

Division of Cannabis Regulation

Section for Compliance & Enforcement

Instructions for Business Change Application; Full Asset Transfer

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. For the change application related to ownership to be considered complete, the checklist, fee and ***all*** documentation outlined on the checklist must be uploaded through the Missouri Registry Portal. 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, the department cannot anticipate questions that might arise from the documentation submitted or the need for additional documentation. Pursuant to 19 CSR 100-1.030, 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. In addition, failure to timely provide requested documents or records may result in a fine of up to five thousand (\$5,000) dollars for every day the requested documents or records have not been provided after the deadline. If documents are not submitted within the timeframe provided or found to be incomplete, the business change application may be denied. Licensees will be required to submit a new business change application and payment for applications that were previously denied for the department to process the business change application.

As a reminder, licensees may only submit business change applications as Business Updates through the Missouri Registry Portal, and the department will deny business change applications with missing or incomplete payments and documentation. Transferees may submit business change application documents via email at cannabislicense@health.mo.gov.

Both the Licensee and Transferee are to remit processing fees for Full Asset Transfer. Licensees and transferees can remit payment at <https://magic.collectorsolutions.com/magic-ui/Login/mo-health-senior-serv>, and provide a copy of their payment receipt with their 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 of the documentation, fees, and information required by 19 CSR 100-1, and the resulting change in ownership or ownership interests does not violate any provision of this chapter or Article XIV. If the department determines that an applicant has provided false or misleading information in the application, including applications for change, the license may be revoked or the department may impose other remedies not inconsistent with 19 CSR 100-1 or Article XIV. 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—Transferee

Verify	Department Requested Document	File Name*
	Transferee Application for Transfer of License;	
	<p>MARIJUANA LICENSEES (Includes Comprehensive licenses, as well as Testing, Transportation and Microbusiness Licenses): Completed 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. See detailed instructions within the ORT;</p>	
	<p>MARIJUANA LICENSEES (Includes Comprehensive licenses, as well as Testing, Transportation and Microbusiness Licenses): A visual representation of the licensee’s proposed ownership structure, including all owner entities;</p> <p><i>Organizational Chart</i></p>	
	<p>MEDICAL LICENSEES (Licenses designated as Medical only): Completed Ownership Reporting Tool (ORT) showing all proposed entities with any financial or voting interest in the licensed entity and their individual ownership percentage, to satisfy 19 CSR 100-1.100(3)(B)1-2. See detailed instructions within the ORT;</p>	
	<p>MEDICAL LICENSEES (Licenses designated as Medical only): A visual representation of the licensee’s proposed ownership structure, including all entities;</p> <p><i>Organizational Chart</i></p>	
	<p>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.</p> <p><i>Complete the Common Control section of the Ownership Reporting Tool to satisfy this requirement;</i></p>	
	<p>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;</p> <p><i>Licensee may draft an attestation to submit</i></p>	
	<p>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;</p>	

	<p>Proposed operating agreement(s), bylaws, and/or other documentation as applicable in support of the proposed ownership.</p> <p><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></p> <p><i>Agreements provided should allow the Department to arrive at the same interest percentage stated on the Ownership Reporting Tool as follows:</i></p> <p>Marijuana Facilities—for each owner entity’s percent of financial and voting interest.</p> <p>Medical Facility—for any entity with any percentage of financial and voting interest;</p>	
	<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>	
	<p>Location lease agreement or proof of ownership;</p>	
	<p>IRS documentation of EIN;</p>	
	<p>Completed Business Change Application Checklist.</p>	

* File names should be kept as short as possible, but provide some description of contents, using abbreviations where appropriate. ‘ORT- transferee proposed’ for Ownership Reporting Tool.