



CHANGE IN OWNERSHIP REQUEST (WITH COMPENSATION) FORM

This application is required for any change in equity or sale of a license issued under 4 Del. C. § 1372. A change in ownership includes full or partial change in ownership, or the sale or exchange of shares by stockholders at any amount.

LICENSEE INFORMATION

Entity Name:

Date of Request:

License Number:

License Status: Conditional Active

Date of Conditional/Active License:
(Most recently renewed date as applicable)

License Type:

- Cultivation Facility Testing Facility Microbusiness – Cultivation
 Retail Marijuana Store Product Manufacturing Facility Microbusiness – Manufacturing
 Social Equity Licensee (check if applicable)

Note: Pursuant to 4 Del. C. § 1366(c), a social equity license may not be transferred to any person who does not meet the criteria for issuance of a social equity license until at least three (3) years after the licensee is awarded an active social equity license.

Facility Address:

City: _____ State: DE Zip: _____

Contact Person for This Submission:

Phone: _____ Email: _____

CHANGE IN OWNERSHIP

Percentage of Ownership Changing:

List all options, warrants, or convertible debt instruments held by the transferee. Any instrument that allows for the future acquisition of equity must be disclosed now. Conversion of debt to equity is considered a 'Change in Ownership' and requires prior Commissioner approval and the applicable 15% transaction fee.

I acknowledge if there is a change in ownership or financial interest more than 10%, a fee of \$5,000 or 15% of the value of the transaction, whichever is higher, is required.

Transaction Value:

** The Commissioner reserves the right to request an independent valuation if the reported transaction value appears significantly below fair market value.*

Brief Description of Transaction:

New Owner(s): [Duplicate Page as needed for each new owner]

Full Legal Name:

Entity or Individual:

Entity Type (if applicable):

Ownership Percentage:

Voting Percentage:

Date Ownership Acquired:

Required Documentation:

- New Owner Application, including Entity & Individual Disclosure and Criminal Background
- Financial statement of the new owner(s)
- Personal financial statements of all individuals, partners, or stockholders holding 10% or more interest
- Copy of the agreement outlining terms of sale or exchange
- Any Management Consulting, or Intellectual Property agreement with the licensee. NOTE – The Commissioner reserves the right to deny any transfer where an external agreement results in “Effective Control” by an unlicensed entity.
- Documentation detailing interest and profit/loss distribution
- Updated Capitalization Table
- Updated Organizational Documents
- Provide a summary of all restrictive covenants in the financing agreement. Does the lender have veto power over daily operations, hiring/firing, or equipment purchases?
- List and explanation of any past or present civil litigation the new owner may have been involved in.
- **For Social Equity Licensees:** Any transfer of interest resulting from a loan default must be flagged. The Commissioner may require an independent audit to ensure the 'Value of Transaction' (for the 15% fee) reflects fair market value and not a forced-liquidation price.

CERTIFICATION & ACKNOWLEDGEMENT

Current Licensee Representative:

I hereby declare under penalty of perjury under the laws of the State of Delaware that the foregoing is true and correct. I understand that no transfer, ownership or financial interest change may be implemented without prior approval from the Commissioner.

Name: _____ **Title:** _____

Signature: _____ **Date:** _____

Proposed Owner:

I hereby declare under penalty of perjury under the laws of the State of Delaware that the foregoing is true and correct. I acknowledge the submission of this form and supporting documents for review and approval by the Commissioner. I agree to comply with all applicable Delaware laws and regulations governing marijuana establishments.

Name: _____ **Title:** _____

Signature: _____ **Date:** _____

OFFICE USE ONLY

Date Received:

Complete Incomplete

Initial Review Completed:

Commissioner's Determination:

Approved Denied

_____ **Date of Decision:**

Commissioner, Joshua A. Sanderlin

Notes:

ENTITY & INDIVIDUAL DISCLOSURE

An asterisk () indicates mandatory fields.*

Applicant entity background information

Name of applicant entity or individual:

Doing business as (d/b/a) or trade name(s):

Race/Ethnicity:

- White
- Black
- Hispanic
- Asian
- Pacific Islander
- Other:

Incorporation

* Business Name as it appears on Formation Documents

* Place of incorporation or Other Type of Formation

Date of formation

Business Compliance

Is the applicant registered to do business in DE?

If Yes, Provide the Business ID from the DE Dept of Revenue

Incorporation/Founders

* Provide the applicant's incorporators/founders. Put N/A if not applicable.

Other Names in which the Applicant Entity or Individual has Done Business (If Applicable)

* List all other names in which the applicant has done business and give the approximate time periods during which these names were being used. (note: if a sole proprietorship, provide the appropriate information.) Put N/A if not applicable.

All Business Operated by the Applicant Entity (If Applicable)

* Provide a description of all businesses presently operated or intended to be operated by the applicant and all former businesses operated by the applicant in the past 10 years. Type N/A if not applicable.

All Holdings, Intermediaries, Subsidiaries, Affiliates

* List the names used in the last 10 years, the form of organization and a description of the business performed by all holdings, intermediaries, subsidiaries, affiliates, and any other similar business entities of the applicant. Type N/A if not applicable.

* List all addresses used in the last 10 years, the form of organization and a description of the business performed by all holding, intermediary, subsidiary, affiliate, and other similar business entity of the applicant. Type N/A if not applicable.

Stock Description (Corporations- C & S; LLC's)

* Provide the nature, type, and number of authorized and issued shares. Provide the terms, conditions, rights, and privileges of all classes of voting, non-voting and other stocks issued or to be issued by the applicant or a holding, intermediary, subsidiary, affiliate and any other type similar business entity of applicants. This should include the number of shares of each class of stock authorized or to be authorized and the number of shares of each class of stock outstanding as of this date. If the right of holders of any class of stock may be modified by less than a majority or more of outstanding shares of the class affected, voting as a class, please state which class and explain briefly.

* Stock Types/Classes

- a. stock type /classes
- b. Number of shares authorized
- c. Number of shares issued
- d. Number of shares outstanding
- e. Voting/Non voting
- f. Terms, conditions, rights etc

Is any right of a shareholder able to be modified by less than a majority vote of a particular class?

* If so, explain right of shareholder

Extent and Holder of Long-Term Debt

* List the holder(s) and describe the nature, type, terms, covenants, conditions and priorities of all outstanding bonds, loans, mortgages, trust deeds, notes, debentures or other forms of indebtedness issued or executed (including loans made by shareholders), or to be issued or executed, by the applicant and the holding, intermediary, subsidiary, affiliate and any other type similar business entity of applicants, which mature more than 1 year from the date of issuance or which, by their terms, are renewable for a period of more than 1 year from the date of issuance.

Holder and Type of Other Indebtedness and Security Devices

* Identify the holder(s) and describe the nature, type, terms, conditions and covenants of all outstanding loans, mortgages, trust deeds, pledges, lines of credit, or other evidence of indebtedness or security devices utilized by the applicant other than those described in response to exhibit 8 for applicant and the holding, intermediary, subsidiary, affiliates, and any other similar business entity of applicants.

Securities options – Description

* Provide detailed description of any options existing or to be created with respect to securities issued by the applicant which description shall include, but not be limited to the title and amount of securities subject to option, the year or years during which the options were or will be granted, the conditions under which the options were or will be granted, the consideration for granting the option and the year or years during which, and the terms under which, optioned became or will become, entitled to exercise the options, and when such options expire.

Financial Institutions

* Provide information with respect to each bank, savings and loan association or other financial institution, whether domestic or foreign, in which the applicant has or has had an account over the last ten (10) year period regardless of whether such account was held in the name of the applicant, a nominee of the applicant or was otherwise under the direct or indirect control of the applicant.

Contracts or Agreements (If Applicable)

* Provide information with respect to all contracts or agreements, written or oral, that the applicant has entered into. This includes all contracts or agreements of \$100,000 or more in value or from whom the corporation has received \$100,000 or more in goods or services in the past six months. Contracts or agreements already furnished as part of this application do not need to be provided. If this does not apply to your business, please enter N/A.

Existing and Past litigation (If Applicable)

* Describe all existing civil litigation or any settled or closed legal action over the past 3 years to which the applicant, its parent, affiliate, holding or any subsidiary is or was a party whether in this state or in another jurisdiction. This description must include the title and docket number of the litigation, the name and location of the court before which it is pending, the identity of all parties to the general nature of all claims being made and the nature of any judgements. List most recent litigation first. If this does not apply to your business, please enter N/A.

Bankruptcy or Insolvency Proceedings (If Applicable)

* Has the applicant, or any affiliate, intermediary, subsidiary or holding company had any petition under any provision of the federal bankruptcy code or under any state insolvency law filed by or against it in the last 10 year period? If yes, detail below. If this does not apply to your business, please enter N/A.

* Has the applicant, or any affiliate, intermediary, subsidiary or holding company had any petition under any provision of the federal bankruptcy code or under any state insolvency law in the last 10 year period? If yes, detail below. If this does not apply to your business, please enter N/A.

* Has any receiver, fiscal agent, trustee, reorganization trustee, or similar officer been appointed in the last 10 year period by a court for the business or property of the applicant, or any affiliate, intermediary, subsidiary or holding companies? If yes, detail below. If this does not apply to your business, please enter N/A.

Licenses (If Applicable)

* Has the applicant, or any affiliate, intermediary, subsidiary or holding company ever applied in any jurisdiction, including but not limited to, any federal, state, local or native American governments for a license, permit, or other authorization to participate in lawful growing, processing and dispensary operations, etc.? If this does not apply to your business, please enter N/A.

* Has the applicant, or any affiliate, intermediary, subsidiary or holding company ever had any license application, license, permit, or other authorization issued by a government agency in this state or any other jurisdiction denied, suspended, or revoked in last ten-year period? If yes, detail below. If this does not apply to your business, please enter N/A.

LLC Information:

[Only applicable for Applicant with Business Type - Limited Liability Companies (LLC)]

*** Principal First Name:**

*** Principal Last Name:**

*** Principal SSN:**

*** Principal Birthdate:**

*** Principal Email:**

*** Principal Phone [Format: 0123456789]:**

*** Principal Address Line 1:**

Principal Address Line 2:

*** Principal City:**

*** Principal State:**

*** Principal Zip:**

Principal Role:

Prior to using the Identogo service code listed on the following page for the fingerprinting and criminal background investigation of any proposed new owner, please submit this completed form to the Office of the Marijuana Commissioner at OMC@delaware.gov.



Service Name: Recreational Marijuana Licensee

To Schedule your ten-minute fingerprint appointment, simply visit <https://uenroll.identogo.com> and enter the following Service Code

27S88B

*Service Code is unique to your hiring/licensing agency. **Do not use this code for another purpose.***
This Service Code requires a State and Federal Background Check. The total fee is \$85.

Please bring one of the identification documents from the list below to your enrollment appointment. Identification must be valid, not expired, and contain a photograph of the applicant.

- Driver's License issued by a State or outlying possession of the U.S.
- Driver's License PERMIT issued by a State or outlying possession of the U.S.
- Driver's License PAPER/TEMPORARY issued by a State or outlying possession of the U.S.
- Enhanced Driver's License (EDL)
- Commercial Driver's License issued by a State or outlying possession of the U.S.
- Commercial Driver's License PERMIT issued by a State or outlying possession of the U.S.
- ID card issued by a federal, state, or local government agency or by a Territory of the United States
- Enhanced Tribal Identification Card (for federally recognized U.S. tribes)
- Department of Defense Common Access Card
- Uniformed Services Identification Card (Form DD-1172-2)
- U.S. Military Identification Card
- U.S. Coastguard Merchant Mariner Card
- Military Dependent's Identification Card
- U.S. Passport
- Foreign passport
- Permanent Resident Card or Alien Registration Receipt Card (Form I-551)
- Employment Authorization Card/Document (I-766) that contains a photograph
- Canadian Driver's License
- Foreign Driver's License (Mexico and Canada Only)
- U.S. Visa issued by the U.S. Department of Consular Affairs for travel to or within, or residence within, the United States

Name Linking Documents (only needed if name on identification does not match name in registration):

- Original or Certified Copy of a Court Ordered Name Change Document (to include marriage certificates and divorce decrees)

 Don't have access to the Internet? You can still schedule an appointment by calling **866.761.8069**.