



Cannabis Business Assistance Fund Small Business Grant Application Medical Cannabis License Conversion Fee Assistance

NOTE: Grants are TAXABLE. Please consult your tax advisor prior to submitting your application

The Cannabis Business Assistance Fund (CBAF) is a financing resource operated by the Department of Commerce, to provide grants and loans for small businesses, including small, minority-owned and small women-owned businesses entering the adult-use cannabis industry.

The Medical Cannabis License Conversion Fee Assistance grant, part of the CBAF program, is available to all qualifying medical-use cannabis license holders who intend to convert their license pursuant to the new Maryland cannabis regulations. To qualify for a License Conversion Fee grant, a license holder must meet the following criteria:

- Small Business Qualification - Applicants must be a small business, defined as an existing license holder with 0-50 employees per license as of May 1, 2023; and
- Personal Net Worth Qualification - The business must be at least 51% owned by individuals whose personal net worth does not exceed \$1.7 million. For the purposes of this program, net worth is defined as: the value of the assets of an individual remaining after total liabilities are deducted including the individual's assets held jointly or as community property with the individual's spouse. Net worth does not include:
 - The individual's ownership interest in the applicant
 - The individual's equity in the individual's primary place or residence; or
 - The cash value of any qualified retirement savings plans or individual retirement accounts.

Applications submitted by those who qualify under the following categories will be prioritized for funding:

- A Primary Owner is a member of a population that was disproportionately impacted by the criminalization of cannabis.
- A Primary Owner that has been convicted of a cannabis-related offense.
- A Social Equity Licensee, defined as a grower, processor or dispensary that held a Stage One pre-approval for a license on or before October 1, 2022, but was not operational before October 1, 2022.

Applications will be accepted on a rolling basis beginning June 1, 2023. **The deadline to apply for a License Conversion Fee grant will be June 30, 2023.**

READ CAREFULLY: Please complete all fields and provide accompanying information for your application to be processed. By completing this application, you certify that the statements and answers within are true and accurate to the best of your knowledge and that you are authorized to apply for this program on behalf of yourself or the applicant.

Please contact the Cannabis Business Assistance Fund Program at cannabis.financing@maryland.gov with questions regarding these application requirements.

1. Applicant Information

Full Legal Name of Applicant: _____

Company Name: _____ (as registered with State)

Mailing Address: _____

City, State, Zip: _____

Business Phone: _____

Business Email Address (if applicable): _____

Federal Employee Identification Number: _____

Unemployment Insurance Number (if applicable): _____

NAICS Code (if applicable): _____

Contact Person: Please provide the primary contact information for this application.

Name: _____ Title: _____

Preferred Phone Number: _____ Preferred E-mail: _____

Alternate Contact Person: Please provide an alternate contact for this application.

Name: _____ Title: _____

Preferred Phone Number: _____ Email: _____

Grant Agreements for approved applicants will be sent for signature via DocuSign. Please provide the correct email address for the agreement to be emailed to for signature: _____

2. Legal Form of Business

- Non-Profit Sole Proprietorship General Partnership S Corporation
- C Corporation Joint Venture Limited Partnership LLP
- LLC

When was the business established? _____
MM/DD/YYYY

State of incorporation: _____

If other than Maryland, date Qualified/Registered to do Business in MD: _____

Other locations: _____

3. Qualifications

NOTE: A response to all questions below is required to qualify for a Grant from the Fund

Does the business qualify as a Small Business? For the purposes of the grant, a small business is defined as a license holder with 0-50 employees as of May 1, 2023.

- Yes
- No

Number of employees per license as of May 1, 2023:

- Grower _____
- Processor _____
- Dispensary _____

Personal Net Worth Qualification - To qualify for funding from the CBAF program, the business must be at least 51% owned by individuals whose personal net worth does not exceed \$1.7 million. Please provide a list of owners who meet this qualification and the percentage of ownership for each of those qualifying individuals. Each of those individuals are required to submit a Schedule of Personal Net Worth with this application. The Statement of Personal Net Worth form can be downloaded from the CBAF website at

<https://commerce.maryland.gov/fund/programs-for-businesses/cannabis-business-assistance-fund>.

Name	_____	_____	%
Name	_____	_____	%
Name	_____	_____	%
Name	_____	_____	%
Name	_____	_____	%

For the purposes of this program, net worth is defined as: the value of the assets of an individual remaining after total liabilities are deducted including the individual's assets held jointly or as community property with the individual's spouse. Net worth does not include:

- The individual's ownership interest in the applicant
- The individual's equity in the individual's primary place or residence; or
- The cash value of any qualified retirement savings plans or individual retirement accounts.

Note: The individuals identified above as owning 51% or more of the business are referred to elsewhere in this Application as the "Primary Owners".

Are you applying as a prioritized applicant under the categories listed below?

- Yes
- No

If yes, please attach evidence that you qualify as follows: (check all that apply)

- A. Are any of the Primary Owners a member of a population that was disproportionately impacted by the criminalization of cannabis: demonstrated by current addresses of Primary Owners. Please provide the relevant information for the Primary Owners addresses and the Department will determine whether those addresses qualify as disproportionately impacted.
- Yes
 - No
- B. Have any of the Primary Owners been convicted of a cannabis-related offense - NOTE - This information is being requested for prioritization purposes only, being convicted of a cannabis-related offense will not result in ineligibility for funding. This information will be kept confidential.
- Yes
 - No
- C. A Social Equity Licensee, defined as a grower, processor or dispensary that held a Stage One pre-approval for a license on or before October 1, 2022, but was not operational before October 1, 2022.
- Yes
 - No

What type/how many medical cannabis license(s) are you planning to convert to an adult-use license? Check all that apply.

- Grower _____
- Processor _____
- Dispensary _____

You MUST INCLUDE A COPY OF EACH LICENSE you are converting with your application.

4. Required Documents

- Schedule of Personal Net Worth
- W9
- Copy of existing medical-use license(s)
- Evidence of Good Standing with the State - Good Standing can be determined at <https://egov.maryland.gov/BusinessExpress/EntitySearch>. A screenshot of the results will suffice, a formal certificate of good standing is not required

5. Application Affidavit

A. **AUTHORIZED REPRESENTATIVE: I HEREBY AFFIRM THAT** I am the _____ (title) and the duly authorized representative of _____ (name of recipient) and that I possess the legal authority to make this Affidavit on behalf of myself and the business for which I am acting.

B. **CERTIFICATION OF CORPORATION REGISTRATION AND TAX PAYMENT: I FURTHER AFFIRM THAT:**

- (1) The business named above is a [] formed in [Maryland] [(other state: _____)] and registered in accordance with the Corporations and Associations Article, Annotated Code of Maryland, and that it is in good standing and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation, and that the name and address of its resident agent filed with the State Department of Assessments and Taxation is:

Name: (If not a corporation, state so) _____

Address: _____

- (2) Except as validly contested, the business has paid, or has arranged for payment of, all taxes due all government entities including the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, the Department of Labor, and all other taxing authorities, as applicable, and will have paid all withholding taxes due to the State of Maryland and all other government entities prior to final settlement.

C. **AFFIRMATION REGARDING BRIBERY CONVICTIONS: I FURTHER AFFIRM THAT** neither I, nor to the best of my knowledge, information, and belief, the above business, (as is defined in §16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), nor any of its officers, directors, or partners, nor any of its employees directly involved in obtaining or performing contracts with the public bodies (as is defined in §16101(f) of the State Finance and Procurement Article of the Annotated Code of Maryland), has been convicted of, or has had probation before judgment imposed pursuant to Article 27, §641 of the Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to

bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows [indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved, and their current positions and responsibilities with the business]:

D. **AFFIRMATION REGARDING OTHER CONVICTIONS: I FURTHER AFFIRM THAT** neither I, nor to the best of my knowledge, information, and belief, the above business, nor any of its officers, directors, or partners, nor any of its employees directly involved in obtaining or performing contracts with public bodies, has:

- (a) been convicted under the state or federal statute of a criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract, fraud, embezzlement, theft, forgery, falsification or destruction of records, or receiving stolen property;
- (b) been convicted of any criminal violation of a state or federal antitrust statute;
- (c) been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §§1341, et seq., or Mail Fraud Act, 18 U.S.C. §§1341, et seq., for acts arising out of the submission of bids or proposals for a public or private contract;
- (d) been convicted of a violation of the State Minority Business Enterprise Law, Section 14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;
- (e) been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsection (a), (b), (c), or (d) above;
- (f) been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract;
- (g) admitted in writing or under oath, during the course of an official investigation or other proceeding, acts or omissions that would constitute grounds for conviction or liability under any law or statute described above, **except as follows** [indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment]:

DI. **AFFIRMATION REGARDING DEBARMENT: I FURTHER AFFIRM THAT** neither I, nor to the best of my knowledge, information, and belief, the above business, nor any of its officers, directors, or partners, nor any of its employees directly involved in obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, **except as follows** [list each debarment or suspension providing the date of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds for the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds for the debarment or suspension]: .

DII. **AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES: I FURTHER AFFIRM THAT:**

- (1) The business was not established to, nor does it operate in a manner designed to, evade the application of or defeat the purpose of debarment pursuant to §§16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and
- (2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows [indicate the reasons(s) why the affirmations cannot be given without qualification]:

DIII. **SUB-CONTRACT AFFIRMATION: I FURTHER AFFIRM THAT** neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the

Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. **ACKNOWLEDGMENT: I ACKNOWLEDGE THAT** this Affidavit is to be furnished to the Department of Commerce and may be distributed to units and agents of (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states and their subdivisions; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any agreement resulting from the submission of this application shall be construed to supersede, amend, modify, or waive, on behalf of the State of Maryland, or any unit or agent of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the proposed contract, and (3) other Affidavits comprising part of the proposed contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

(Name)

By: _____
(Authorized Representative and Affiant)

Name:

Title:

Date:

6. Agreements and Certifications

In Accordance with Executive Order 01.01.1983.18 the Department of Commerce advises you as follows regarding the collection of personal information:

Certain personal information requested by the Department of Commerce or its Agents is necessary in determining your eligibility. Failure to disclose this information may result in the denial of these benefits or services. Availability of this information for public inspection is governed by the provisions of the Maryland Public Information Act, General Provisions Article, Title 4 the Annotated Code of Maryland. This information will be disclosed to appropriate staff of the Department, or to public officials, auditors of the Department's affairs and reinsurance companies for purposes directly connected with approval of the proposed financing and administration of the program for which its use is intended. Such information is routinely shared with State, federal or local government agencies. Information regarding job creation and retention may be shared with the public. You have the right to inspect, amend or correct personal records in accordance with the Maryland Public Information Act.

Certification: All information in this application and in the attached exhibits, attachments, and addendums is true and complete to the best of my/our knowledge, information, and belief. I/We agree to pay for the cost of any surveys, title or mortgage examinations, credit reports, lien searches, appraisals etc. that are necessary for consideration of this application. Further, I/we agree not to engage in employment practices which deny equal employment rights to persons by reason of (i) political or religious opinion or affiliation, marital status, race, color, creed or national origin; (ii) sex or age, except when sex or age constitutes a bona fide occupational qualification; or (iii) physical or mental disability of a qualified individual with a disability. I/we agree to comply with the State's policy on maintaining a drug and alcohol free workplace. I hereby authorize all involved in the financing of this project to exchange freely without further authorization and consent, any and all financial information and reports provided in connection with this application and the processing of this loan request.

Applicant's Correct Legal Name: _____

Authorized By (Signature): _____

Name and Title: _____

Date: _____

7. Electronic Compliance Notification

Participation in electronic notification is voluntary and can be withdrawn at any time. However, in order to move forward with receiving billing invoices and other compliance notifications electronically, please check either the opt in or opt out box below:

Opt In: By checking this box, the Applicant is providing affirmative consent to the electronic delivery of invoicing and compliance notifications and to suspension of mailed paper copies of invoices and compliance notifications. The Applicant is further confirming that the Applicant is able to access, retain and print the invoices and compliance notifications electronically. The Department of Commerce ("Commerce") reserves the right to terminate the use of electronic invoicing and compliance notification, and return to hard copy invoicing and compliance notification, at its sole discretion.

Opt Out: By checking this box, the Applicant does not wish to receive electronic invoices or compliance notifications.

How to Withdraw Electronic Contact Consent: The Applicant may withdraw consent by contacting Commerce at 410-767-1627, cannabis.financing@maryland.gov or Department of Commerce, 401 E. Pratt Street, 17th Floor, Baltimore, MD 21202. At its option, Commerce may discontinue electronic delivery of invoices or compliance notifications if an email Commerce sends is returned undeliverable and Commerce does not receive an updated and verified email address within thirty (30) days, or if Commerce cannot otherwise reach the Applicant at the email address provided. Withdrawal of consent will be effective only after Commerce has a reasonable period of time to process the request, after which future invoices or compliance notifications will be provided or made available in paper form.

Commerce will provide confirmation of the Applicant's withdrawal of consent and the date on which it takes effect to the email address the Applicant has provided or, if no email address is available, in paper form to the mailing address on the Applicant's account.

How to Update Electronic Contact Information: In the event the Applicant opts to receive electronic invoices and compliance notifications, it is the Applicant's responsibility to provide Commerce with an accurate email address. The Applicant may update electronic contact information by contacting Commerce by telephone at 410-767-1627 or by email at cannabis.financing@maryland.gov. Commerce will notify the Applicant of any change to the electronic contact information Commerce has on file. By opting to receive electronic invoices and compliance notifications, the Applicant understands and agrees that if Commerce sends an invoice or compliance notification to the Applicant electronically and the Applicant does not receive the invoice or compliance notification because (1) the Applicant's electronic contact information on file with Commerce is incorrect or out of date, (2) the email is blocked by the Applicant's service provider, or (3) the Applicant is otherwise unable to receive electronic communications, the electronic invoice or compliance notification will be deemed to have been delivered by Commerce and the Applicant will still be liable for the electronic invoice or compliance notification.

Statistical Data Collection Form

This form is for gathering statistical data only. This form will be separated from the application and the information provided in it will not be a part of the application approval process. ***Furnishing this information is voluntary***; failure to do so will have no effect on the approval of the requested financial assistance.

If the applicant will be providing the requested financial assistance to another recipient (e.g. a facility user or borrower), "Respondent" should be the recipient of the financial assistance.

Is Respondent the:

- Applicant
- and/or Recipient (or Facility User)
- Respondent does not wish to furnish this information

Respondent is:

- A business organization
- An individual
- Publicly held entity or other organization not classifiable as owned by individuals of a particular gender, race, ethnicity, or veteran status.

If Respondent is a business owned and controlled primarily by individuals who are identified in any of the following categories, please check all the categories that apply:

- Female
- Of Hispanic or Latino origin
- American Indian or Alaska Native
- Asian
- Black or African American
- Native Hawaiian or other Pacific Islander
- White
- Veteran

Is the Applicant a State/Federal/Other certified Minority Business Enterprise?

- Yes No