

Street: _____ Unit/Apt. Number: _____

City: _____ State: _____ ZIP: _____

E. Individuals & Entities of Interest

The proposed purchaser must identify all individuals and entities that have at least 10% equity or similar interest in the proposed cannabis business as well as any Principal Officers, Board Members, and Financial Sources without an ownership interest, in addition to any physician or advanced practice registered nurse (APRN) that has an ownership or investment interest in or compensation agreement with the proposed cannabis business.

Please provide the following information for each individual or entity that meets the above criteria and submit the same along with this application in the manner described on Page 1.

Information Required for Individual Ownership

- Legal First and Last Name
- Phone Number (Home or Business)
- Phone Number (Cell)
- Driver's License/State ID Issuing State
- Driver's License/State ID Number
- Date of Birth
- Social Security Number (SSN)
- Role (indicate all that apply):
 - Owner
 - Financial Source
 - Principal Officer
 - Board Member
 - Physician or Advance Practice Registered Nurse (APRN)
- Email-Address
- Ownership Percentage of this Business Application
- Residence Address (Street, Unit/Apt Number, City, State, ZIP)
- Mailing Address (Street, Unit/Apt Number, City, State, ZIP)

Information Required for Entity Ownership

- Entity Name
- Business Name and Trade Name(s) or DBAs
- Entity Type
 - Sole Proprietorship
 - General Partnership
 - Limited Partnership
 - Limited Liability Partnership (LLP)
 - Limited Liability Limited Partnership (LLLLP)
 - Corporation
 - Nonprofit Corporation
 - Limited Liability Company (LLC)
 - Trust
 - Joint Venture
 - Tenants in Common
 - Municipality
 - Association
 - Other (Please Specify)
- Federal Tax ID Number (FEIN)
- Phone Number
- Role

- Indirect Owner
- Direct Owner
- Financial Backer
- Investor
- Email-Address
- Ownership Percentage of this Business Application
- Residence Address (Street, Unit/Apt Number, City, State, ZIP)
- Mailing Address (Street, Unit/Apt Number, City, State, ZIP)
- Entity's Primary Contact/Responsible Person
 - First and Last Name
 - Business Role/Title
 - Phone Number
 - Email-Address
 - Mailing Address (Street, Unit/Apt, City, State, ZIP)

F. Parent Company

Does a Parent Company have ownership or control in this cannabis business? Yes No

If yes, please provide the information outlined below for the parent company entity and any individuals with investment or ownership and submit the same along with this application in the manner described on Page 1.

If no, please skip this subsection and proceed to Subsection G of this application.

Parent Company Details

- Legal Entity Name
- Business Name and Trade Name(s) or DBAs
- Relationship/Title
 - Indirect Owner
 - Direct Owner
 - Financial Backer
 - Investor
- Email-Address
- Phone Number
- Federal Tax ID Number (FEIN)
- Ownership Percentage of this Business Application
- Parent Company Business Physical Address (Street, Unit/Apt, City, State, ZIP)
- Parent Company Mailing Address (Street, Unit/Apt, City, State, ZIP)
- Parent Company Individuals
 - First and Last Name
 - Relationship/Title
 - Owner
 - Officer
 - Board Member
 - Ownership Percentage of this Parent Company
 - Residential Address (Street, Unit/Apt, City, State, ZIP)

G. Attestations

1. Has any principal officer or board member of the proposed purchaser been convicted of a felony criminal offense?

Yes No

If yes, please download and complete the Disclosure of Criminal History Form available on the Office of Medical Cannabis website (<https://kymedcan.ky.gov>) and submit the same along with this application in the manner described on Page 1.

2. Have any of the proposed purchaser's board members managed or served on the board of a business or not-for-profit entity that was convicted, fined, censured, or had a registration or license suspended or revoked in any administrative or judicial proceeding?

Yes No

If yes, please provide a summary of any instances where the proposed purchaser's board member(s) previously served on a board for a business or not-for-profit that was convicted, fined, censured, or had a registration or license suspended or revoked in an administrative or judicial proceeding and submit the same along with this application in the manner described on Page 1.

3. Proposed purchaser attests that all physicians or advanced practice registered nurses that have any ownership or investment interest in or compensation agreement with the proposed purchaser's proposed cannabis business have been disclosed on the Individuals & Entities of Interest portion (Subsection E) of this application.

Yes No

4. Proposed purchaser attests that the site of its proposed cannabis business is not within one thousand (1,000) feet of an existing elementary or secondary school or a daycare center.

Yes No

5. Proposed purchaser attests that they can continuously maintain sufficient capital for operations of its cannabis business for, at a minimum, the term of the initial license.

Yes No

6. Proposed purchaser attests that they can continuously maintain effective security, surveillance, and accounting control measures to prevent diversion, abuse, and other illegal conduct regarding medicinal cannabis.

Yes No

7. Proposed purchaser consents to the Cabinet for Health and Family Services verifying information provided in this application with any relevant governmental agency or third party.

Yes No

8. If issued a license, the proposed purchaser attests that they will pay the applicable license fee within fifteen (15) calendar days of notification in a manner prescribed by the Cabinet for Health and Family Services.

Yes No

9. If issued a license, the proposed purchaser attests that they will conduct a criminal background check into the criminal history of each person seeking to be a principal officer, board member, agent, volunteer, or employee of the cannabis business before that person begins work and shall not employ, take on as a volunteer, or have as a board member, principal officer, or agent any person who was convicted of a disqualifying felony offense or is younger than twenty-one (21) years of age.

Yes No

10. Proposed purchaser attests that they obtain and maintain workers' compensation insurance for all employees in the state and will pay all required employer contributions to the Kentucky Office of Unemployment Insurance.

Yes No

11. Proposed purchaser attests that they will obtain and maintain commercial general liability insurance for \$1,000,000 per occurrence / \$2,000,000 per aggregate and commercial automobile insurance for any vehicle used to transport medicinal cannabis or medicinal cannabis products.

Yes No

12. Proposed purchaser attests that they will complete all trainings required by the Cabinet for Health and Family Services for the proposed cannabis business's principals, agents, employees, and volunteers as provided in KRS Chapter 218B and administrative regulations promulgated thereunder.

Yes No

13. Proposed purchaser attests that they will establish any standard operating procedures required by KRS Chapter 218B and administrative regulations promulgated thereunder prior to the first date of cannabis business activities in the state, including those specific to its cannabis business category. The standard operating procedures that apply to cannabis businesses include but are not limited to security; recordkeeping; employee qualifications, supervision, and training; quality assurance; adverse event reporting and recall; waste disposal and sanitation; transportation of medicinal cannabis; inventory management; cash management and anti-fraud procedures; and preventing unlawful diversion of medicinal cannabis.

Yes No

14. Proposed purchaser consents to sharing medicinal cannabis sales data with law enforcement.

Yes No

15. Proposed purchaser attests that they will use the state's designated electronic monitoring system and seed to sale tracking system in the manner prescribed by the Cabinet.

Yes No

16. Proposed purchaser attests and confirms that they have disclosed all individuals and entities with an ownership interest of at least 10% equity or similar interest in the proposed cannabis business as well as any parent company(ies) and parent company Individuals with an ownership interest in its proposed cannabis business.

Yes No

17. Proposed purchaser consents to reasonable inspections, examinations, searches, and seizures as contemplated by KRS Chapter 218B and applicable administrative regulations promulgated thereunder.

Yes No

18. Proposed purchaser attests that they will comply with all applicable laws and administrative regulations of the state regarding medicinal cannabis and cannabis businesses.

Yes No

19. Proposed purchaser swears and affirms that all information and documentation provided to the Cabinet for Health and Family Services with this initial license application is true and correct.

Yes No

20. Proposed purchaser understands and acknowledges that a false statement made in this application to the Cabinet for Health and Family Services is punishable under the applicable provisions of KRS 523.100.

Yes No

Signature of Proposed Purchaser

Date

Signature of Proposed Purchaser's
Authorized Representative (if applicable)

Date

H. Documents

Please submit the following documentation along with this application in the manner described on Page 1. All individual documents are to be submitted in PDF format, all in one (1) zip file folder, and sent via email to kymedcanreporting@ky.gov.

(*) Required Documentation Check the boxes below for all documentation submitted along with this application.

- Resumes or Curricula Vitae of Principal Officers and Board Members***
- Business Entity Formation Documents***
- Site Plan***
- Existing Lease or Deed or Contingent Agreement***
- Financial Plan***
- Ownership Organizational Structure Document***
- Summary of the Intended Plan of Operation***
- A Timeline Showing the Steps and Estimated Amount of Time the Proposed Purchaser will take to Begin Cannabis Business Activities in the State***
- Documentation of Sufficient Capital available***
- Description of the Duties, Responsibilities, and Roles of each Principal Officer, Board Member, Employee, and Any Other Individual or Entity with a Financial Interest in the Proposed Cannabis Business who are Not Involved in the Day-to-Day Operations of the Business***
- Summary of Prior Business Experience (if applicable)**
- Management Service Agreement (if applicable)**
- Felony Offense of Officers or Board Members Disclosure Form (if applicable)**
- History of Board Member Disciplinary Action (if applicable)**

Section V. *Acknowledgment and Signature of Current Licensee*

I hereby verify and affirm that I am an authorized representative of the Current Licensee and have been given authority to execute this written request on behalf of the Current Licensee. Further, I hereby verify and affirm that all information provided in and with this Application to Request Sale of Cannabis Business License is true and correct. I understand that if the Office of Medical Cannabis later determines any of the information provided in this Application to be false or misleading, the Office may suspend or revoke any cannabis business license issued to the Current Licensee. I further acknowledge that any false statement made to the Office is punishable under the applicable provisions of KRS 523.100.

Printed Name of Current Licensee's Authorized Representative

Signature of Current Licensee's Authorized Representative

Date

Section VI. *Proposed Purchaser Affidavit*

I, the undersigned Affiant, hereby verify and affirm that I am an authorized representative of the Proposed Purchaser and have been given authority to execute this Affidavit on behalf of the Proposed Purchaser. Further, I hereby verify and affirm on behalf of the Proposed Purchaser that all information and documentation provided along with this Application to Request Sale of Cannabis Business License is true and correct. I understand that if the Office of Medical Cannabis later determines any of the information provided in this Application to be false or misleading, the Office may suspend or revoke any cannabis business license issued to the Proposed Purchaser. I further acknowledge that any false statement made to the Office as part of the proposed sale process is punishable under the applicable provisions of KRS 523.100.

Affiant's Name (Please Print)

Affiant's Signature

Date

STATE OF _____ COUNTY OF _____.

The foregoing instrument was subscribed, acknowledged, and sworn to before me this _____ day of _____, 202__.

Notary Public, State at Large

My Commission Expires: _____