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MEDICAL CANNABIS PILOT PROGRAM TOWN HALL MEETING

Report of proceedings had at the Medical Cannabis Program Town Hall Meeting, held at 5500 North St. Louis Avenue, Alumni Hall North, Chicago, Illinois, on the 20th day of August, A.D., 2014, commencing at the hour of 10:15 a.m.

PANEL:

MR. BOB MORGAN, Illinois Department of Public Health
MS. LAURA SHERMAN OBERDORF, Illinois Department of Public Health

MR. TYLER ANTHONY, Legal counsel for Illinois Medical Cannabis Pilot Program

MR. RAY WATSON, Illinois Department of Agriculture, general counsel

MS. BRIDGET CARLSON, Illinois Department of Financial and Professional Regulation

1 MR. MORGAN: Good morning. Good morning,
2 everyone. We're starting a few minutes late. There
3 are still some people filtering in so thanks for your
4 patience.

5 Good morning. My name is Bob Morgan. I'm
6 the statewide project coordinator for the Medical
7 Cannabis Program, and it's a pleasure to be here with
8 you today.

9 This is our third town hall meeting of three
10 that we've planned. This is our third and final. We
11 had one previously in Collinsville, and one a couple
12 days ago in Peoria. A couple of you guys were there
13 and many of you were not. So thanks so much for coming
14 out.

15 The mission of today is to gather as much
16 feedback and comments and questions and changes from
17 you.

18 As you all know this has been a long road.
19 We have had a number of public hearings, town halls,
20 online feedback that we've received from all of you and
21 many more things to do to improve the program which
22 really drove the rule making, drove the applications,
23 drove the process.

24 We are preparing, of course, for
25 September 2nd through the end of October for patients

1 with the last name A through L to start applying. So
2 we're very excited as that period of time approaches.
3 So we're really focused on that as well as the 8th
4 through 22nd time frame that we're expecting for
5 applications for cultivation centers and dispensaries.

6 There are going to be some questions that
7 are repetitive. There are going to be questions --
8 things we never thought about. We're going to reserve
9 the right to pass and say we'll get back to you. I'd
10 really consider some of the questions that you ask and
11 suggestions you make today. We're doing our best to
12 respond to all of the comments as quickly as we can.

13 We're going to try and get our frequently
14 asked questions updated at the end of this week. We
15 will also be looking to have a transcript of the last
16 three town halls made available online so anybody that
17 was not at those previous town halls has a chance to
18 read through those.

19 Most importantly, everybody at this table
20 has been working really hard on this program, but it
21 wouldn't be where it is today if it had not been for
22 the public comments that we've received. We've done
23 everything we can think of to be as transparent and
24 open as possible so that we can improve the program.
25 We're maintaining the focus on the patients; that this

1 is all about helping people to improve their lives
2 suffer less, have less pain, less nausea, and overall
3 better experiences and outcomes. So that's really what
4 we're all focused on here today.

5 There will be some things -- Laura is going
6 to give a little bit more specific instructions, but
7 one thing we ask for at the last hearing and it worked
8 really well anybody who already had the opportunity to
9 ask a question either at Collinsville or Peoria I'll
10 ask that you pass. You don't have to, but we'd really
11 appreciate it just to make sure that we give everyone a
12 chance to ask a question if they have not previously.

13 And then we're going to talk a little bit
14 more about the specifics, but again thank you for
15 coming. We appreciate everyone's support and input as
16 we develop the program.

17 MS. SHERMAN OBERDORFF: Good morning, everyone.
18 Thank you for being here today. My name is Laura
19 Sherman Oberdorf, and I'm the division chief for
20 medical cannabis at the Illinois Department of Public
21 Health.

22 As you all walked in you should have seen
23 the sign-in sheets. In addition to that there's a
24 one-page handout and what that does is describes the
25 rules for how we're going to conduct today's meeting.

1 I just want to draw your attention to a few things
2 before we get started to make sure our meeting runs
3 smoothly.

4 For today's meeting what we're going to do
5 is take questions for two hours, and then we will take
6 a break. After that we will have one more hour to
7 answer questions.

8 Just as a reminder there are already some
9 frequently asked questions on our website
10 www.mcpp.illinois.gov. We're really here today just to
11 focus on the applications and the application process.
12 We will not be taking any comments about changes to the
13 statute. That's something that will need to be handled
14 by the legislature and not us.

15 So just as a reminder you need to sign in to
16 speak. If you decide you would like to ask a question
17 during the meeting you may go over to the table and do
18 so. After you're recognized to come up and speak you
19 can go to one of two microphones. We're going to ask
20 everybody to state and spell their first and last names
21 and then after that we will let you ask your questions.
22 We're being very strict about the time limit of three
23 minutes per person and that's because there are a lot
24 of people signed up and we want to hear from as many
25 people as we possibly can.

1 When you come up to ask your question we
2 want to make sure that if you're from an organization
3 we are only hearing from one spokesperson. We want to
4 make sure we hear everyone.

5 Also, if you have a question and it pertains
6 directly to the statute or administrative rules we want
7 you to have a specific citation ready, if possible;
8 that will help us better answer your question, and it
9 will also help us better answer your question if you
10 direct it to a specific agency. So for patients and
11 caregivers, Department of Public Health; cultivation
12 centers, Department of Agriculture; and dispensaries,
13 Department of Financial and Professional Regulation.

14 Lastly, we're just going to ask that
15 everyone to do their best to remain quiet. If at any
16 time you can't hear somebody, please, raise your hand
17 and we'll either repeat a question or turn up the
18 microphones.

19 And with that we'll let the rest of the
20 panelists introduce themselves.

21 MR. ANTHONY: Good morning. I am Tyler Anthony.
22 I'm legal counsel for the Medical Cannabis Pilot
23 Program.

24 MS. SHERMAN OBERDORFF OBERDORF: Once again I'm
25 Laura Sherman Oberdorff, the Division Chief of Medical

1 Cannabis for the Illinois Department of Public Health,
2 and we will be handling the applications for qualifying
3 patients and their designated caregivers and also the
4 medical cannabis advisory board and petitions to add
5 debilitating medical conditions.

6 MR. WATSON: Good morning. My name is Ray Watson.
7 I'm the general counsel for the Illinois Department of
8 Agriculture, and we will be granting permits for the
9 cultivation centers and regulating them.

10 Thank you.

11 MS. CARLSON: Good morning, everybody. My name is
12 Bridget Carlson. I'm the deputy director of medical
13 cannabis for the Department of Financial and
14 Professional Regulation. We will be accepting
15 applications, reviewing them for dispensaries, and
16 issuing the registration and regulating them.

17 MR. MORGAN: And again my name is Bob Morgan. I'm
18 the project coordinator for Cannabis Pilot Program as
19 well as general counsel for the Department of Public
20 Health.

21 One additional thing we haven't covered
22 much, as Laura mentioned, the advisory board for
23 Department of Public Health for consideration of adding
24 additional medical conditions. If you have any
25 interest or know people that are interested we're

1 receiving applications right now at
2 appointments.illinois.gov. You'll find a link there
3 for applications for people that are interested in
4 participating. We welcome those petitions. We're
5 going to be attempting to have that board locked in
6 some time later in the fall so if you are interested
7 please do apply and pass that along.

8 MR. ANTHONY: All right. I'm going to apologize
9 in advance if I mispronounce any of your names, but
10 first we would like to hear from to Sherwa
11 Abassi (phonetic).

12 (Brief pause.)

13 MR. ANTHONY: Sherwa Abassi?

14 (Brief pause.)

15 MR. ANTHONY: Okay. Next, Mohammed
16 Abugus (phonetic).

17 (Brief pause.)

18 MR. ANTHONY: Charlie Washington?

19 MR. WASHINGTON: Yes.

20 MR. ANTHONY: Yes, please. If you would go to the
21 microphone.

22 MR. WASHINGTON: Hello. My name is Charlie
23 Washington; C H A R L I E, W A S H I N G T O N. I'm
24 here representing Cannabis University of Denver,
25 Colorado. We will give you some information.

1 First of all, we are the oldest and only
2 certified institution that's been dedicated to the
3 research of medicinal marijuana since 2008. We're here
4 to assist and open classes and hold training for those
5 who will be going into medicinal cultivation centers
6 and dispensaries that have been working there.

7 We would like to first say that, first of
8 all, to get your marijuana to a medicinal level that we
9 are seeking it's a science. It's just not like
10 planting tomatoes, and it's something that needs to be
11 considered when you place these people in these
12 facilities otherwise you will have failed crops in many
13 ways.

14 What we want to do now is what I'd like to
15 ask is if there is -- if we can get contact -- we've
16 been trying for over a year -- to work with the State,
17 get registered, and put our name out there so, you
18 know, you can get professional training for your people
19 whether it be in the dispensaries or in the cultivation
20 centers.

21 MR. MORGAN: Sir, is your question whether or not
22 the State will be accepting applications from
23 businesses to do consulting for interested applicants?

24 MR. WASHINGTON: Well, as far as training.

25 MR. MORGAN: I'm just trying to answer your

1 question.

2 MR. WASHINGTON: Yes. As far as training we're
3 looking for the right channels to get registered as a
4 training facility or institution with the state of
5 Illinois.

6 MR. MORGAN: So the State won't be certifying or
7 licensing or supplying certified lists of any business
8 that is doing consulting or training or anything of
9 that nature.

10 At this point we're only accepting September
11 applications for those interested in being a
12 cultivation center or a dispensary. Many of the people
13 in this room and others in the public that have been
14 interested in this program have been pursuing their own
15 endeavors, and we include you and any other business
16 outside the room to reach out to those organizations.

17 MR. WASHINGTON: Okay. So there will be no
18 specific certification needed to work in the
19 facilities?

20 MR. MORGAN: Well, so your -- that's a different
21 question. The ability to work in a cultivation center
22 requires the individual to be registered as an agent.
23 So there will be a process for that, but before we get
24 to the process of licensing individuals the Department
25 of Agriculture will first be licensing cultivation

1 centers and businesses and that process has not yet
2 begun. So once that has occurred I think there are a
3 number of opportunities for other businesses to be
4 involved with those cultivation centers.

5 MR. WASHINGTON: Okay. Thank you.

6 MR. MORGAN: Thank you.

7 MR. ANTHONY: In the interest of time I think I'm
8 going to call two people at once so the next person can
9 immediately begin speaking after the first person has
10 finished their comments.

11 So next I'd like to hear from Sarah
12 Sullivan, and after Sarah we have Tony
13 Osteum (phonetic).

14 MR. MORGAN: While they come on up, I also just
15 want to thank everybody at the table that had
16 introduced themselves and a few other people that are
17 helping out with DFPR with our lists and legislative
18 team that are up here today. I just want to thank
19 everybody for getting started.

20 MS. SULLIVAN: Hi. Thanks for being here today.
21 I'm Sarah Sullivan, S A R A H, S U L L I V A N.

22 Unfortunately my question sort of piggybacks
23 on Charlie's, and I'm curious as to for the testing
24 facilities how like -- how they're going to be able to
25 have cannabis at the testing facilities if they're not

1 addressed within this legislation, legally, of course.

2 MR. WATSON: Well, in our rules we provide -- the
3 agriculture rules we provide for the ability of the
4 laboratory employees to collect the samples and take
5 them to their lab to be tested and then we ask that it
6 be disposed of in accordance with our disposal rules
7 for the cultivation centers as well.

8 MS. SULLIVAN: So the laboratory itself will have
9 to have special licensing to have the cannabis on-site?

10 MR. WATSON: Actually we will be approving labs
11 and there will be an application that will be online
12 shortly where laboratories can become certified and
13 they will then be able to do testing for the
14 cultivation centers.

15 MS. SULLIVAN: Excellent. Thank you.

16 MR. ANTHONY: Is Tony Osteum here to make a
17 comment?

18 I'll introduce the next three. Ensu
19 Hue (phonetic), Rakhel Ross, and Juan Lebow.

20 (Brief pause.)

21 MS. LEBOW: I was the third name that you called,
22 Joan Lebow -- J O A N, L E B O W -- with the law firm
23 of Thompson and Coburn, and I want to say thank you for
24 everyone from the State who's devoted so much time and
25 energy and I'm sure late hours to the effort.

1 My first question has to do with IDFPR
2 Rule 12, I know, point, 230 with regard to the
3 process -- the path to achieve background check and
4 security clearance via livescan process. I've called
5 several vendors and they don't appear to be ready to
6 accept appointments with our clients. I'm just
7 inquiring how you -- how you see the path to that being
8 achieved.

9 MS. CARLSON: That's a really good question.

10 So the Illinois State Police will be giving
11 each one of our agencies what's called an ORI number.
12 Once we have that number then we complete a consent
13 form -- a fingerprint consent form that will be posted
14 online, then applicants will be filling that out and
15 bringing that to a livescan vendor who will accept that
16 consent form with all the information about our
17 program, where those fingerprints need to be routed to,
18 and the fingerprint consent form will be signed by the
19 applicant consenting that any of your criminal history,
20 should you have some, will be eventually routed to our
21 division.

22 So that fingerprint consent form will be
23 uploaded and posted to the Medical Cannabis Pilot
24 Program website shortly, and once that's done then the
25 livescan vendors should start accepting fingerprints

1 from applicants.

2 Now, while the Department of Financial and
3 Professional Regulation licenses livescan vendors, not
4 all livescan vendors may accept your fingerprints,
5 would like you to call ahead to the livescan vendor
6 that you've chosen and ensure that they will accept
7 your fingerprints for this program.

8 MS. LEBOW: Would the process be approximately the
9 same per DOA?

10 MR. WATSON: Yes.

11 MS. LEBOW: And one last question in this regard,
12 is it your understanding that those vendors will be on
13 staff to receive all of the applicants between the time
14 that the consent is posted online and the filing
15 deadline?

16 MR. MORGAN: Yes.

17 MS. LEBOW: Great. Thank you.

18 MS. SHERMAN OBERDORFF: One more quick note on
19 fingerprinting, for the Department of Public Health we
20 do have our fingerprint consent form posted so patients
21 and their caregivers, if they're going to be able to
22 apply starting September 2nd, they may get
23 fingerprinted now.

24 MS. LEBOW: If I have one more -- time for one
25 more question it has to do with certification as a

1 minority- or woman-owned applicant. The language of
2 the regulations for both DOA and IDFPR suggests that
3 the documentation includes but is not limited to
4 certification. For those of us who have a history with
5 that -- the process with regard to COS it usually is a
6 fairly lengthy process to submit an application and to
7 recertify, so my question is
8 including-but-not-limited-to phrase suggested to me
9 that there was a requirement that CMS certification be
10 submitted with the application, and I'm seeking to get
11 clarity on that.

12 I'm hoping the answer is no because I think
13 that would be an impossibility.

14 MR. MORGAN: The answer is no. We're not
15 requiring -- For that particular point -- bonus points
16 under Ag. and DFPR but that's not a requirement for
17 BP recertification.

18 We had the language including but not
19 limited to for two reasons. One, there might be some
20 Illinois-based businesses that are new and have not
21 been BP certified previously.

22 Two, there might be out-of-state businesses
23 certified in their respective states or have other
24 documentation of similar processes in other states. So
25 your point about Illinois Department of Central

1 Management Services they're familiar with this aspect
2 of our program and are prepared for any and all
3 applications that come in around this time, and they
4 tell me they're also caught up and there isn't a delay,
5 so on behalf of CMS they're ready.

6 MS. LEBOW: Okay. Very good. I do have one more
7 question, but I don't think I have any more time.

8 Okay.

9 MS. ROSS: Is this -- You had called my name,
10 Rakhel Ross; R A K H E L, R O S S.

11 MR. ANTHONY: You know, I'd like to call the next
12 batch, so after Rakhel we have Kathleen Domagalski,
13 Myron Titch (phonetic), Marikay Hegarty, Francis
14 Kelly (phonetic), and Clandel Lofton (phonetic).

15 MS. ROSS: My question is --

16 MR. MORGAN: Could you speak up?

17 I'm sorry. Just come closer to the mic.

18 MS. ROSS: Can you hear me now?

19 Did you get my name and spelling?

20 My question is a follow-up from a previous
21 answer. It's about the labs. Are there going to be
22 regulations or restrictions that follow in accordance
23 with the dispensaries and the cultivation centers as to
24 where they can be located or do they have to be within
25 certain areas away from schools and playgrounds?

1 Are there any restrictions like that or a
2 number of labs in the city or whether the --

3 UNIDENTIFIED SPEAKER: Do you read the newspapers?

4 MR. MORGAN: I'm sorry. Please don't interrupt
5 other people. We'll ask everyone to continue to allow
6 people to ask their own questions. If you have
7 additional comments please come up after, but please
8 don't interrupt people as they're asking questions.
9 Thank you.

10 MS. ROSS: Thank you.

11 MR. WATSON: We don't have language in the statute
12 similar to what we have for cultivation centers and the
13 dispensaries with regard to the laboratories, but we're
14 more concerned about the qualifications and their
15 certifications.

16 And I -- I'm not sure quite what to expect.
17 There may be existing laboratories that wanted to
18 become certified to do this for us or there may be new
19 ones popping up. I don't know, but we do not have
20 similar limitations.

21 MS. ROSS: Thank you very much.

22 MS. HEGARTY: Good morning. My name is Marikay,
23 M A R I K A Y, Hegarty, H E G A R T Y. I'm with
24 Accurate Biometrics. We are a licensed fingerprint
25 vendor so hopefully this will solve some of the

1 problem.

2 My first question is to Department of
3 Agriculture and IDFPR relative to applicants who are
4 applying for both cultivation center and dispensary do
5 they need to be fingerprinted twice?

6 In other words, do you each need your
7 response coming from the Illinois State Police?

8 MS. CARLSON: Let me take that one.

9 So I think as long as there's one set of
10 fingerprints and as long as -- I know that Ag. and
11 Department of Financial and Professional Regulation
12 will have their own fingerprint consent forms. You can
13 intake both forms, make sure that that applicant --
14 they said that they do want both different
15 registrations that they're applying for and take both
16 forms and then take one set of fingerprints and you can
17 then send them to those separate agencies. That would
18 be sufficient.

19 MS. HEGARTY: Sure. We can do that. With the
20 applicant's permission we can go ahead and submit them.
21 We would still be submitting them twice because the
22 Illinois State Police will only respond. It's a
23 one-to-one relationship, so we'll do that. Thank you.

24 Second question, again this is just feedback
25 that has come in from variety of dispensary and

1 cultivator applicants relative to they're out-of-state
2 applicants. The rules are pretty clear that there is
3 no card scan. What we refer to in technology livescan
4 technology is card scan whereby if somebody gets
5 printed out of state, submits the card to a livescan
6 vendor who then puts it into electronic form. I just
7 want to make sure, and again this is more feedback
8 than -- the rules are pretty clear, but we're getting a
9 lot of inquiries from out-of-state groups that have
10 their investors out of state who are wanting to submit
11 ink fingerprint cards to us. That means that we do
12 submit and we do -- or we do receive and we do card
13 scans for a number of licenses in the state,
14 different -- DCFS and different state agencies that we
15 do card scan for so the technology is there.

16 There is a bullet point also in the rules
17 that says if it's approved by the Illinois State Police
18 then the alternative means.

19 Again they're kind of a little bit
20 contradictory statements, and I don't really know the
21 intent of the second one because it says livescan or
22 other means that has been approved by the Illinois
23 State Police.

24 So, with that being said, right now we are
25 telling people that they need to be in the state to get

1 livescanned by a licensed vendor, and I just want to
2 make sure that that is what we should be relaying to
3 applicants.

4 MR. MORGAN: That's correct. We have received a
5 couple comments in our previous town halls on that
6 point questioning whether an out-of-state applicant can
7 do livescan or hard print in other states, and for
8 simplicity's sake and also after talking with some
9 livescan vendors it was certainly the integrity of the
10 problem to allow us to limit it just Illinois-licensed
11 livescan vendors, so you would not be able to do the
12 cards in other states.

13 So your interpretation is ours as well.

14 MS. HEGARTY: Okay. Thank you.

15 One last quick question from IDPH, do you
16 have any indication of how you're scaling your database
17 as far as what you anticipate as applicants?

18 To the point that was taken earlier, we want
19 to make sure that we are scaled with staff with
20 locations, with hours of operation, and all of those
21 things to make sure we're responsive to both the
22 applicants that are being printed now and into the
23 future, and so do you have any numbers that you could
24 share that would be great.

25 MR. MORGAN: So we have indicated that we expect

1 at least thousands of patients to apply in the first
2 year.

3 As you know that's a rolling basis. There
4 are -- There are really three batches of applications.
5 For those in the room potential patients or caregivers
6 the last name of A through L beginning September 2nd
7 through the end of October, and then again for those
8 with last name M through Z in November or December and
9 a rolling basis after that starting January, which
10 would also add following the passage of a law recently
11 that added the addition of seizure disorders, epilepsy,
12 as well as children under the age of 18 developing a
13 medical condition.

14 So the short version is we don't expect a
15 flood coming into livescan vendors, especially given
16 this to be geographically distributed throughout the
17 state and it's going to process over time.

18 MS. HEGARTY: Thank you very much.

19 MS. DOMAGALSKI: Hi. My name is Kathleen
20 Domagalski, K A T H L E E N, D O M A G A L S K I.

21 My question is is there a waiver form
22 available if you've had a previous conviction for
23 growing or cultivating previous the -- I haven't seen
24 one online, so I'm just wondering is one going to be
25 available. If it's not available does that go through

1 the fingerprinting process when you submit that?

2 MR. ANTHONY: We're in the process of developing
3 that part of the application, and we will be posting it
4 prior to September 2nd. There will be a separate
5 process if you have an excluded offense that the
6 Department can waive. Not all offenses -- The
7 Department doesn't have discretion under the statute to
8 waive all offenses, and I would encourage you to look
9 at the statute.

10 MS. DOMAGALSKI: Well, my other question if it was
11 in another state.

12 MR. ANTHONY: It would -- It does include offenses
13 that are similar in other jurisdictions, and there
14 is -- there will be a waiver or process for that. So I
15 would just keep posted on the website and it will be up
16 in a couple weeks.

17 MS. DOMAGALSKI: Okay. My other question is for
18 people interested in working in these dispensaries and
19 whatever should they apply for an identification card
20 first to be a part of the process or you can -- the
21 jobs will be posted for you just to apply like any
22 other job?

23 MS. CARLSON: So once the outpatient process is
24 complete and the dispensary registrations are awarded
25 the principal officer of the dispensary will choose

1 their employees, which under our rules are called
2 dispensary agents. A number of rules only apply to the
3 principal officer or agent in charge, which is similar
4 to the manager of the dispensary, will be able to
5 submit an application on behalf of their employee,
6 i.e., agent.

7 So the answer to your question is no.
8 Dispensary owners, operators, and agents in charge will
9 be submitting applications for the people that they've
10 chosen to be their employees.

11 MS. DOMAGALSKI: I see. Thank you very much.

12 MS. CARLSON: You're welcome.

13 MR. MORGAN: Just doing a quick sound check. Can
14 you raise your hand if you're having a hard time
15 hearing us at this point?

16 Okay. So one hand. We'll try and be
17 louder. Thanks.

18 MR. ABUGUS: Mohammed Abugus. You called my name
19 before.

20 The question I've got is the architecture
21 certification of the cultivation facility. I believe
22 that the application was part of the process to attach
23 a certified architecture in the state of Illinois for
24 the facility itself. What about this person is
25 deceased and the architect who designed the plan

1 doesn't exist can we replace it with a certified
2 architecture in the state of Illinois that can use the
3 plan and the plan according to the requirement?

4 MR. WATSON: As we've stated earlier if you have
5 a -- I believe the question is with regard to certified
6 blueprint.

7 MR. ABUGUS: Yes.

8 MR. WATSON: By an architect?

9 MR. ABUGUS: Yes.

10 MR. WATSON: And the architect is deceased?

11 MR. ABUGUS: Yes.

12 MR. WATSON: And you want to know if you could
13 submit the blueprint that's certified by another
14 architect to be accurate?

15 MR. ABUGUS: Yes.

16 MR. WATSON: I'd see no problem with that.

17 MR. ABUGUS: And do we have to enter the -- the --
18 actually the document -- Do we have to enter the
19 document because the language in the document which I
20 certify the accuracy of the plan so can we change it to
21 say I certified instead of you the original plan
22 because the language of the certificate requires the
23 designer who designed the plan to certify the accuracy
24 of the plan, not another architect who reviewed the
25 plan, not the original designer?

1 MR. MORGAN: I think that's one that we'll
2 consider and take under advisement.

3 Obviously the intent is to have an architect
4 who is familiar who can certify the aspects of the
5 blueprint, so we'll consider that question and we'll
6 try and answer that.

7 MR. ABUGUS: Okay. May I have another question?

8 The other question regarding the
9 certification for the number of the intake to the
10 applicant can apply for the number of the dispensary
11 and cultivation center, and the form it indicates
12 five districts. Is that include say, for example, five
13 district how many individual you need physical address
14 so they can apply for those?

15 Does that mean five or could be more than
16 five?

17 MS. CARLSON: What we're looking for in our
18 application will be the building that you've chosen for
19 each district that you're applying in.

20 So say you, sir, are part of a group and
21 your group is going to go after five different
22 districts. You have to tell us what five different
23 buildings are the buildings that you've selected and
24 you're going to give us a zoning form, you're going to
25 have to fill out an application, and you're going to

1 have to describe what that building looks like.

2 So if your question is say you're applying
3 for District 1 can you show us two or three different
4 buildings in that district --

5 MR. ABUGUS: Yes.

6 MS. CARLSON: -- the answer is no.

7 MR. ABUGUS: So one physical location for each
8 district?

9 MS. CARLSON: Correct.

10 MR. ABUGUS: What about the combination between
11 cultivation and dispensary?

12 MR. WATSON: Well, the rules for cultivation
13 centers are very similar. You can only have one -- We
14 will only be granting one permit for each state police
15 district.

16 So if -- I would -- You know, I don't know
17 why you would want to submit more than one application
18 for the same district.

19 MR. ABUGUS: No.

20 MR. WATSON: You're going to be talking about
21 25,000-dollar application fee for each one.

22 MR. ABUGUS: The question is the combination
23 between cultivation centers and district can we apply
24 for one cultivation facility in five districts or one
25 cultivation facility and five dispensaries?

1 MR. WATSON: Well, yes. You can make as many
2 applications as you want really, but we're only going
3 to be planting a maximum of three cultivation center
4 permits per entity.

5 So if someone wants to apply in five state
6 police districts we'll take the applications, but
7 you're going to have to decide if you win all five
8 you're only going to be able to use three of those.

9 MR. ABUGUS: Okay.

10 MR. WATSON: So with regard to dispensaries I
11 believe that's the same thing.

12 It's not?

13 MS. CARLSON: It's actually a little bit
14 different. So for dispensaries you're allowed
15 five applications and up to five registrations.

16 So you can't send us ten applications for
17 ten districts. You can send us up to five applications
18 and if you win all five and you're awarded five
19 authorizations to move on to the registration phase
20 then you can have up to five registrations, but you
21 can't submit more than five registrations for a
22 dispensary.

23 MR. ABUGUS: Okay. Thank you.

24 MR. ANTHONY: All right. Next we'd like to hear
25 from Tom Diamond (phonetic), Sean Phillips (phonetic),

1 Michael Friedlen, James Watts, and Gay Gelman.

2 MR. FRIEDLEN: Hi. My name is Michael Friedlen,
3 M I C H A E L, F R I E D L E N.

4 My question is in regards to can someone who
5 has -- who has a medical condition in which he would
6 probably qualify for a medical card can he work in a
7 dispensary, own or operate a dispensary, or grow?

8 MS. CARLSON: The statute I believe in Section 115
9 strictly prohibits the Department of Financial and
10 Professional Regulation from granting an authorization
11 to a dispensary where a principal officer is a patient
12 or a caregiver. The statute in the rules are silent as
13 to whether an agent, just a plain employee of that
14 dispensary, can be a patient or a caregiver.

15 MR. FRIEDLEN: Okay. Thank you very much.

16 MS. GELMAN: My name is Gay Gelman, G A Y,
17 G E L M A N.

18 My questions are about cultivation. Is the
19 State controlling any of the pricing?

20 MR. WATSON: No, we are not.

21 MS. GELMAN: Are there any guidelines for the
22 grower as -- as relates to the contacting of the
23 dispensary?

24 In other words, how will they be contacted?

25 Are there restrictions?

1 Is there advertising?

2 MR. WATSON: There is a section in our rules
3 regarding advertising by cultivation centers, and it
4 must be done directly either by direct mail or
5 restricted e-mail. But cultivation centers are not
6 permitted to advertise to the public, but they can
7 solicit the dispensaries.

8 MS. GELMAN: What is the limit for infused items?
9 In other words, is there a limit to how many
10 items you can infuse?

11 MR. WATSON: I don't recall any limit on the
12 number of infused products.

13 MS. GELMAN: And one more question --

14 MR. WATSON: Yeah. Sure.

15 MS. GELMAN: -- about the packaging. I saw in the
16 application that there's packaging from the grower to
17 the dispensary. Can we choose our own packaging or are
18 there rules and regulations as to the bulk packaging
19 for the grower?

20 MR. WATSON: When you say "we" are you referring
21 to the cultivation center or the dispensary?

22 MS. GELMAN: Yes. I know about the dispensary,
23 and I've seen those pictures, you know, for typical
24 dispensaries, but what about for the -- how the
25 packaging from the cultivation to the dispensary?

1 MR. WATSON: Well, the product is going to be
2 packaged at the cultivation center in sealed
3 containers.

4 MS. GELMAN: Does the State dictate the kind of
5 packaging or does the cultivation center choose the
6 kind?

7 MR. WATSON: There are restrictions in the rules
8 regarding labeling. And with regard to the type of
9 labeling we don't want to have labels that are
10 attractive to children, for instance.

11 So, yes, there are restrictions in the rules
12 regarding the packaging.

13 MR. MORGAN: There's also rules dealing with the
14 security of the packaging when it's transported from
15 the cultivation center so you should refer to those as
16 well.

17 MS. GELMAN: I saw that, but it doesn't say what
18 kind of plastic or what type of containers.

19 MR. MORGAN: That's right.

20 MS. GELMAN: So that's up to the cultivation
21 center?

22 MR. WATSON: Well -- And I'm going to give this
23 answer -- I've given this answer to a number of
24 questions at the previous seminars that we had -- or
25 meetings that we had -- what we're looking for is the

1 best plan that you can give us. We did not put
2 specific requirements in a number of areas because we
3 did not want to restrict the creativity of the
4 industry. We want the industry to come to us with
5 their best ideas, and the packaging if it's more secure
6 that's obviously something we'll find in favor. So you
7 give us the best plan you can come up with.

8 MS. GELMAN: We just didn't want to leave it to
9 chance that you had something about it.

10 MR. WATSON: If it's not in the rules I'm not too
11 concerned, but the -- but what we do want to have is
12 you give us what you think is the best plan, the best
13 way to do business.

14 MS. GELMAN: One more?

15 MS. SHERMAN OBERDORFF: Sorry. We need to move on
16 to the next person.

17 MR. MORGAN: And also just so you know the people
18 that are standing in the back there are a few seats up
19 in the front for anybody that needs to sit down.

20 MR. ANTHONY: Before you'd like to speak, I would
21 like to call Emily Masalski, James Bellesi (phonetic),
22 and John Pappas (phonetic).

23 MR. WATTS: My name is James Watts, J A M E S,
24 W A T T S. I'm with the firm Systems Fingerprinting,
25 and my question was brought up earlier by someone who

1 talked about an out-of-state conviction.

2 Right now it's the -- we're processing UCI
3 fingerprints for the state of Illinois only. Is there
4 any concern with the fact that someone could possibly
5 have an out-of-state conviction and that would be
6 addressed?

7 MR. MORGAN: Yes. Yeah. The applications have
8 two components dealing with criminal history. It's the
9 disclosure on the application itself as well as the
10 background check that's conducted through
11 fingerprinting.

12 Your point is well taken about the current
13 status that our livescan vendors are not currently
14 approved to do federal or other state background checks
15 so we are required to enforce that on the patients and
16 caregivers and the agent -- the principal owners that
17 are applying for cultivation centers or dispensaries to
18 disclose those convictions even if they're in other
19 states.

20 MR. WATTS: All right. And I have another
21 question for DFPR, do you have a more -- a definition
22 of a safe or a vault?

23 MS. CARLSON: I'm going to respond to that the
24 same way that Ray responded to the last question, when
25 we wrote the rules we gave a lot of thought to the best

1 way to keep the employees safe, patients safe, and
2 ensure that the cannabis and any capital in the
3 dispensary was safe. So safes and vaults are the
4 generally accepted terms. If you can give us in an
5 application and describe, you know, the triple-wall
6 steel and bulletproof and everything that you can put
7 that capital and cannabis in that you think is the best
8 way to store that overnight to prevent property theft
9 or divergence, those things, that's what we're going to
10 be looking for in your applications. We want you to
11 tell us what is the best way to keep those safe.

12 MR. WATTS: Okay. Thank you.

13 MS. CARLSON: You're welcome.

14 MS. MASALSKI: Good morning. Emily, E M I L Y,
15 Masalski, M A S A L S K I.

16 My questions pertain to cultivation permit
17 applications and they're directed at Department of Ag.
18 Regarding the out-of-state background checks will the
19 producer backers who have to submit the financial
20 disclosure information do they also need to undergo the
21 fingerprinting requirement?

22 MR. WATSON: Yes.

23 MS. MASALSKI: And the background check as well,
24 correct?

25 MR. WATSON: Yes.

1 MS. MASALSKI: Okay. For -- Under Section
2 1000.110(b)(4) regarding the process flow diagrams,
3 will those process flow diagrams be subject to FOYA or
4 made available to the public from the Department?

5 MR. WATSON: There is an exception -- Excuse me.

6 There is an exception in the statute for
7 information -- from FOYA for information in the
8 application.

9 So information that you submit in your
10 application is now subject to FOYA.

11 MS. MASALSKI: Okay. And then in terms of just
12 adding a protective layer for proprietary, confidential
13 information do we need to designate the page within our
14 application as such?

15 MR. WATSON: I think that would be helpful, but as
16 I said the application will not be subject to FOYA.

17 MS. MASALSKI: And then finally what appendices
18 will be allowed to support claims in the business
19 plans?

20 MR. WATSON: I'm sorry. Could you repeat that?

21 MS. MASALSKI: What appendices or exhibits to the
22 business plans would be allowed as part of the permit
23 application?

24 MR. WATSON: Whatever you choose to attach.

25 MS. MASALSKI: Thank you.

1 MR. J. LOITERMAN: Appearing on behalf of John
2 Pappas. He's a member of my organization. I'm
3 Jonathan Loiterman, J O N A T H A N, L O I T E R M A N.

4 Question is in regards to the Department of
5 Agriculture Regulation Section 1000.210(c). This is
6 about the fingerprint scanning, and there's a mention
7 of a 30-day limit. I think this question was already
8 answered, but I just wanted some clarification about it
9 that the agent applications are to be submitted after
10 you have a license so that every applicant is not
11 flooded -- flooding the system with agent applications
12 before they have licenses; is that correct?

13 MR. WATSON: Right. There's really no reason to
14 be submitting the cultivation center agent permit
15 applications before you receive the actual permit
16 operator cultivation center. If you don't receive it
17 then you're not going to have to go through that
18 process of the potential agents.

19 So what we're going to want to have is, as
20 we discussed before, let's see who gets the permits and
21 then give us the applications for the employees.

22 MR. J. LOITERMAN: One other question. Is the
23 FOYA -- The position that you're taking is that FOYA
24 does not apply in any part of the application and all
25 of it is to remain confidential with the departments or

1 are there pieces of it that will be available to FOYA?

2 MR. WATSON: I believe the statute is for the
3 whole application.

4 MR. J. LOITERMAN: And then the final question was
5 with respect to Illinois State Police District 15.
6 Obviously with all the other districts it's very clear
7 where the boundaries are. For District 15 to some
8 extent it's only on highways. Is there any position
9 the Department is taking about what physical location
10 of District 15 cultivation center might be?

11 MR. WATSON: We discussed it with the tollway
12 authority and they're not aware of any land that would
13 be -- that would fall in that district that would be
14 available.

15 If you can come up with something let us
16 know.

17 MR. J. LOITERMAN: That's what I'm trying to do.
18 Thank you.

19 MR. MORGAN: And just as a follow-up to the
20 question about confidentiality, the section dealing
21 with confidentiality applies as well and equally to
22 patient and caregiver applications. So just be clear
23 that our confidentiality is designed for primarily
24 patients and caregivers, but it does extend to the
25 applications and materials from the applications.

1 MR. ANTHONY: Next we'll hear from Anthony
2 Creo (phonetic), Michael Curley, Jennifer Kuzminski,
3 and David Loiterman.

4 MS. KUZMINSKI: My name is Jennifer Kuzminski,
5 J E N N I F E R, K U Z M I N S K I. I represent
6 Borek & Associates law firm.

7 My question is about the application itself.
8 Do you have any narrative character limitations or page
9 limitations or formatting that's required for the
10 actual applications that we are preparing this in
11 advance of the issuance of the actual application that
12 we can go ahead and prepare in the right format?

13 MR. MORGAN: We will be issuing more guidance and
14 clarifications and instructions for the application.
15 That's an important question that we want everyone to
16 know we're hopefully going to get that out very soon in
17 the next couple of weeks at the latest so that there's
18 lead time before the application begins if there's page
19 limit requirements and what is expected to be provided
20 and hard copy, things of that nature. So we'll be
21 providing further guidance for both the dispensaries
22 and cultivation center applicants.

23 MS. KUZMINSKI: Okay. So there will be some sort
24 of limitations is what you're saying there is not?

25 MR. MORGAN: We're still figuring out the

1 mechanics of all that. So we'll provide very specific
2 guidance on that.

3 MS. KUZMINSKI: Thank you very much.

4 MR. D. LOITERMAN: David Loiterman, D A V I D,
5 L O I T E R M A N.

6 My question pertains to packaging from the
7 cultivation centers to the dispensary. Just want to
8 clarify from the response that was given before that
9 there is no distinct preference whether or not there's
10 any bulk packaging with RFID coding that's sent to
11 dispensary and then the dispensary would disassemble
12 the packaging and put it into smaller aliquots or
13 whether or not the cultivation center is required to
14 package in the small as possible form and ship those to
15 the dispensary, the dispensary would be responsible for
16 attaching the label to the individual patient.

17 So there's a distinction, bulk shipments to
18 the dispensary versus very small pieces to the
19 dispensary.

20 MR. MORGAN: Ray is going to look up the specific
21 provision, but the initial response would be that we
22 are expecting once it leaves the cultivation center it
23 leaves the cultivation center in packaging which will
24 be sold. So the manufacturing and processing should
25 all be taking place within the cultivation center and

1 the dispensary itself won't be repackaging.

2 So your question whether it will be packaged
3 in the smallest possible amount, again that -- I don't
4 believe -- and I'll let Ray correct me if I'm wrong --
5 I believe there's a specific requirement to be packaged
6 in a particular volume, however the packaging will be
7 whatever it leaves the cultivation center in in terms
8 of the size packaging that will be what is ultimately
9 sold in that volume at the dispensary.

10 MR. D. LOITERMAN: Because that raises another
11 logistic question on the dispensary side because at
12 that level there has to be another attachment on to the
13 package with regard to which patient is receiving what
14 product, and so -- see what I'm saying?

15 So you have one set of labeling with coding
16 in a very small volume it's coming out of the
17 dispensary. Now that particular small volume is
18 dispensed with a particular patient the cultivation
19 center then doesn't have any control of tracking which
20 patient had that -- had that. So lot numbers would
21 address it, but then there would be another set of
22 labeling to be attached to each individual patient
23 would be required.

24 MR. MORGAN: Well, I'll take a stab at that too,
25 and I'll refer to my two colleagues, but the packaging

1 and the labeling will not change from the moment it
2 leaves the cultivation center to when it's sold to the
3 patient. And that is to your point specifically for
4 the tracking purposes we're able to follow a product
5 from the moment it's package all the way to the sale to
6 the patient.

7 A dispensary will have to track their sales
8 and who they're selling their product to and that
9 obviously is for the purpose of ensuring a patient is
10 not purchasing more than the allotted two and a half
11 ounces, assuming they don't have a waiver for
12 purchasing more.

13 And the packaging itself that's one of the
14 reasons your question we don't have a specific volume
15 that it has to be packaged in, but it is important to
16 note that unlike some other states our medical cannabis
17 product won't be sold -- it won't be sold in bulk to a
18 dispensary in a large container where they'll be
19 dishing out smaller portions of it. It will be
20 prepackaged all the way through.

21 MR. D. LOITERMAN: Okay. So again so the patient
22 then receives a container that has a specific lot and
23 shipment I.D. associated with that and it would then be
24 the responsibility of the dispensary to log that
25 information into their registry, correct?

1 MS. CARLSON: Correct. The dispensaries will have
2 an inventory control system where they're going to
3 identify, according to the statute, who they sold it
4 to, the date, and all the other identification
5 information that's part of the statute.

6 The rules then say -- go in a little bit
7 more detail, and I think you can probably look at our
8 rules. There's actually a lot of detail about the
9 inventory control system and what a dispensary agent
10 has to do for each transaction.

11 In addition to that, just with respect to
12 your labeling discussion, whenever the dispensary
13 acquires whatever denomination package of cannabis that
14 they intend to sell they are going to have to put their
15 own label on it as well so in the event if there's a
16 recall or the patient has that packaging it will be
17 kind of cradle to grave. We'll know which cultivation
18 center grew it and which dispensary sold it.

19 MR. D. LOITERMAN: Okay. And then --

20 MR. MORGAN: We have to move on to the next.

21 Sorry.

22 MR. ANTHONY: Before you speak, sir, I'd like to
23 call Leah Horowick (phonetic), Donald Meadows,
24 Christopher Dunn (phonetic), and Jason
25 Vasenko (phonetic).

1 MR. CURLEY: I'm Michael Curley, M I C H A E L,
2 C U R L E Y.

3 I'm a patient at Hines VA Hospital and
4 therefore my primary care physician won't be submitting
5 anything.

6 Do I include a cover letter describing my
7 condition and also the consent form to look at my
8 medical records as check boxes and do not seem to apply
9 to this condition?

10 MS. SHERMAN OBERDORFF: So the question is
11 regarding forms that veterans receiving care at U.S.
12 Department of Veterans Affairs facility forms they will
13 submit and so what you'll need to do is request medical
14 records specific to your debilitating medical condition
15 and submit those to the Department of Public Health.

16 So in our application we list the specific
17 form. It is VA Form 10-5345.

18 MR. CURLEY: Right.

19 MS. SHERMAN OBERDORFF: So you'll submit that.

20 So you yourself will request and have your
21 medical records sent to you and then you'll send those
22 to the Department, and in addition to that you'll send
23 in your DD2-14.

24 MR. CURLEY: Right. But what do I send?

25 Do I send in everything or --

1 MS. SHERMAN OBERDORFF: So we just need anything
2 pertaining to the debilitating medical condition that
3 will qualify you for the use of medical cannabis.

4 MR. CURLEY: Would you recommend a cover letter
5 with that or just send in the records?

6 MS. SHERMAN OBERDORFF: Yeah. If you send in the
7 records and they detail the debilitating medical
8 condition that will be sufficient.

9 MR. CURLEY: Okay. Thank you.

10 MS. SHERMAN OBERDORFF: You're welcome.

11 MR. MEADOWS: Hi. I'm Donald Meadows,
12 D O N A L D; Meadows, M E A D O W S.

13 I wanted to know how would the caregivers be
14 assigned to patients?

15 MS. SHERMAN OBERDORFF: So for caregivers the
16 qualifying patient chooses their designated caregiver.
17 So it's the patient's choice. There are some
18 requirements for the caregiver such as they must be at
19 least 21 years of age, they must be an Illinois
20 resident, they must not have been convicted of an
21 excluded offense, but ultimately it's patient choice.

22 MR. MEADOWS: Okay. Thank you.

23 MS. SHERMAN OBERDORFF: You're welcome.

24 MR. ANTHONY: Next, Dr. Robert Creed (phonetic),
25 Karen Magnison (phonetic), William Scott III.

1 MR. SCOTT: William Scott, W I L L I A M,
2 S C O T T, representing Dr. Nancy Jackson, the CEO of
3 Prologue Alternative High Schools.

4 And I'm referring to paragraph 3 where you
5 mention persons asking questions must limit their
6 questions or comments. I wanted to invoke the comment
7 part of that based upon my coming up here from Hyde
8 Park to 5500 North and observing democracy in action,
9 which is refreshing to see the turn out this morning.
10 In fact I thought there might have been some dispensing
11 going on up here this morning rather than just a town
12 hall.

13 So in particular thanks to the Department of
14 Agriculture seems to be the lead charge this morning in
15 response to the public inquiries. I was wondering as I
16 stand here as a 50-year veteran, a classroom teacher
17 has there been any outreach from the Illinois State
18 Board of Education and school districts to make this a
19 teachable moment because the last time I looked there
20 was some young people using and selling and even dying
21 in the streets of Chicago regarding this matter?

22 So even though this is quite sedate and
23 sophisticated while the entrepreneurs are hovering
24 about ready to land and profit from this and those
25 legitimately seeking medical relief should be here, but

1 aside from the capitalistic and corporate proponents of
2 this I was wondering was there a place for young people
3 to maybe learn something from this, and in particular
4 for the Department of Agriculture a CCC component under
5 President Roosevelt where actually mobilized youth to
6 get out there in our lands, hopefully in the
7 cultivation, as you're referring to it.

8 I'm seriously raising this question because
9 I do think this will be a great component for
10 involvement of young people to turn around the negative
11 part of this which has plagued Chicago.

12 Thank you very much.

13 (Applause.)

14 MR. WATSON: Thank you very much for your
15 comments.

16 In the application process we are going to
17 be asking the applicants to tell us how -- if they have
18 a community benefits plan.

19 So, in other words, they can get bonus
20 points if they can describe to us how they will be
21 providing benefits to the community and how they're
22 going to give back to the community where they're
23 located.

24 There is also a section for bonus points.
25 The applicant may provide a detailed description of any

1 plans that they will undertake if awarded the
2 cultivation center permit to combat substance abuse in
3 Illinois, including the extent to which the applicant
4 will partner or otherwise work with existing substance
5 abuse programs.

6 So we -- we want the applicants and the
7 permittees to actually help us with substance abuse
8 prevention.

9 MR. SCOTT: Thank you.

10 What you referred to as bonus points in my
11 lesson plans I used to call it extra credit.

12 MS. SHERMAN OBERDORFF: And then I would also add
13 that the Illinois Department of Public Health we will
14 be providing education on both the abuse of cannabis
15 itself and of prescription drugs in general and that
16 will be available on our website. We are currently
17 developing those brochures, so we do have an education
18 component.

19 MR. SCOTT: Thank you very much.

20 MS. SHERMAN OBERDORFF: Uh-huh.

21 MR. ANTHONY: Next we'd like to hear from Sylvia
22 Risa (phonetic), Sanford Stein, and Brett Roper.

23 MR. STEIN: Good morning. I'm Sanford Stein. I'd
24 like to thank the panel for their hard and excellent
25 work and all the people working on this for a long

1 time.

2 I have a question of applications and number
3 of applications. Stay with me on this because I had
4 trouble formulating the question myself. Assume that
5 individuals in various capacities are working with more
6 than one applicant group and therefore their
7 participation, whether it's principal officer, master
8 grower, security agent, what have you, appears on
9 multiple applications and the groups to which they are
10 assigned are successful, and let's say Group A gets two
11 cultivation centers and Group B gets two as well so
12 that master grower, as an example, principal officer
13 would actually be successful in four applications for
14 different applicants, those are the three cultivation
15 centers -- I'll get to the dispensary question in a
16 minute -- come into play?

17 MR. WATSON: My own feeling is that it would
18 because you would have someone who has a stake in the
19 outcome, you know, of the application and will benefit.
20 We're trying to avoid a concentration of permits in too
21 few hands, however we did not want to limit it to one
22 so we did expand it to allow successful applicants to
23 have up to three permits.

24 I would be very concerned about the
25 overlapping however. So if someone is consulting or I

1 guess participating in 15 different applications they
2 may be affecting the ability of those who are applying.

3 MR. STEIN: Thank you.

4 And I assume in the example then if we have
5 that person they could opt out or that group could --
6 they could opt the individual out so that they would
7 not be -- they would not spoil their opportunity would
8 that be -- just as you can if you get more than four
9 successful applications.

10 MR. MORGAN: Well, as Ray was saying and I said
11 before, each application is trying to make the best
12 case possible, and if you have a situation where we
13 have a wide volume of applications indicating the same
14 master grower, to your example, at that point the
15 Department of Agriculture or -- it's not a grower -- an
16 agent charge for dispensary we'll be considering that
17 in totality.

18 So when we're looking at a competitive
19 process, as we expect it will be, you don't want to
20 have a situation -- we'd advise against a situation
21 where later you have to pull back and say we didn't
22 mean to have that person as a master grower, we want to
23 substitute somebody else because particularly with a
24 master grower that's a core component to the
25 cultivation plan that the applicant is going to have so

1 you don't want to have to substitute out later because
2 we only have one chance to review the applications.

3 MR. STEIN: Thank you for that explanation.

4 One more question if I might, I think I read
5 somewhere that the agencies have chosen a vendor as its
6 operating systems vendor, is that correct, and if so do
7 you know who that is?

8 MR. MORGAN: So there are a number of components
9 from the information technology side/procurement side.
10 We currently have a vendor that's assisting in the
11 application IT side of things. It's a vendor that was
12 helping the Department of Financial and Professional
13 Regulation for all their other professional licenses
14 and they're assisting us to get up and running for the
15 applications themselves. There will be a number of
16 other procurements that we'll be issuing. We addressed
17 this at the town hall in Peoria. We have not yet
18 issued the RFP for the product tracking system. We
19 will be doing that at some point which would lead to a
20 given successful vendor.

21 MR. STEIN: Thank you very much.

22 And did I give my name, Sanford Stein.

23 MR. ROPER: I'm Brett Roper, B R E double T;
24 Roper, R O P E R.

25 As a follow-up to his question, what if a

1 principal officer appears in multiple group
2 fabrications by virtue of the roll the dice and be on
3 eight or ten with the hope of getting two or three does
4 that fact that they're on the application that exceeds
5 five at the preliminary stage knock out or damage the
6 applicant that's making that notation, assuming that
7 they succeed in less than five and they're just playing
8 the odds?

9 MS. CARLSON: So the applications -- Say you, sir,
10 submit an application and you are a principal officer
11 on six applications and as they accept four the
12 division will only issue or award up to five dispensary
13 authorizations and registrations to any one individual
14 or any applicant business entity --

15 MR. ROPER: Right.

16 MS. CARLSON: -- your application becomes a
17 condition of your authorization. It becomes a
18 condition of your registration.

19 In the event that you change that there are
20 full, long section on discipline, including
21 ratification.

22 Now, no applicant can go forward with any
23 individual having a stake in six of these dispensaries.
24 That person will have to recuse themselves. I think
25 just as a best practice it's not a good idea to submit

1 an application where you believe that it's going to
2 change because there are consents, there are
3 abstentions, there's certifications that to the best of
4 your knowledge everything in this application is true
5 or correct.

6 So if you do think -- Hold on. Let me
7 finish.

8 So if you do think that at some point you're
9 going to have to recuse yourself, take yourself out of
10 that group, that would change your application.

11 MR. ROPER: Okay. Thank you.

12 Continuous versus event motion for
13 monitoring cameras there's substantial requirement for
14 storage and for the time duration, so the clarification
15 we'd ask for does that have to be continuous camera
16 footage from 16 or 20 -- or whatever the number of
17 cameras you -- you have at the location or can it be
18 motion or event footage where there's nothing going on,
19 you're not wasting space or time up storage?

20 MR. WATSON: I think it's going to have to be the
21 continuous because otherwise we're simply taking your
22 word that there was nothing going on during those
23 absent time.

24 MR. ROPER: That's what -- I was asked to ask the
25 question.

1 The last -- Well, one of the things I'm
2 curious about as the product comes in the correct
3 quantity, whether it's an eighth or whatever the
4 quantity is, a lot of people when they come in to a
5 dispensary want to visually inspect and perhaps from an
6 old factory perspective also examine a product they may
7 be purchasing.

8 Will there be a provision whereby the
9 dispensary can open a small -- whatever there is -- an
10 eighth and be able to provide that as a sample and then
11 destroy that through the protocols, not for ingestion
12 or use?

13 A lot of people do like to see what they're
14 buying and if it's in an opaque bag -- obviously you
15 don't want to have it exposed to light because it
16 degrades over time. I'm wondering what the protocol
17 will be for allowing a dispensary to be able to
18 literally if they put it in a small container so that
19 it can be used as a visual or factory reference for a
20 person considering a purchase.

21 MS. CARLSON: The Department of Financial and
22 Professional Regulations rules state that if any
23 package is opened or tampered with that within a week
24 it has to be disposed of.

25 MR. ROPER: That answers that question.

1 MS. SHERMAN OBERDORFF: Sorry. We need to move to
2 the next person, please.

3 MR. ANTHONY: Next we'll hear from Donna More,
4 Michael Mayes, Eric Fisher.

5 MS. MORE: Hi. Good morning. Donna More,
6 D O N N A, M O R E.

7 MR. WATSON: Speak up, please.

8 MS. MORE: Yeah. Sorry.

9 I have two questions. The first one is on
10 the application forms for both cultivation and
11 dispensary licenses it talks about not using the
12 applicant's name for purposes of blind grading, if you
13 will, but in the application there's going to be
14 letters of recommendations, there's going to be zoning
15 approvals, there's going to be architectural plans, and
16 there will be tax returns. So are we supposed to
17 Wite-Out all identifying information or how do you want
18 that submitted?

19 MR. MORGAN: So we'll be providing very specific
20 information and directions in the instructions about
21 what sections should be D identified and which ones do
22 not need to be.

23 As you noted, the purpose behind that is
24 that when we're doing merit-based reviews and selection
25 process the intent is to ensure that we have reviews

1 that are D identified so that we have those that are
2 scoring the applications are completely unaware of
3 whose applications they're scoring. It helps us ensure
4 the integrity of the process. That would be clarified,
5 and we'll have very specific instructions for
6 applicants coming up really soon so that you will know
7 exactly what sections your name can be in and what
8 sections you can't.

9 MS. MORE: And is that the same for the dispensary
10 application as well?

11 MR. MORGAN: Yes.

12 And just further clarifying that will be
13 described very clearly because as an electronic process
14 we're still building the backbone of the IT system
15 where we're receiving the applications which will drive
16 our instructions piece by piece. We will make sure we
17 have very specific, clear direction for everybody on
18 that question.

19 MS. MORE: For the submission can it be either
20 electronic or paper or is it only going to be
21 electronic?

22 MR. MORGAN: We're going to be strongly
23 encouraging electronic applications, though for
24 patients and caregivers we certainly will have the
25 opportunity for paper applications for those who do

1 not -- who don't have access to a computer.

2 MS. MORE: And just one final question for --
3 again for cultivation because I think I understand for
4 dispensaries. For cultivation application in the
5 financial rules 1,200 [sic] investors or backers submit
6 the most recent year of their tax returns and it's not
7 clear to me -- and the applicant itself submits three
8 years -- it's not clear to me for a principal officer
9 who is not an investor if they need three years of tax
10 returns or one?

11 MR. WATSON: I'm pretty sure they do, but I'd have
12 to look. You're saying Rule 200?

13 MS. MORE: Yeah. In 8 and 9 I think it is, (a)(8)
14 and 9. One says the applicant needs to submit three
15 years of tax returns, and then a financial backer
16 submits the most recent year, so one year of tax
17 returns. I'm just not sure if you're a principal
18 officer but not an investor if it's one year or three
19 years.

20 MR. WATSON: Well, I assume that as a principal
21 officer is going to have at least an indirect financial
22 interest in the cultivation center so they would fall
23 under the definition of a producer backer and so we
24 would want the tax returns. I would say no -- Let's
25 address those in the FAQs because that's a new one.

1 MS. MORE: Okay. Thanks.

2 MR. FISHER: Hi. I'm Eric Fisher, E R I C,
3 F I S H E R.

4 I had a question on the -- on the
5 agriculture. I believe it's 1000.420 it said --
6 (g) (3). It said medical cannabis infused products
7 shall not bear a reasonable resemblance to any product
8 available for consumption as a commercially available
9 candy.

10 Is medicinal chocolate considered candy?

11 MR. WATSON: Okay. You are looking at (g)?

12 MR. FISHER: (g) (3).

13 MR. WATSON: (g) (3).

14 MR. FISHER: I have like line 2- -- 928 of the --

15 MR. WATSON: Commercially available candy we're
16 looking at -- we've seen in other states packaging that
17 looked like different kind of candy bars, different
18 types of other types of candy, and what we're trying to
19 avoid is get away from that.

20 If it's a chocolate product we're not
21 prohibiting the chocolate product as far as we
22 understand that that will be used but just don't make
23 it look like a Baby Ruth.

24 MR. MORGAN: And the Department of Agriculture
25 will also be considering the brands that are submitted

1 to the Department of Agriculture so it would be a
2 case-by-case basis. You would have an opportunity to
3 make the argument to the Department why that's not a
4 commercially available candy.

5 MR. WATSON: And to go further with what Bob is
6 talking about is we are going to be requiring
7 registration of each product so that would be the time
8 in which we can address that issue.

9 MR. FISHER: Okay. Also with trusts. It seemed
10 to say that trusts could invest in the cultivation
11 center, but they cannot invest in a dispensary. I just
12 wanted to make sure.

13 MR. WATSON: That's correct.

14 MR. FISHER: Okay. And one last question, product
15 testing plan. On the application it says describe how
16 and when you will select samples for laboratory's
17 testing. We wanted to know is that State testing or do
18 we test it ourselves?

19 MR. WATSON: We are going to be giving out a list
20 or giving certification -- whatever you want to call
21 it -- or we will be approving certain independent labs
22 that will be providing testing for the cultivation
23 centers, and we will also have our own lab at the
24 Department of Agriculture that we can randomly check
25 the products to see if the product is consistent with

1 the label that's put on there in conjunction with the
2 testing by the independent lab.

3 MR. FISHER: Thank you.

4 MR. ANTHONY: After the next gentleman we'd like
5 to hear from Art Wade (phonetic), John Costello, and
6 Patrick Murphy.

7 MR. MAYES: Hello. My name is Michael Mayes,
8 spelled M A Y E S.

9 I'm with Quantum 9, Inc. We're a marijuana
10 consulting and technology firm, and I have three
11 questions.

12 The first question is in the rules it
13 requires that an engineer to certify a schematic design
14 via a written statement. Do the actual designs have to
15 be stamped by a local licensed architect?

16 MR. WATSON: Do you have the citation to the
17 rule -- Oh, on the application.

18 And that was under the plans and
19 specifications?

20 MR. MAYES: It's in a couple places. It's
21 required that an engineer certify the written statement
22 and back the application.

23 MR. WATSON: And you're asking if that has to be
24 an Illinois-based engineer?

25 MR. MAYES: I'm asking if the designs

1 themselves -- schematic designs if they have to be
2 stamped by an architect?

3 MR. WATSON: I'm not sure.

4 MR. MORGAN: Yeah. I think it's silent on that
5 issue. I would think maybe blueprints would be, but I
6 believe our rules and application will be silent on
7 that.

8 MR. MAYES: So, no, it is?

9 MR. WATSON: It does require a signature from the
10 engineer.

11 MR. MAYES: All right. If a county doesn't offer
12 a special use permit for the use of land how will the
13 Department view the absence of a special use permit in
14 an applications -- in an applicant's submission?

15 MR. WATSON: Okay. If I understand the question,
16 it would depend whether or not there's zoning in that
17 particular community. On the zoning certification
18 form -- or zoning approval form there is a box for the
19 local government to check if there is no zoning there,
20 so it's an unzoned area. If that's the question then
21 that would be the box to check.

22 If there is zoning and they refuse to grant
23 the special use permit you're not going to be able to
24 get that document signed showing the zoning approval
25 and your application would be denied.

1 MR. MAYES: My last question is since there are no
2 approved pest and pathogen sprays approved for cannabis
3 many other countries have adopted agriculture review
4 boards much like our approved illness board.

5 Has the Department of Agriculture considered
6 a review board to add and inspect pest and pathogen
7 eradication, including pesticides, miticides,
8 fungicides for cannabis?

9 MR. WATSON: Actually in our last go-around with
10 Jaycar we did add a list of pesticides to the rules
11 that would be approved.

12 MR. MAYES: Is that going to be expanded upon as
13 the program continues?

14 MR. WATSON: There are -- This is a pilot program.
15 There are going to be a lot of aspects to this program
16 that may change as we go along. That would be one in
17 particular that I would expect there may be some
18 changes, but in order to make that change we're going
19 to have to go before the judge of administrative rules
20 to add anything to that list.

21 So it's not going to be an easy process,
22 but, yes, we will -- we're going to be open to change.

23 MR. MAYES: Thank you.

24 MR. COSTELLO: Good morning. John Costello,
25 C O S T E L L O. I have two questions, one highly

1 technical. The second bank and constitutional. I'll
2 begin with the technical, and it follows up on the last
3 gentleman's question. The appendix to the regs list
4 sulfur is an accepted compound. My question is that
5 vaporizing elements of sulfur is an accepted
6 agricultural method mitigating powdery mildew on
7 agricultural products. The question is is that in the
8 abstract sulfur is permitted. Is vaporizing in its
9 compound form, it's 99.8 pure, is that a permitted use?

10 Highly technical.

11 MR. WATSON: I really wish we'd brought our
12 scientist with this.

13 I believe the list that you're talking about
14 gives specific uses for the various compounds.

15 Are you asking whether or not you can go
16 outside that specific use?

17 MR. COSTELLO: Well, no. The compound generally
18 is accepted, but this particular method, vaporizing
19 sulfur, is not spoken to within the appendix.

20 MR. WATSON: If -- If it's not listed then I would
21 say it's not approved. That can be something that we
22 can certainly add in the future.

23 I mean this as -- again, this is a pilot
24 program and keep in mind that initially we were
25 considering no pesticides at all simply because the

1 USDA does not approve anything for use under our law
2 and we used a list that we obtained from the state of
3 Washington to come up with this list.

4 MR. COSTELLO: Just my point would be if you refer
5 to sulfur in general you -- you know, probably be an
6 accepted application of it, but that was an easy one.

7 I'll move on to the bank constitutional
8 question now. And this gets back to our point
9 qualifying patients and caregivers being principal
10 officers. With respect to agriculture there is no
11 expressed prohibition. There is with respect to FPR
12 and the dispensaries.

13 And you would refer, Ms. Carlson, to
14 Section 115 of the regs, Section 25. The enabling
15 legislation speaks to caregivers/patients not being
16 denied a right or privilege as a result of
17 participating in this program.

18 My question -- and this is kind of the
19 abstract constitutional -- is the prohibition of a
20 caregiver or a patient being a principal officer an
21 inconsistent or in violation with the Section 25
22 provision that you will not deny a benefit or a right
23 or a privilege to somebody participating in, again
24 patient or caregiver?

25 MS. CARLSON: Do you have a section?

1 MR. COSTELLO: The prohibition is
2 115(f), foxtrot, (7), and the Section 25 is Sections I
3 and J. And this may very well be whether we
4 pontificate on with our counteroffer is in an FAQ.

5 MR. MORGAN: I think I'll give Bridget a little
6 time. That's the statute reference, right, Section 25?

7 MR. COSTELLO: The enabling legislation, right.

8 MR. MORGAN: You know, I think there are a number
9 of aspects of the statute that limit the involvement.

10 For instance, there's limited involvement
11 for first responders and other aspects that the
12 legislation contemplated. I think that would fall
13 under the bucket of what the intent of the legislative
14 drafters were and any changes to the statute would
15 refer to the legislature.

16 MR. COSTELLO: Really maybe making it more simple,
17 the statute itself is internally inconsistent in this
18 one regard.

19 MR. MORGAN: I think the legislation sometimes has
20 imperfections, and we're always trying to improve it.

21 MR. COSTELLO: And very last ten seconds, if you
22 can tell from my in depth knowledge, being a member of
23 this board commission if you're guiding people through
24 this process would that be a prohibition or would my
25 knowledge, skills, and abilities benefit you?

1 MR. MORGAN: I'm sorry. I'm not --

2 MR. COSTELLO: How do the appointments.gov process
3 be --

4 MR. MORGAN: Okay. Sure.

5 MR. COSTELLO: Yes.

6 MR. MORGAN: Well --

7 MR. COSTELLO: Would guiding people through the
8 process be a disqualification or would you simply
9 recuse yourself if that matter were presented to you as
10 a member of the board?

11 MS. SHERMAN OBERDORFF: Are you asking about if
12 someone on the board was a qualifying patient, is that
13 what your --

14 MR. COSTELLO: No. You're in the process of
15 selecting individuals to serve on the advisory board.

16 MS. SHERMAN OBERDORFF: Right.

17 MR. COSTELLO: If they were involved in the
18 process either as an attorney or a principal officer
19 would they be prohibited from serving in general or
20 would recusal be the more appropriate tool?

21 MR. MORGAN: I don't know that there's a direct
22 relationship. As we have separate processes, the
23 Department of Agriculture and DFPR, the selection of
24 those licensees, and the Department of Public Health's
25 consideration adding medical conditions is a very

1 separate processes. There would be no direct conflict.

2 MR. COSTELLO: Okay.

3 MS. SHERMAN OBERDORFF: And the medical cannabis
4 advisory board there are also specific requirements and
5 slots to fill such as certain healthcare practitioners,
6 patients, et cetera.

7 MR. COSTELLO: Okay. Thank you.

8 MR. ANTHONY: Next we'll hear here from Andrew
9 Berlanstein, Rick Duffin, and Joseph Friedman.

10 MR. BERLANSTEIN: Good morning. Andrew
11 Berlanstein, A N D R E W, B E R L A N S T E I N.

12 My question in the last topic there about
13 adding conditions through the petition with the
14 advisory board. For someone like me who suffers from a
15 condition that's not currently listed on the qualified
16 conditions list is looking for an update and some
17 clarity on the process.

18 Last I checked the FAQs said a process was
19 coming to petition for new qualified conditions. So
20 you said earlier the advisory board is being formed,
21 something about late fall. Just looking for
22 clarification about the deal on that.

23 MS. SHERMAN OBERDORFF: Sure. So the first
24 petitions to add a debilitating medical condition will
25 be accepted January 1st, 2015 and that will be for a

1 one-month period so your petition may be submitted any
2 time during the month of January, and we should have
3 the forms available for how you will petition the
4 Department some time in the fall. And if you look in
5 the Department of Public Health's rules we also lay out
6 some of the requirements that we expect there will be.

7 MR. BERLANSTEIN: And then just to make sure I'm
8 correct here, the enrolling period for application
9 after the petition has been reviewed by the advisory
10 board?

11 MS. SHERMAN OBERDORFF: Correct.

12 So basically what will happen is starting in
13 2015 qualifying patients may apply at any time. So if
14 a condition is added those patients would be able to
15 apply immediately after, and if your petition isn't
16 ready for January there's another open period in July.

17 MR. BERLANSTEIN: Okay. Thank you very much.

18 MS. SHERMAN OBERDORFF: Thank you.

19 MR. DUFFIN: Good morning. My name is Rick
20 Duffin, D U F F I N.

21 A follow-up question to the question that
22 Bob Morgan answered earlier regarding minority
23 verification. My understanding of his response to the
24 question related to minority verifications that it
25 would be a B certification from CMS is not required.

1 Is that -- Is that -- Was I understanding
2 that accurately?

3 MS. CARLSON: That's correct. If you have one
4 send it in though. Should you have one we'd like it.
5 If you don't have one then there's alternatives.

6 MR. DUFFIN: And that's my follow-up question,
7 what would the alternatives be.

8 What documentation would be acceptable or
9 obtained bonus points if CMS was not able to process
10 the application in time?

11 MS. CARLSON: Yeah. I would leave that to Bob to
12 answer because he's been in direct communication with
13 CMS and their process and what they support in that
14 certification. So in his absence more likely than not
15 similar types of documentation to support your -- you
16 know, any verification that you qualify under that
17 bonus point category.

18 MR. DUFFIN: Thank you.

19 MR. FRIEDMAN: Good morning. My name is Joseph
20 Friedman. I just wanted to --

21 MS. CARLSON: Joseph, can I interrupt you for a
22 second?

23 MR. FRIEDMAN: Sure.

24 MS. CARLSON: The last question was absent the BP
25 certification what other types of documentation might

1 be acceptable to satisfy that requirement?

2 MR. MORGAN: Sorry about that. I needed a
3 bathroom break.

4 The clarification for that is that there's a
5 number of pieces of documentation depending on which
6 category. We would encourage you to look at the CMS
7 BP website has a list of different pieces of
8 documentation that would demonstrate, for instance,
9 that you're a female, that kind of documentation.
10 We're -- Particularly for veterans is listed in our
11 rules but also for those that are minority, female, or
12 disabled individual there's some clarification there,
13 but we're also not limited on that area.

14 So we're looking for clarification and
15 documentation to support your board ownership is over
16 that 51 percent requirement.

17 MR. ANTHONY: After this gentleman I'd like to
18 hear from James Peterson, Ray Parish (phonetic), and
19 Scott Lusker (phonetic).

20 MR. FRIEDMAN: Good morning again. My name is
21 Joseph Friedman, F R I E D M A N.

22 I just wanted to say just how much work this
23 team has done is incredible as far as putting this
24 together and my congratulations to all of you.

25 (Applause.)

1 MR. MORGAN: I'll jump in there and say there are
2 a number of people not up here today that have been
3 working really hard. There are a dozen of state
4 employees worked really, really hard to keep the
5 program moving, so thank you very much.

6 MR. FRIEDMAN: I'm finished -- No.

7 MR. MORGAN: Great place to end there.

8 MR. FRIEDMAN: For the dispensaries is there going
9 to be a secure website for each dispensary agent in
10 charge that they can access through DFR that will give
11 us some kind of feeling of the patients that may be
12 hopping from dispensary to dispensary over a period of
13 time where we can monitor use and potential abuse?

14 MR. MORGAN: Yes. We're still confirming exactly
15 what that system will look like.

16 Again, I've heard earlier to the procurement
17 we'll be issuing for the vendor to manage all those
18 processes, but that is our anticipation that a
19 dispensary would have a number of ways to validate a
20 patient's registration and the purchase -- the amount
21 that they've purchased in a given period of time to
22 make sure we're complying with the statute of two and a
23 half ounces every 14 days.

24 MR. FRIEDMAN: Thank you.

25 MR. MORGAN: At this point, you know, everyone

1 else should have the benefit of getting a little bit of
2 a bathroom break so let's take a five- to ten-minute
3 break and we'll pick up where we left off.

4 (A break is taken.)

5 MR. ANTHONY: Scott Lusker, Marla Levi, In Heu,
6 and Tammy Jacobi.

7 MR. HEU: Hi. My name is In, I N; last name
8 H E U.

9 I was just wondering if you guys are going
10 to be allowing concentrates and oils to be sold in the
11 dispensaries?

12 MR. MORGAN: Yes.

13 MR. HEU: Okay. Now, if I wanted to do a niche
14 market where I just only sold concentrates and edibles
15 and not the flower could you do that if you wanted to
16 just be in a niche market?

17 MR. MORGAN: That would be up to each given
18 applicant.

19 Again, as we've mentioned before given the
20 limited number of licenses that we can issue we're
21 leaving it open to the applicants to be creative and to
22 explain to us what their designs are for the program
23 and DFPR will be considering each application given the
24 other applications in that given dispensary zone.

25 MR. HEU: So it would be okay?

1 MR. MORGAN: It's really up to you.

2 MR. HEU: Okay. And then my next question is
3 during the application process you do the background
4 check. What can you be turned away for?

5 Is it all felonies or -- I'm not really
6 sure. I couldn't really find that in there.

7 MR. ANTHONY: The definition of excluded offenses
8 is located in Section 10-L of the statute is defined as
9 a violent crime in Section 3 of the Rights of Crime
10 Victims or Witnesses Act or a substantially similar
11 offense classified as a felony in a jurisdiction where
12 somebody was convicted. And then there are some
13 additional controlled substance felonies and so forth.
14 And there's also in that section a labor provision that
15 sets forth who's eligible to have that offense waived.

16 So I would encourage you to read the
17 statute, read the rules, and if necessary consult with
18 an attorney to see if your or somebody else's
19 conviction might fall in that.

20 MR. HEU: I was just wondering about like people
21 who work for us, things like that, if they had a
22 conviction.

23 MR. MORGAN: Yeah. I think what Tyler is
24 referencing is the best place to go to the statute.
25 For those that have questions about criminal history we

1 recommend seeking your own legal guidance.

2 MR. HEU: Okay. Thank you very much.

3 MR. MORGAN: Thank you.

4 MR. WATSON: Tyler, I had the opportunity to check
5 with one of our experts at the Department on a couple
6 issues, and I want to correct a couple of my answers
7 and/or clarify them -- whatever you want to call it.

8 Is the gentleman here that asked about the
9 engineering plans, whether they needed to be stamped?

10 MR. MAYES: I'm a representative of the same
11 organization.

12 MR. WATSON: Pardon me?

13 MR. MAYES: I'm a representative of the same
14 organization.

15 MR. WATSON: Okay. If I understood the question
16 it was if an engineer has designed the plans do you
17 need the stamp or not. The answer is yes because that
18 stamp will have the license number of the engineer on
19 there and we're going to need that showing that they're
20 licensed by DFPR.

21 And with regard to the other question about
22 the sulfur I had to call our scientist on that.

23 Is the gentleman here that asked about that
24 question?

25 Okay. As I understand it it depends upon

1 the use. If it is to be used as a nutrient there would
2 be no limitation, but if it's to be used as a pesticide
3 we're not sure is the answer. But the concern would be
4 possibly inhalation if you're vaporizing it and
5 spraying it on the plants would there be any
6 restrictions on, you know, wearing masks.

7 MR. MAYES: There is a prescribed reentry interval
8 is the same as any other pesticide.

9 MR. WATSON: Okay.

10 UNIDENTIFIED SPEAKER: What did he say?

11 MR. WATSON: He said that there are prescribed
12 reentry schedules so you could not enter the area for a
13 period of time after applying it so follow all the
14 label instructions.

15 UNIDENTIFIED SPEAKER: Does that include
16 vaporization or the spray?

17 MR. MORGAN: We're going to cut it off there.

18 Apologies that Ray was a few minutes late.
19 He didn't know we were moving ahead. We'll come back
20 to that.

21 If you have additional questions we still
22 have individuals to sign up towards the back of the
23 room and we're going to just keep plugging away.

24 MS. LEVI: Oh, hello. Hi, everybody. I'm just so
25 glad to see --

1 MR. MORGAN: I'm sorry. Can you introduce
2 yourself?

3 MS. LEVI: Yes. My name is Marla Levi, M A R L A,
4 L E V I.

5 I'm with Mother Earth Holistic Health. I am
6 also a patient that has MS for 20 years, and I'm taking
7 many pharmaceuticals. Just about whatever. I lost my
8 gall bladder because I had taken so many pills -- so
9 many medication -- so many pharmaceutical medications,
10 and my preferred use of the medical marijuana or
11 cannabis -- whatever -- is brownie because I'm not a
12 smoker and the brownie gives you -- the whole body
13 relaxes. My muscles unbelievable how relaxed they are,
14 and they -- you know, they don't -- they have a mind of
15 their own. They just go all over the place, and so the
16 cannabis -- the medical cannabis relaxes them.

17 So my question is who's going to be looking
18 over, reviewing my application as a patient?

19 Is it going to be an independent third party
20 or is it going to be somebody that will potentially
21 profit from it to make the decision?

22 I mean who makes that call whether I get it
23 or not?

24 MS. SHERMAN OBERDORFF: All qualifying patient
25 applications will be reviewed by the Illinois

1 Department of Public Health.

2 MS. LEVI: Okay. So it's the Illinois Department
3 of Public Health --

4 MS. SHERMAN OBERDORFF: Correct.

5 MS. LEVI: -- that would make that decision?

6 MS. SHERMAN OBERDORFF: Correct.

7 MS. LEVI: Okay. And is there also going to be
8 information for doctors that it's okay to prescribe
9 this for patients; they do not have to keep it in their
10 offices?

11 A lot of patients who could benefit will
12 benefit from this they're concerned their doctors will
13 not provide this for them, and we need to make it more
14 accessible for doctors that they don't have to worry
15 that they're going to, you know, lose their business
16 because they're getting involved in this.

17 MS. SHERMAN OBERDORFF: Right. So in the
18 Compassionate Use Of Medical Cannabis Pilot Program Act
19 there are certain provisions that protect physicians
20 from losing their license in Illinois, and in addition
21 to that the Illinois Department of Public Health and
22 our sister agencies we've been working with different
23 physician groups on education about this program so
24 that they know what it's for, they know that what they
25 are really responsible for is certifying patients that

1 they have that debilitating medical condition --

2 MS. LEVI: Okay.

3 MS. SHERMAN OBERDORFF: -- and then from there
4 they're not the ones dispensing the cannabis. The
5 patient will be going to the dispensaries.

6 MS. LEVI: Right. Okay. Thank you.

7 MS. SHERMAN OBERDORFF: You're welcome.

8 MR. MORGAN: Thank you.

9 MS. JACOBI: Hi. My name is Tammy Jacobi,
10 T A M M Y, J A C O B I.

11 I'm representing Good Intentions and the
12 20,000 plus patients who have contacted us looking for
13 help getting into this program. My question is kind of
14 a follow-up to her question and it's directed at DPH.

15 Is it the expectation of the Department that
16 a patient who has a primary or specialist physician
17 that's unable to sign their recommendation because of
18 the federal status of marijuana is it the expectation
19 of the Department that they will have to find a new
20 physician if they'd like to be involved in the program?

21 MS. SHERMAN OBERDORFF: We are requiring that all
22 qualifying patients have that physician written
23 certification form completed. So if they have a
24 physician that does not support their choice and want
25 to use medical cannabis we are encouraging them to find

1 a new doctor that might support that choice, and we
2 just want to caution everyone that if you are finding
3 that new doctor there is a requirement for a bona fide
4 physician-patient relationship.

5 So it cannot be the type of thing where a
6 patient goes and sees a doctor one time and they walk
7 out with a certification. We want to make sure that
8 the physician is taking a look at their debilitating
9 medical condition, any other factors, current
10 medications, et cetera, and on the physician written
11 certification form itself the physician does have to
12 sign off on a number of statements, including review of
13 patient records from the past 12 months.

14 MS. JACOBI: Okay. Thank you.

15 MS. SHERMAN OBERDORFF: Thank you.

16 MR. ANTHONY: Next we have Davia (phonetic)
17 Goodman and Kenny Glick (phonetic) and David Title.

18 MR. GOODMAN: Steven Goodman, S T E V E N,
19 G O O D M A N.

20 I had a couple of questions, first one being
21 you've stated that the dispensaries will get the
22 packaging from the cultivation centers. Am I to assume
23 that since I won't know exactly what my patients want
24 and I can't open it and they can't smell it or check
25 it -- whatever?

1 I have just learned my patients -- So let's
2 say I have an ounce left over at the end of the month
3 and it's packaged that way I have to throw that out
4 because I had it too long, I couldn't open it, I
5 couldn't exchange it, I can't do something with it
6 because I have to accept the packaging from the
7 cultivation the way it came?

8 MS. CARLSON: So are you asking -- is your
9 question that if at the end of each month you have
10 surplus or you have additional packaged cannabis how to
11 dispose of it?

12 MR. GOODMAN: How do I manage my inventory if you
13 suggest that the packaging can't be changed once I get
14 it from the cultivation center?

15 I have to know how to get it and what
16 increments to get, and then, as I said, do I need to
17 buy the smallest possible packaging?

18 So if my patient wants a lot I can give it
19 to him that way, but if they don't want a large package
20 I'm not stuck with a large package that I couldn't
21 sell.

22 MS. CARLSON: Well, as we've kind of described
23 throughout this process that there is a certain amount
24 of things that we're leaving up to the industry to
25 develop for themselves and the cultivation centers will

1 be packaging this cannabis in different increments and
2 dispensaries, depending on where you are, who your
3 patient population is, or what kind of debilitating
4 conditions might want different strains or different
5 ounce measurements so that's something that it's going
6 to be left up to each dispensary to determine what best
7 fits their patients and what's best for their business.

8 MR. GOODMAN: But as of now the patient can only
9 get it prepackaged and won't really be able to smell it
10 or do anything but look at it in the package?

11 MS. CARLSON: Well, like we had described also
12 before that if a package is opened, say it's the
13 smallest denomination that you have and it's opened, it
14 just has to be disposed of within a week.

15 MR. GOODMAN: Gotcha.

16 Okay. My last question involved the statute
17 and the fact where there was some confusion from me as
18 to what a doctor can do in terms of sitting on your
19 board, owning a dispensary.

20 In the FAQ it says absolutely a doctor
21 cannot sit on your board, and then in the
22 Statute 1290.50 it says if you're planning on sitting
23 on the board or being an employee you have to write
24 some letter if you're an M.D. I'm not sure I
25 understood the rationale.

1 If I can have a nurse on the board of
2 directors, she's an R.N., why wouldn't we necessarily
3 want doctors who are not prescribing doctors or
4 recommending doctors to be able to help, you know,
5 advise us on best practices, something like that?

6 MS. CARLSON: You said Section 1290.50?

7 MR. GOODMAN: There's a point in time it says if
8 somebody is applying who wants to be a board member or
9 a principal officer that they have to write a letter
10 saying that they didn't have some -- some part of the
11 dispensary where the license was revoked if they're an
12 M.D. or want to be an employee as an M.D. they have to
13 write some sort of letter, but in the FAQ it said that
14 you absolutely cannot be a physician and be on the
15 board. I'm trying to understand the State's thinking
16 there. The doctor can put their money and be
17 financially connected as long as they're not
18 recommending it. They can be a backer, but they can't
19 sit on the board.

20 MS. CARLSON: So Section 35 of the statute, which
21 was passed by the legislature, identifies Subsection B
22 of that identifies what a physician may not do.

23 MR. GOODMAN: Sit on the board is one of them.

24 MS. CARLSON: (b) (1) identifies that a physician
25 may not accept, solicit, or offer any form of

1 remuneration to a qualifying patient, current
2 caregiver, cultivation center, or dispensary
3 organization.

4 UNIDENTIFIED SPEAKER: Can't hear you.

5 MS. CARLSON: Sorry. Let me repeat that.

6 Section 35 of the statute identifies
7 physician requirements. Subsection B identifies what a
8 physician may not do. (b) (4) says a physician may not
9 hold a direct or indirect economic interest in a
10 cultivation center or a dispensing organization as he
11 or she recommends medical cannabis to qualified
12 patients or is in a partnership with other fee profit
13 sharing relationship with a physician who recommends
14 medical cannabis.

15 Subsection (b) (5) identifies that physicians
16 may not serve on the board of directors or as an
17 employee of a cultivation center or dispensing
18 organization so that means we have no opportunity to
19 change that statute section in our administrative
20 roles.

21 MR. GOODMAN: 1290.50 clearly states though that
22 that's where the ambiguity comes because in that part
23 of the rules it's asking for those people that want to
24 sit on the board or whatever to submit a letter if
25 they're an M.D. or employee, so I'm just trying to

1 understand what the law is. And if I'm a retired M.D.
2 and I don't have a license, but I'm an M.D. can that
3 person sit on the board, a retired, nonpracticing M.D.?

4 MS. CARLSON: I see what you're saying. So
5 1290.50 identifies the dispensing organization
6 application requirements for authorization. (a)(6)
7 Subsection B says from each principal officer a
8 statement indicating whether that person is a physician
9 will be on the dispensing organization's board of
10 directors or employee pursuant to Section 35(b)(5).

11 So if you are a physician we want to make
12 sure that you know that you're not allowed to be on the
13 board of directors. We're referring you back to the
14 statute where it says you're not allowed to be on the
15 board of directors or an employee.

16 So really that relates back to make sure
17 that you understand that this Act prohibits you.

18 MR. GOODMAN: Right. But I can be -- If I'm not a
19 recommender I can own part of that dispensary. I can't
20 sit on its board.

21 And then I'd like you to comment on the
22 State's thinking there as to why a registered nurse can
23 sit on a board but a doctor cannot.

24 MR. MORGAN: Yeah. I think you're making a good
25 point that the statute distinguishes those two

1 categories. So it's not our determination in the rules
2 that a certain type of licensed medical professional
3 could or could not do something. It's us following
4 Subsection 4 and Subsection 5, which again, as Bridget
5 read, are specific for physicians. So that's a
6 specific reference to the statute. We understand your
7 point though about distinguishing between a physician
8 and other professionals but that is directly from the
9 statute.

10 MR. GOODMAN: Do you know why they decided to keep
11 doctors out?

12 MR. MORGAN: Yeah. Generally speaking the reason
13 that there are restrictions on physicians and their
14 ownership and involvement in cultivation centers and
15 dispensaries comes from generally speaking about
16 legislative intent. We're obviously not the
17 legislative drafters, but I do believe the intent was
18 to avoid kickback-type situations and fraud situations
19 that are common prohibitions for physicians under
20 federal law. That was the overall intent with what
21 they were going for that you weren't self-referring to
22 dispensaries that you had an ownership interest in.
23 That -- That was I believe their overall intent.

24 There are certainly a number of areas in the
25 statute that we need to clarify and have legislative

1 cleanup, and we hope to do that in the future.

2 MS. CARLSON: Let me just add on one additional
3 aspect of that, that section of our administrative
4 roles that I just quoted from, 1290.50, it doesn't say
5 the physician can somehow get around that requirement,
6 the statutory prohibition, by submitting a letter to us
7 describing why they should be exempt from that.

8 MR. GOODMAN: They cannot did you say?

9 MS. CARLSON: No. We can't grant an exemption for
10 a physician from the statutory requirement.

11 MR. GOODMAN: What about retired physicians?

12 What about somebody not practicing?

13 MR. MORGAN: Sir, I'm sorry. We'll come back to
14 you if you have additional questions at the end. I'm
15 sorry. We just want to make sure we get to as many
16 people as we can.

17 MR. ITTEL: My name is David, D A V I D; last name
18 Ittel, I T T E L, and I work for Alternative Garden
19 Supply.

20 If a cultivation center has a water test
21 done for irrigation suitability and they bring that to
22 us and we customize a formula for them and have that
23 made do they need to get that registered with the
24 Department of Ag. because it's not for sale to the
25 public?

1 MR. WATSON: Could you repeat that question?

2 I'm not sure I understand it.

3 MR. ITTEL: If a cultivation center, and there's
4 challenging water supplies in Illinois and some of them
5 actually have nutrients within the water that can help
6 the plant, so if they get an irrigation suitability
7 test, bring that to us, and we customize a formula for
8 them of fertilizer and have that made for them do they
9 need to get that registered with the Department of
10 Agriculture?

11 Because I've spoken with a couple different
12 Ag. people. One said yes. One said no.

13 MR. WATSON: Okay. So you're talking about
14 registering under the fertilizer regulation?

15 MR. ITTEL: Fertilizer regulation.

16 MR. WATSON: If you're going to be designing a new
17 type of fertilizer I would suggest yes.

18 MR. ITTEL: We won't be making the fertilizer.

19 MR. WATSON: Okay.

20 MR. ITTEL: And the end user it's going to be
21 proprietary to them and they're not going to sell it.

22 MR. WATSON: Basically is this -- is this
23 fertilizer going to be used within the requirements of
24 the labeling and restrictions on its label or are you
25 going to be making a new use out of it?

1 MR. ITTEL: Well, I guess my question is does the
2 Department of Ag. want their forms filled out and their
3 money paid for a fertilizer that's going to be used
4 within the state of Illinois even though it's not
5 available to the public?

6 MR. WATSON: I'd say yes.

7 MR. ITTEL: I thought so too, but somebody told me
8 no so that's why I'm asking.

9 MR. WATSON: If you're asking us whether or not we
10 want your money, yes.

11 MR. ITTEL: And then a group out of southern
12 Illinois called Nature's Care asked me to ask a
13 question. Her name is Mitch Meyer. I can spell that
14 if you'd like. It's M I T C H, M E Y E R. And she got
15 her fingerprints yesterday and she wants to know when
16 the forms are going to be available online for
17 applicants' fingerprints?

18 MR. MORGAN: Very soon before the cultivation
19 center and dispensaries.

20 MR. ITTEL: All right. Then she asked another
21 question, and I'm just going to read it because I hope
22 you understand.

23 All right. She says in Section 1000.420,
24 which references packaging and labeling, (d) (3) says
25 the label shall not contain any of the following

1 information, depictions of the product, cartoons or
2 images other than the cultivation center logo.

3 Does that really mean we can't show a photo
4 or illustration of what is in the package if I have
5 caramels individually wrapped in a child resistant
6 prescription bottle?

7 I need to show the patient what they're
8 buying as well as trying to keep inventory straight.

9 MR. WATSON: So what you're asking for is an
10 exception to the rule that we have as it's written?

11 MR. ITTEL: I'm not asking for it.

12 MR. WATSON: Because we're not going to be doing
13 that.

14 MR. ITTEL: And I figured that's what your answer
15 would be, but she asked me to ask and I did that --

16 MR. WATSON: Okay.

17 MR. ITTEL: -- and that's what I'll tell her.

18 Thank you.

19 MR. TITLE: My name is David Title, T I T L E.
20 This is for the Department of Agriculture.

21 Now, for the cultivation centers is there
22 any benefit of having like agriculture land instead of
23 industrial land, and then also unincorporated land what
24 would be the benefit for receiving the license?

25 And then also for people having a building

1 existing or build a building for our center is there an
2 advantage to have a building rather than saying in our
3 application we're going to build a building?

4 MR. WATSON: Well, I think with regard to the
5 first question if you're talking about an area that is
6 either zoned agriculture or unzoned you're going to
7 have pure restrictions from the local government as to
8 its uses I'm sure. So that obviously would be a hurdle
9 that you would want to get over and maybe easier in
10 that circumstance; however, for any applicant we're
11 going to want to have that zoning approval form
12 completed. So it may be -- it may be advantageous for
13 to you do it in the way you described in order to get
14 that approval, but ultimately everyone is going to have
15 to have approval before we get a permit.

16 And the second question, I'm sorry --

17 MR. TITLE: Unincorporated land.

18 MR. WATSON: Well, again you're going to have
19 county zoning.

20 MR. TITLE: And then also having a preexisting
21 building or building a building our application would
22 that be like a penalty against us if we're going to
23 build a building instead of having a preexisting one?

24 MR. WATSON: The idea behind having a preexisting
25 building may actually be an advantage if that's going

1 to aid you in getting the product to market quicker
2 because part of our application information we're going
3 to want is scheduled as to when you think you can begin
4 production. If it's going to take a shorter period of
5 time to build out an existing building than to
6 construct -- than to construct an entirely new one then
7 obviously you want to incorporate that into your
8 schedule when you're telling us how soon you're going
9 to be able to get up and running.

10 MR. TITLE: Thank you.

11 MR. MORGAN: And just again a reminder if you've
12 had an opportunity to ask questions previously --
13 there's a number of people waiting to ask questions --
14 we really appreciate the passes when possible.

15 MR. ANTHONY: Next we'd like to hear from Mia
16 Dingra (phonetic), Joe O'Sullivan, Curt
17 Billing (phonetic), and Jeremy Stonehill.

18 MR. O'SULLIVAN: Hi. Joe O'Sullivan, J O E,
19 O, apostrophe, S U L L I V A N.

20 And I have a question for the Department of
21 Agriculture, and this is regarding 1000.430(f) and it's
22 a language in the administrative rules regarding the
23 transportation of medical cannabis. It says that a
24 cultivation center shall staff all transport vehicles
25 with a minimum of two employees, but in the draft

1 application that's out there's a point on page 7 of the
2 draft application that asks for the name of the firm
3 contracted to transport and provide security of the
4 shipment.

5 So I see a conflict there and just in terms
6 of putting together a security plan which one of those
7 would be the guide to follow?

8 MR. WATSON: I have an answer but only because I
9 heard Bob give this answer at the last meeting.

10 Anyway, I think the idea behind this is we
11 do want the two cultivation center staff there because
12 we want cultivation center agents in control of the
13 product until it arrives at the dispensary and that's
14 for security reasons so that we can make sure that
15 we're tracking the product appropriately.

16 The portion of the application that talks
17 about transport company would allow you to use an
18 outside company, but you're still going to have those
19 two agents in the vehicle.

20 MR. O'SULLIVAN: All right. So an escort or
21 something like that?

22 MR. WATSON: Right.

23 MR. O'SULLIVAN: All right. Thank you.

24 MR. MORGAN: And that part is optional as opposed
25 to mandatory. The portion of the two employees

1 following the product during transport that would be
2 mandatory.

3 MR. O'SULLIVAN: Thank you.

4 MR. ANTHONY: All right. Next we have Gulzar
5 Singh (phonetic), Bill Valsopolus (phonetic), and
6 Denise Glanis (phonetic).

7 (Brief pause.)

8 MR. ANTHONY: Steven Weisman, Vin Gomez
9 (phonetic), Alec Gatsolis (phonetic).

10 MR. WEISMAN: Steve Weisman, S T E V E,
11 W E I S M A N.

12 My question is with respect to the 400,000
13 liquidity of the draft application asked for the name
14 of the banking institution. In our case the funds are
15 held by the individual investors that committed the
16 capital. Can we list the individual bank account or do
17 we need to -- is it necessary that we aggregate it into
18 one account?

19 MS. CARLSON: In that case I would recommend that
20 you follow the first part of that Subsection (c)(1).

21 MR. WEISMAN: Is that in reference to the CPA
22 letter?

23 MS. CARLSON: Right. So a signed statement from
24 an Illinois licensed CPA attesting the proof of the
25 liquid assets. If it's more than 400- that's fine too,

1 but if --

2 MR. WEISMAN: Yeah. We have the CPA letter all
3 figured out. The question for me was it asks for
4 banking institutions, a list of them in the draft
5 application, so the question is do you want us to list
6 ten investors and ten banks or should we say that it's
7 held in the individual accounts?

8 I just wanted to clarify.

9 MS. CARLSON: Whatever is easier for you. However
10 you want to give us that information that's fine as
11 long as it meets the minimum liquid capital requirement
12 and it needs that Subsection (c)(1). It's really up to
13 you about how you present that in the best, clear,
14 concise --

15 MR. WEISMAN: So there's no -- Just to be clear,
16 there's no requirement for it to be in one institution?

17 MS. CARLSON: No.

18 MR. WEISMAN: Great. Thank you.

19 MS. CARLSON: You're welcome.

20 MR. ANTHONY: David Knapp, Mike Monroe, Blake
21 Langa (phonetic), Erin Cikanek, Laura Dee.

22 MS. KNAPP: My name is Nonna Knapp. I'm asking a
23 question for David Knapp, if that's okay. That's
24 N O N N A; last name is K N A P P.

25 And my question is if you wouldn't mind

1 clarifying the difference between a backer who owns
2 more than 1 percent of the dispensary --

3 UNIDENTIFIED SPEAKER: We can't hear her.

4 MR. MORGAN: We'll repeat the question when you're
5 done.

6 MS. KNAPP: Okay.

7 (Continuing.) -- but not involved with the
8 daily operations and a principal officer. The draft
9 application of the rules and regulations appear to be
10 unclear, and it seems like the principal officer is
11 termed -- is interchangeably used with the term the
12 backer.

13 MR. MORGAN: I'll just repeat the question real
14 quick. The question is what's the distinguishing
15 factor -- what's the difference between a financial
16 backer that has created a 1 percent interest in the
17 dispensary versus a principal officer when it comes to
18 the application requirements.

19 MS. CARLSON: Thank you.

20 So a principal officer is defined as a
21 person that includes a prospective dispensing
22 organization or a dispensing organization board member,
23 owner, president, vice president, secretary, treasurer,
24 partner, officer, member, shareholder, or person with a
25 profit-sharing arrangement and is further defined in

1 this part. Then section 1290.30 further defines what a
2 dispensing organization principal officer is, and in
3 addition to the individuals that are in that definition
4 I just read it goes through Subsection (a)(1) through
5 (6) to identify how your business is going to be
6 organized.

7 For example, if it's a corporation it's
8 going to be the officer of the corporation but to
9 distinguish that with what a dispensing organization
10 backer is many of the businesses that are business
11 entities that will submit applications will have a
12 group that owns and controls that dispensary to make
13 the management decisions on a day-by-day basis.

14 A backer we have defined as somebody with a
15 direct or indirect financial interest in the dispensing
16 organization. That might be an investor to me that's
17 not to be participating in the day-to-day management
18 decisions, but somebody that will have either a debt to
19 equity interest, have some sort of investment interest.
20 We're interested in disclosure of the people that are
21 going to own, operate, and receive compensation from
22 the dispensary.

23 So you're correct in that sometimes if you
24 are a backer you can also, if you have enough of an
25 interest, meet that principal officer requirement. So

1 while I wouldn't say that those two things are
2 conflicting what we're looking for is full disclosure
3 for people who are going to be operating and receiving
4 compensation or debt to equity type of interest in that
5 organization so we can follow the money involved so we
6 know who we're licensing.

7 MS. KNAPP: Okay. Can I ask one more question?

8 So if it is a backer and the backer has more
9 than 1 percent interest in the company, they are not
10 involved in the day-to-day operations whatsoever --
11 they have no say, no management, nothing -- they're
12 just people who are financing what is required -- what
13 type of paperwork is required from them?

14 Is it the same as principal officer, which
15 would be three years of tax returns and the resume, or
16 would it be just one year of tax returns?

17 That's where we're kind of conflicted here.
18 That's where it's not really clear.

19 MR. MORGAN: And just to repeat the question again
20 for a financial backer more than 1 percent not doing
21 day-to-day operations/management what the paperwork
22 would be required of them including three years of tax
23 returns, resume, et cetera.

24 MS. CARLSON: So the financial disclosures that
25 are required include -- that's in Section 1290.50

1 under (b), Subsection (7). And this is just to answer
2 your tax return inquiry under (b)(7) it says complete
3 copies of all federal, state, and foreign tax returns
4 filed by the principal officers of prospective
5 dispensing organization for the last three years.

6 (8) says the name of each dispensing
7 organization backer and complete copies of the most
8 recently filed federal, state, and foreign personal tax
9 returns filed by each dispensing organization backer,
10 and if that backer is a business entity name the
11 principals or board members of that business entity and
12 provide the personal tax returns.

13 So it says most recently filed which means
14 within the last year.

15 MS. KNAPP: Okay. So --

16 MR. MORGAN: And that's a question that we've had
17 in a couple town halls so we'll add that in our FAQ for
18 cultivation centers and dispensaries.

19 MS. KNAPP: So basically if you're a backer then
20 you only need the most recent one year of tax returns?

21 MS. CARLSON: I would encourage you to read the
22 statute to make sure that -- not the statute, the
23 administrative rule to ensure that that person that you
24 might term as a backer is not really a principal
25 officer, and if you're not sure I would error on the

1 side of giving us more information.

2 So if you think maybe that they might be
3 both you probably would want to include the three years
4 of the tax returns unless you were absolutely certain
5 that you know you should only include one.

6 MS. KNAPP: Okay.

7 MS. CARLSON: Overdisclose, not underdisclose.

8 MS. KNAPP: Okay. Fair enough.

9 MS. CIKANEK: Hello. My name is -- Sorry about
10 that. My name is Erin, E R I N, Cikanek,
11 C I K A N E K.

12 My questions are mainly relating to
13 dispensaries. So in Section 130 of the Act, letter M
14 it states a dispensing organization may not share
15 office space with or refer patients to a physician.
16 I'm wondering if there are any rules or thoughts
17 regarding dispensaries sharing space in terms of being
18 in a medical campus or another building where
19 physicians are located but not having any sort of
20 relationship directly with the physicians in the
21 building.

22 MS. CARLSON: Can you give me the statutory cite?

23 MS. CIKANEK: Section 130 of the Act. I don't
24 have the subsection with me, but the letter M. I think
25 it's after Section 35, so it might be Section 40.

1 Possibly it were within 35 since that refers to
2 physician relationships.

3 MS. CARLSON: So a dispensing organization may not
4 share office space with or refer patients to a
5 physician.

6 I'm sorry. What was your question again or
7 inquiry?

8 MS. CIKANEK: Well, we're interpreting that as
9 meaning it cannot be doctor so-and-so's office and
10 dispensary, however if they are in a building or in a
11 medical park where physicians are located but they do
12 not share any sort of relationship directly with a
13 physician we just wanted to get some clarification on
14 that, making sure we're understanding correctly that
15 office space means doctor so-and-so's office and
16 dispensary and not located in a building where
17 physicians might also be.

18 MS. CARLSON: I would interpret the office space
19 to be some sort of contiguous space.

20 So say you're in a strip mall and the
21 doctor's office anchors one part and you're all the way
22 on the other end I wouldn't say that that would be
23 sharing office space or you're in a high-rise building
24 and you're on the 30th floor and the doctor is on the
25 20th floor that's not sharing office space, but I would

1 use your best judgment on that.

2 MS. CIKANEK: Okay. Thank you.

3 And my next question in the application it
4 talks about your intent to sell specific items at your
5 dispensary, however since we're not entirely aware what
6 cultivation centers are going to be offering and a lot
7 what we're able to sell is contingent on what they will
8 be offering do we just need to list generally items
9 that we would be interested in selling since we're not
10 going to have any idea before the approvals come out
11 what will be available in the market?

12 MS. CARLSON: That's a really good question. I'm
13 glad you asked that.

14 I would like to know -- We want to know what
15 your plan is. So if you have a group of people and one
16 of those people -- at least the principal officers
17 should have some knowledge and experience with business
18 generally and/or with the cannabis industry in general.
19 So we're hoping that in your plan you identify the
20 different strains of cannabis that you're familiar
21 with, possibly what debilitating conditions they might
22 assist with, whether or not you're going to be planning
23 to sell edibles or, you know, any other types of
24 cannabis products, and if you believe that your
25 specific strains are going to work well with what you

1 would consider a patient population in your district.
2 Those are the type of things that we're asking you to
3 identify. And we understand that you can't look into a
4 crystal ball and know what a cultivation center might
5 be offering, but we just want to know what your best
6 plan is and put that out there.

7 MS. CIKANEK: Okay. Thank you very much.

8 MR. ANTHONY: If you don't mind, we're going to
9 move on.

10 MS. CIKANEK: Oh, of course. Thank you.

11 MR. ANTHONY: Thank you.

12 Before you speak, we'd like to call next
13 Pete Cucci (phonetic), Joseph Dooley, Robert Kingsley,
14 and Mitch Kahn.

15 MS. DEE: Hi. I'm Laura Dee, L A U R A, D E E.
16 G Sciences (phonetic).

17 What surety bonds do insurance companies
18 need to fill out?

19 What form number exactly?

20 MS. CARLSON: Department of Financial and
21 Professional Regulations drafted their own surety bond
22 form. It's being finalized now. It hasn't yet been
23 posted. Once that is available then that will be a
24 qualification of -- or a condition of the registration.

25 So during the application process a surety

1 bond is not required. It's really after the state has
2 selected the 60 -- up to 60 dispensary businesses,
3 those businesses have secured and submitted the
4 registration plan, and the building is available for us
5 to walk through and inspect. A condition of the
6 registration is to have that surety bond available -- a
7 \$50,000 bond at that time.

8 So that's really, you know, after this whole
9 application process is over, but we will have that bond
10 form available soon.

11 MS. DEE: Okay. Next question, for the mandatory
12 addenda will you be providing forms online?

13 MS. CARLSON: Are you talking for the
14 dispensaries?

15 MS. DEE: Yes.

16 MS. CARLSON: Yes. They'll all be online. The
17 zoning form is already on there.

18 MS. DEE: Zoning is the only one up. There's
19 quite a few that you list on the application that are
20 not up yet.

21 MS. CARLSON: They'll be posted either along with
22 the instructions in the application or sooner.

23 MS. DEE: Okay. The last town hall that was
24 provided there was a question -- I'm sorry -- more of a
25 comment about nonbranding. What does that mean

1 exactly?

2 If these organizations are providing logos
3 for packaging it's marketing/advertising that's
4 branding. So what do you mean by nonbranding?

5 MR. MORGAN: Yeah. We don't recall the particular
6 question and the context so you would have to give us
7 more than that. I'm sorry.

8 MS. DEE: It was a colleague that was at the last
9 town hall.

10 So therefore we can brand essentially?

11 MR. MORGAN: Well, I think the only question I
12 recall was directed at Department of Agriculture of
13 what is required in the event of branding and what
14 registration with the Department of Agriculture is
15 necessary, and the Department of Agriculture rules lay
16 out the different requirements for notifying and
17 licensing different products, but beyond that I don't
18 recall getting into a discussion of what is branding.

19 MS. DEE: Okay. And just one last thing. You
20 guys keep mentioning that things are coming out soon
21 and we're about a month out from the deadline, the last
22 day. So do you have any anticipation of a concrete
23 time line?

24 MR. MORGAN: Well, one of the things we wanted to
25 do was to have this town hall so these conversations

1 and these questions are helping it drive our
2 finalization of those materials. We're very cognizant
3 of the short amount of time between now and when the
4 applications will start being accepted. Obviously
5 those -- that application window for cultivation
6 centers and dispensaries is expected to go until
7 September 22nd. So it's not as though September 8th is
8 our drop-dead date, but we are cognizant of the
9 timetable and trying to get that done as quickly as
10 possible. We did want to wait for these town halls to
11 finalize some of those materials, both our FAQs and
12 also instructions, so we can be clear when we put that
13 out and we don't have any remaining questions.

14 MS. DEE: So you don't have a time line then?

15 MR. MORGAN: It will be before September 8th, but
16 in terms of the actual dates it's going to depend.
17 We're trying to finalize everything as quickly as
18 possible. I think in the next week you'll have some
19 more documents and information available, but I
20 couldn't confirm for you exactly which pieces; but,
21 again, we're very cognizant of the timetable to
22 complete some of these forms.

23 MS. DEE: Okay. Thank you.

24 MR. MORGAN: Thanks.

25

1 MR. KAHN: Hi. My name is Mitchell Kahn.

2 Mitchell, M I T H C E L L; Kahn, K A H N.

3 My question is really about an earlier
4 question. Someone asked questions about related folks
5 on multiple applications and I'm not sure of the exact
6 language of their question, but my question really
7 relates to consultants and license situations across
8 multiple applications. If a consultant is working with
9 multiple applicants how is that viewed in terms of the
10 limitation of five and the limitation of three to the
11 organizations?

12 MR. MORGAN: So unless my colleagues disagree with
13 me a consultant would not be somebody with -- generally
14 speaking is not -- I shouldn't say that.

15 It's going to depend on whether there's an
16 interest -- financial interest by the consulting
17 company. If it's a consultant in the true sense of
18 somebody you're hiring to assist developing a
19 particular plan and that's the last time they have any
20 business with them it's important for us to have the
21 disclosure for a number of reasons we talked about at
22 the last hearing which are trying to identify
23 consultants or individuals or organizations that have
24 had trouble in other states. So it's a regulatory
25 purpose of trying to know who's involved with some of

1 these organizations. They might not have a 5 percent
2 ownership interest, but if it's a -- for instance, a
3 cultivation center that's having a little trouble in a
4 different state that is currently operating with
5 medical cannabis we're going to need to know that. So
6 the 5 percent -- the limitation on five dispensary
7 ownerships or three cultivation ownerships that is
8 limited to an ownership consideration, but again it's
9 not a blanket just because you're a consultant that
10 doesn't matter because there could be an indirect
11 financial interest at each that both DFPR and Ag. is
12 going to want to know about.

13 MR. KAHN: So I guess to get a little bit granular
14 and ask a little bit more detail to the extent that
15 there's a consultant that has a success fee if you have
16 an application, if you could address that, and to the
17 extent, for example, a consultant has an ongoing
18 relationship assisting in the operation and gets a
19 small license fee how does that -- but owns no equity
20 and is not involved in the management.

21 MR. WATSON: The way that I would look at that is
22 a success fee or a contingent fee that sounds to me
23 like an indirect or direct financial interest in the
24 operation.

25 So if a consultant has success fees with

1 25 applicants I think three of them may be getting
2 permits, but -- and as far as if you're going to be
3 involved in the ongoing operation again those three.
4 So I would be very careful about that.

5 The question earlier was talking about a
6 master grower. Well, obviously a master grower is
7 someone you're going to want to identify as part of
8 your cultivation plan to say, well, this is why we
9 think we can do this because we have the experience in
10 growing and based upon using this master grower who is
11 going to teach us how to do it. Well, we can't have
12 25, you know, applicants getting credit for using the
13 same master grower because it's just not going to work
14 that way.

15 So if you're going to be getting credit on
16 the application for using somebody you're committed to
17 their part of your operation. And as far as any
18 financial arrangements you have with a consultant that
19 should be disclosed very clearly so that we know
20 exactly what kind of interest or stake that person has
21 in the operation.

22 MR. KAHN: So I have one more --

23 MS. SHERMAN OBERDORFF: Sorry. We have to move on
24 to the next person.

25 MR. ANTHONY: I'm going to call just a few more.

1 Jeannie Ha, Lucida Leslie Smith (phonetic), and James
2 Yrkoski.

3 MR. KINGSLEY: I'm Bob Kingsley, K I N G S L E Y.

4 I kind of had a related question to that.
5 How are the vendors, meaning security systems, security
6 people, surveillance systems, people like that would
7 they be inclusive?

8 If I have ABC Security and they're on 30
9 different applications would that be affected?

10 Obviously they have a financial interest
11 somewhat. If I'm successful, they're doing a build-out
12 or our security so how would you handle that?

13 MS. CARLSON: Really the intent behind principal
14 officer or a financial backer the key term of that
15 phrase is whether they have a direct or indirect
16 financial interest.

17 So if it's ComEd and they're providing your
18 lighting they don't have really an indirect financial
19 interest in your operation. If there's a security
20 company that you know has one security person that's
21 going to be there at multiple dispensaries or multiple
22 cultivation centers we would not consider that an
23 indirect financial interest.

24 An indirect financial interest there's
25 multiple terms, and it's more of a -- it can be an

1 accounting or more of a financial term which we can't
2 just drill down every single example here today, but I
3 would say if there's some sort of intermediary between
4 the person that's receiving compensation and the
5 cultivation center or the dispensary that's a
6 relationship that we want to look at.

7 MR. KINGSLEY: Okay. One final question, is there
8 any chance of the September 22nd deadline being
9 extended, although I already know the answer?

10 MR. MORGAN: What do you think the answer is?

11 MR. KINGSLEY: I thought I knew. I just wanted to
12 hear it from you guys from your own mouths.

13 MR. MORGAN: From my perspective, no.

14 MR. KINGSLEY: Absolutely no-no?

15 MR. MORGAN: Anything could happen. We are fully
16 preparing for September 8th through September 22nd, and
17 you guys will know that more based on the application
18 materials we provide and we'll continue to try and
19 educate the public through our website as much as we
20 can.

21 MR. KINGSLEY: So that's a 5:00 p.m. deadline at
22 the State of Illinois Building?

23 MR. MORGAN: Well, it's going to depend. The
24 Department of Agriculture has a Springfield address
25 submission -- hard copy submission with their

1 materials. FPR I believe it's in the Thompson Center
2 and that will also be on the application materials.

3 MR. KINGSLEY: Thank you.

4 MR. MORGAN: Thanks.

5 MR. DOOLEY: My name is Joe Dooley, D- -- J O E,
6 D O O L E Y.

7 My question is on the -- under 130, you need
8 a thousand foot perimeter from daycare. Is that only
9 licensed daycare facilities or does that include any
10 mom who might be taking care of a bunch of kids and
11 calling it daycare on a daily basis?

12 MS. CARLSON: So the way that we look at that is
13 the statute is silent. It doesn't say licensed daycare
14 centers nor does it say unlicensed, and our rules don't
15 address that either. So we encourage you to coordinate
16 with DCFS on any in-home daycare or anything DCFS would
17 license and any municipal or local City of Chicago or
18 otherwise licenses all of those facilities that are
19 identified in that one section 130(d), and the intent
20 is that each applicant does their own due diligence and
21 confirm and certify that they're not within that
22 setback in Section 130(d).

23 MR. DOOLEY: Okay. On the 400,000 liquid asset
24 requirement, if a principal officer -- we're applying
25 for five dispensaries and a principal officer has a

1 certified \$2 million in liquid assets can that be used
2 on -- that certification on each of the five
3 applications or do you have to have a 400,000-dollar
4 certification from a different principal officer for
5 each application?

6 MS. CARLSON: That's a good question.

7 I mean the minimum is \$400,000, and we want
8 you to identify the liquid assets that you're
9 designating for each one of those dispensaries.

10 So we could probably further detail that in
11 our frequently asked questions that we can post to our
12 website.

13 MR. DOOLEY: Okay. Is there any issue with
14 security guards having firearms at dispensaries or
15 cultivation centers?

16 Can they carry a firearm?

17 MR. MORGAN: So good question.

18 Many of you are aware that this has been an
19 issue in other states. We will not be dictating
20 firearm ownership relative to our agents at a
21 dispensary or cultivation center.

22 MR. DOOLEY: Okay. One final question. The
23 doctors are not allowed under the statute to refer a
24 patient to a dispensary. Do you have an understanding
25 whether doctors will be able to provide a list of

1 dispensaries -- multiple dispensaries to patients so
2 they know where to find us?

3 MS. SHERMAN OBERDORFF: The Illinois Department of
4 Public Health will be working with patients to inform
5 them about dispensaries, and all dispensary decisions
6 will be made through the Department of Public Health.
7 So patients need to register to receive their medical
8 cannabis at one dispensary and then also if they would
9 like to switch that dispensary they need to go through
10 Public Health.

11 MR. DOOLEY: Thank you.

12 MR. YRKOSKI: My name is James Yrkoski --

13 MR. ANTHONY: If you -- Just one moment, James.

14 If we can get on deck we've got Ryan
15 O'Reilly, Miguel Suarez (phonetic), Karen Freese, and
16 Kim Burrell Steven (phonetic).

17 MR. YRKOSKI: -- spelled James, J A M E S;
18 Yrkoski, Y R K O S K I. And I'm with Harris Moure law
19 firm out of Seattle, Washington.

20 MR. ANTHONY: Thanks for making the trip.

21 MR. YRKOSKI: Sure.

22 Well, these questions haven't gone
23 alphabetically so being my name starts with a letter Y
24 I think I have had all the other questions asked and
25 answered. I guess I want to ask a question in the area

1 of banking. I've heard the expression earlier to track
2 revenue, and my question would be whether the State is
3 identifying any banks within the state who would
4 operate an account of a dispensary?

5 MR. MORGAN: So the State won't be publishing or
6 tracking lists of banks that are participating.

7 Certainly -- Again, I'm sure you and many
8 others in the room have been tracking the development
9 of this in terms of what banks, local and national, are
10 participating or starting to dip their toe in the
11 water. The State won't be maintaining a list. It's an
12 exhaustive list of banks participating, so, you know,
13 it really would be incumbent upon each applicant to
14 work on that one.

15 MR. YRKOSKI: Okay. Curious to ask another
16 question in the area of federal law and whether there
17 is any dialogue with the Attorney General's Office or
18 Department of Justice other than the Cole Memorandum
19 on -- I mean Illinois not being the first state that's
20 going down this road whether there's any influence from
21 the Attorney General on the program.

22 MR. MORGAN: Any influence from the Attorney
23 General on Illinois Medical Cannabis Program is the
24 question?

25 MR. YRKOSKI: Yes. Yes.

1 MR. MORGAN: Well, the law itself was designed
2 around a number of priorities that were established by
3 the Department of Justice. Our law was passed I think
4 it was before the second Cole Memo came out, but our
5 law is really focused around those priorities. Beyond
6 that our job is really focused on implementing the law
7 as it is intended in the legislation under the Illinois
8 Compassionate Use Act.

9 MR. YRKOSKI: Uh-huh. Okay. So there's no
10 assurances from the federal government that there won't
11 be any shutdown of a licensed cultivation facility?

12 MR. MORGAN: Just like in other states there's
13 certainly no assurances in terms of how the federal
14 government will oversee or be involved or not be
15 involved with these programs.

16 Illinois is certainly ahead of the game in
17 having very limited regulatory structure for our
18 medical cannabis program that is consistent with the
19 ideals and the objectives/priorities established in the
20 Cole Memo. Beyond that the federal government, as you
21 know, is still figuring out their understanding and
22 approach to the program.

23 MR. YRKOSKI: One last quick question, any
24 opportunity to negotiate an indemnity from the State
25 against any shutdown?

1 MR. MORGAN: No.

2 MR. YRKOSKI: No.

3 MR. MORGAN: Thank you.

4 MR. WATSON: And I guess just as a follow-up if
5 you look at some of the forms that we have already out
6 there in connection with the application we're going to
7 want a statement. You do understand we're not
8 indemnified.

9 MS. HA: Hi. I'm Jeannie Ha, J E A N N I E; last
10 name H A at Orns, Waller & Palmer (phonetic).

11 My question is for the IDFPR and DOA.
12 There's documentation that is acceptable to the
13 Department regarding liquidity control under the
14 Rule 1290.50(c) and 1000.100(d)(21). We are aware that
15 an example that's given is an Illinois CPA letter.

16 Are there any other comparable documents
17 that are acceptable besides the Illinois CPA letter?

18 MS. CARLSON: So that's (c), Subsection (1)
19 identifies a signed statement from an Illinois licensed
20 CPA or a statement from a financial institution
21 attesting to proof of \$400,000 in liquid assets under
22 the control of a principal officer or the entity
23 applying.

24 So if you are not going to be submitting a
25 letter from a CPA you can certainly send in a bank

1 statement from -- or I guess any other financial
2 institution attesting that the applicant or individuals
3 that make up that business entity have at least
4 \$400,000.

5 MS. HA: So there's nothing else besides that?
6 You strictly follow what's there?

7 MS. CARLSON: Correct.

8 MS. HA: Okay. And on the DOA side same?

9 MR. WATSON: The documentation acceptable to the
10 Department includes a signed statement from a licensed
11 CPA attesting to proof of the amount of liquid assets
12 under the control of the owner, and the statement has
13 to be within 30 days within the date of the
14 application.

15 We do not have any other limitation in
16 there, but I would say use your best efforts to give us
17 something that you think we're going to accept. I
18 can't tell you, you know, what in the universe that
19 might be, but the best -- best evidence is the CPA
20 statement. And I think the information that the FPR is
21 requiring is also good evidence, but we have to be
22 certain that you do have the 500,000 in liquid assets.

23 MS. HA: I understand. Thank you.

24 MR. ANTHONY: On deck we'd like to call KC Stark,
25 Paul Suiter (phonetic), Ray Lin (phonetic), and Jeff

1 Scufuscoef (phonetic).

2 MS. FREESE: Hello. I'm tall. Hi. My name is
3 Karen Freese; that's K A R E N, F R E E S E.

4 I work with will bud marketers in edibles
5 and infused products, and I'd like to first confirm
6 what I'm understanding with the Department of
7 Agriculture regarding labeling and packaging, and then
8 I have additional questions that apply towards both the
9 Department of Agriculture and Public Health.

10 So this relates to Section 420, 425.

11 420, my understanding all products, cannabis
12 and infused, will need to be packaged -- individual
13 packaging. Individual does not relate to single serve
14 is my understanding, meaning 100 milligrams is the
15 maximum THC content so that potentially could be more
16 than a single serve.

17 MR. WATSON: Yes.

18 MS. FREESE: Okay. Now, the packaging in addition
19 to all the legal FDA/state packaging requirements will
20 not be allowed to have a packet -- photo of what is
21 inside of the package?

22 MR. WATSON: Correct.

23 MS. FREESE: Okay. So it's basically generic
24 packaging that will list the strain, the legal
25 requirements that it's only for medical purposes, and

1 such?

2 MR. WATSON: Yes.

3 MS. FREESE: Okay. The packaging will also need
4 to have a space for the dispensary then to affix their
5 label and their tracking?

6 MR. WATSON: I -- If I'm correct on that I think
7 what will be happening is the dispensary will be
8 keeping track of the information that's on the label
9 already. They will not be attaching any new
10 information.

11 Is that correct?

12 MS. CARLSON: The dispensary just needs to affix a
13 label with their name on it. So it's not the batch
14 number and all that. It's just simply identify in case
15 that package finds its way somewhere else where maybe
16 it's not supposed to be we know which dispensary
17 dispensed it.

18 MS. FREESE: Okay. So you can have a product name
19 or a brand name along with the cultivation center name
20 and a dispensary name all included?

21 I guess that's a question and a statement.

22 MS. CARLSON: As long as the dispensary's name is
23 affixed to the package that's sold from that dispensary
24 that's what the rule requires.

25 MS. FREESE: Okay. Then regarding -- this is a

1 big question because it's not clearly anywhere -- if
2 you say 100 milligrams is the maximum THC content how
3 are you defining a serving?

4 Is it ten-milligram portions that's
5 typically accepted under industry standards but ...

6 MR. WATSON: I don't know that we've actually
7 defined what a serving is. That may be information we
8 leave up to the physician or the dispensary to
9 recommend.

10 The -- Obviously you know too much is not
11 good as we've seen in the news, but I don't think the
12 Department is going to get into the business of
13 deciding what a serving amounts to.

14 MS. FREESE: Okay.

15 MR. ANTHONY: Sorry. We need to move to the next
16 question.

17 MS. FREESE: Okay. Thank you very much.

18 MR. O'REILLY: My name is Ryan O'Reilly, R Y A N,
19 O, apostrophe, R E I L L Y.

20 My question has to do with the notice of
21 proper zoning form. What obligation does the local
22 zoning governing body have to investigate compliance
23 with the distance requirements under the Statute
24 Section 105(c) pertaining to things like daycare
25 centers and schools and stuff like that?

1 It has to do with cultivation centers.

2 MR. WATSON: And you're saying Section 105(c) of
3 the statute?

4 MR. O'REILLY: Correct. I think there's similar
5 language in the rules.

6 MR. WATSON: I don't know that we have any
7 specific requirement as to what municipalities have to
8 do. We do want the municipalities to examine whether
9 or not the facility is in compliance with the zoning
10 requirements and be able to sign that document.

11 MR. O'REILLY: What if a local governing body, you
12 know, can say that a property has the correct zoning
13 classification, but they don't know if there's any
14 daycare centers out there or, you know, things like
15 that can they put some kind of disclaimer?

16 Is that discouraged?

17 How will that be viewed?

18 MR. MORGAN: Are you representing a municipality?

19 MR. O'REILLY: No. I'm representing a law firm.

20 MR. MORGAN: I mean we really -- the forms are
21 specifically set so that the municipality can be making
22 these decisions for themselves. So it is designed so
23 that the municipality -- We presume 99 percent of the
24 time it's correct that a local municipality is more
25 familiar with their own zoning and their own business

1 licenses and licensees than we are so it's designed to
2 be focused on the municipality making that
3 determination.

4 MR. O'REILLY: I believe -- Aren't daycare centers
5 licensed by the state so a municipality might say,
6 well, we don't know if there's daycare centers out
7 there?

8 MR. MORGAN: Right. And Bridget addressed this
9 question a little bit, but we're referring people to
10 Illinois DCFS has a list of daycares. There are also
11 daycares, of course, that are not licensed with the
12 state but the municipality licenses, and so we are
13 deferring to the municipality to make that
14 determination.

15 MR. O'REILLY: So how will it --

16 MS. CARLSON: Can I respond to that for
17 dispensaries at least?

18 So for the zoning form if a local authority
19 is going to sign off on that zoning form they're going
20 to be attesting that they've looked that they know they
21 do not license any of those facilities in
22 Section 130(d) of the Act; that it's not within 1,000
23 feet of that proposed dispensary.

24 So if it's a local zoning authority they
25 need to sign off that they've looked and checked their

1 own records, not that they've checked records out of
2 their control but at least the ones that are within
3 their control that they're certifying.

4 MR. O'REILLY: So they can qualify approval -- or
5 their sign off on this document saying according to our
6 licensing, you know, there's no conflict?

7 They don't have the duty to investigate the
8 state licensing of a daycare center or something like
9 that?

10 MR. MORGAN: Yeah. The form is clear on what
11 we're asking you to do.

12 MR. O'REILLY: Okay.

13 MR. ANTHONY: Thank you for your question.

14 On deck we have Tanya Griffin, Eli
15 Sotten (phonetic), Rose Joshua (phonetic), and Linda
16 Cibula.

17 MR. STARK: Thank you very much. I'd like to
18 thank the board for being here. This is quite amazing.
19 We've seen this happen across the country.

20 My name is KC Stark, CEO of Medical
21 Marijuana Business Academy, and I would suggest due
22 diligence will probably do a lot better than to wait
23 for the State to decide what's out there. Be diligent.

24 I'd like to say that we grow marijuana by
25 the metric ton. We've been very successful, but a few

1 things concern me about the Compassionate Use Act in
2 Illinois. I don't find anything compassionate about
3 fingerprinting patients. That discourages the
4 application and encourages black market, so I would
5 suggest you might want to reevaluate that situation.

6 The Compassionate Use Act calls for
7 22 cultivation centers and 60 distribution points. You
8 have a population of 13.3 million. In Colorado I have
9 5.2, and I have 600 distribution points. I'm concerned
10 that you might be creating a problem for yourselves by
11 limiting it because what may happen is if you have 22
12 cultivation centers, 13.3 million people. We're half
13 your size. We have 600 and we can't keep up with
14 demand.

15 So have you considered an emergency act to
16 the bill in case demand outweighs the supply?

17 If you do not you will have a black market
18 that will potentially destroy. Supply-demand is
19 everything. It doesn't matter if it's an apple or
20 orange or marijuana, but I'm very concerned that you're
21 underestimating the demand and in doing so you may
22 create the solution of a black market.

23 MR. MORGAN: So thank you for your question. Our
24 limitations of the 21 cultivation centers and
25 60 dispensaries is based on what powers were given by

1 the legislation, and by the legislature it's signed by
2 the Governor. We don't have the authority to triple,
3 quadruple the dispensaries in the event that we have a
4 change in demand. That would be something legislature
5 would consider.

6 MR. STARK: Correct. They could.

7 MR. MORGAN: The other piece -- Well, the
8 legislature can encourage everyone in the room to
9 consider reaching out to your local elected official if
10 you have concerns with the legislation or things you'd
11 like to change.

12 The other thing is the cultivation centers
13 themselves are not limited in size. So I acknowledge
14 what you're saying in terms of limiting only 60 retail
15 dispensaries in the state and 21 cultivation centers to
16 cover the population that's eligible in Illinois. Of
17 course it's more limited than in Colorado.

18 MR. STARK: I don't see that limitation. I don't
19 see it or limit it. You have over 40 conditions that
20 qualify.

21 MR. MORGAN: We don't -- The limitations are
22 spelled out very clearly in the law in terms of which
23 conditions are eligible, and there are a number -- it's
24 one of the reasons we haven't had a DPH advisory board
25 coming to consider the addition of new medical

1 conditions because there were a number left out very
2 deliberately than other states such as Colorado would
3 include that is very large patient population.

4 So the population will be different just
5 like every state has had their own makeup, but the
6 cultivation centers are not limited in the volume they
7 can grow. The concern, of course, is that you can't
8 have a cultivation center growing expedientially more
9 than able to sell to a dispensary because of the, you
10 know, weight and we're very concerned about diversion.

11 This is also a pilot program. It's not
12 perfect. Legislation is not perfect. We'll improve
13 upon it in time, but it is a pilot program so we're
14 trying to get this program up and running to the best
15 of the ability under the statute.

16 So we appreciate your comments and hopefully
17 it won't be limited to the degree that you're concerned
18 by.

19 MR. STARK: Well, history will tell that, I guess.

20 MR. MORGAN: Indeed.

21 MR. STARK: On the bona fide authorization of the
22 doctor, so if I have a patient dying of AIDS and a
23 patient dying of cancer and his doctor will not
24 recommend it because he doesn't want to risk his
25 DR license they come to me and our doctors -- how --

1 how bona fide do I have to be to help save that guy's
2 life?

3 MS. SHERMAN OBERDORFF: So when we were
4 considering the bona fide physician-patient
5 relationship one of the things we did on purpose was to
6 make sure that we did not set a time limit for that
7 relationship because we do recognize that there will be
8 people who may be diagnosed with a debilitating medical
9 condition and have a short amount of time to live. So
10 what we really are looking for is to have the physician
11 doing a number of things. We want to make sure that
12 they're reviewing past medical records. We want to
13 make sure that they are seeing that patient more than
14 once. And we also --

15 MR. STARK: Regardless of time frame?

16 Today, next week, see them again, look at
17 records, seeing them more than once is there a time
18 frame in between?

19 MS. SHERMAN OBERDORFF: We haven't given any time
20 frame to it. What we really need to know is that this
21 patient is visiting a physician that's responsible for
22 their care. They are not responsible just for signing
23 off on their use of medical cannabis.

24 MR. STARK: Doctors are pretty ethical, correct?

25 MS. SHERMAN OBERDORFF: The doctors are required

1 to meet a number of requirements. Some of those are
2 ethical.

3 MR. STARK: Yes.

4 MR. MORGAN: We're going to move along.

5 MR. STARK: Thank you very much. Great work.

6 Good luck, Illinois.

7 MR. ANTHONY: After the next speaker, we'd like to
8 hear from Pepi Talbert, Burto Rios (phonetic), Kevin
9 Monroe, and Randy Miles.

10 MS. GRIFFIN: My name is Tanya Griffin, T A N Y A,
11 G R I F F I N.

12 My question is cultivation related. My
13 experience with working with municipalities there's a
14 hosting fee or arrangement is often requested anywhere
15 from a generous donation to the municipal facility or
16 5 percent of gross sales. I've seen lots of different
17 things. How do you suggest we navigate this and be
18 fully transparent in the application?

19 MR. WATSON: This is a question -- Were you in
20 Peoria?

21 MS. GRIFFIN: I wasn't. Collinsville.

22 MR. WATSON: You were in Collinsville. I remember
23 seeing you there, but when we were in Peoria we had a
24 representative from the Department of Revenue and he
25 responded to a similar question. And I'm not sure I

1 can recall exactly what it was, but I do know that --
2 correct me if I'm wrong, Bob, but I believe he said
3 that municipality could not charge like an excise tax
4 per amount of sales or whatever.

5 MR. MORGAN: Right. It was a little bit of a
6 technical answer from the Department of Revenue
7 representatives. Essentially that the municipality
8 doesn't have authority to create a new tax and gross
9 receipts for rule. I believe that's the language he
10 used, but we'll post that on our FAQs because folks
11 here are not the revenue representatives.

12 MS. GRIFFIN: Yeah.

13 So on a bigger part of that question in
14 terms of the relationship part when the municipality is
15 asking for, you know, maybe contributions to their
16 rec. center or something like that, again how do we
17 navigate that?

18 MR. WATSON: I'm sorry. Contributions to what?

19 MS. GRIFFIN: You know, maybe their rec. center or
20 their senior living facility or something in the
21 community does that fall under community involvement?

22 And I'm just telling you because I'm seeing
23 it. It's often in my relationships.

24 MR. MORGAN: You know, I would say there are a
25 number of municipalities that are not doing that --

1 MS. GRIFFIN: Right. I agree.

2 MR. MORGAN: -- and so I don't think we would
3 directly address what you should or should not do in
4 negotiating with municipalities or zoning and support.

5 Each community is really going to handle
6 this differently, and we're not going to be involved in
7 that -- that process.

8 MS. GRIFFIN: All right. I think that's
9 completely clear that if any kind of relationship does
10 exist it would need to be, you know, disclosed,
11 obviously, and where would you suggest -- I'm not
12 saying that my group is doing that, but where would
13 that manifest itself?

14 Would it be community involvement or --

15 MR. WATSON: Yeah. In the bonus point section
16 there is a community benefits plan and it talks about
17 the applicant may provide the Department with a
18 detailed description of any plans the applicant has to
19 give back to the local community if awarded a permit.

20 So it would seem to me if you're going to,
21 you know, build a park if you get the permit and begin
22 operation that that would be the place to do that --
23 put that.

24 MS. GRIFFIN: So one other quick question also,
25 Ray, cultivation related. Assuming approval on -- you

1 know, with our submitted blueprints on how much
2 variation between what is actually implemented and what
3 is on our blueprints?

4 Is there any acceptable variation assuming
5 that there are going to be some unknown conditions that
6 we're not going to be able to predict?

7 MR. WATSON: Actually this is sort of a question I
8 was looking forward to only because I wanted to address
9 the entire application. When -- When you submit an
10 application and you say you're going to do A, B, and C
11 and we give points because you're doing A, B, and C and
12 you prevail over another competitor who may only be
13 doing A and B we will be issuing a permit conditioned
14 upon you doing each of those things that you have said
15 in the application, and when our inspectors come and
16 they find that you're not doing that then we may have
17 to take some sort of disciplinary action and that could
18 even be revocation of the permit.

19 So -- There is, however, a means for
20 modification within the rules, and you would have to
21 demonstrate why you need modification. But I would say
22 if you think you're not going to be able to do
23 something don't put it in the application, but once you
24 put it in there we're going to want to see it.

25 MR. ANTHONY: Thank you very much.

1 After this next gentleman we'd like to hear
2 from Jen Brutican (phonetic), Justin
3 Linenwebber (phonetic), Hami Englekens (phonetic), and
4 Jim Davis.

5 MR. TALBERT: My name is -- Wow. My name is Pepi
6 Talbert, P E P I, T A L B E R T.

7 I'm falling on a sword for a number of
8 people here because I've been asked by people in
9 Vancouver, Seattle, Denver. I'm hearing these people
10 talking about cultivation and opening up these shops
11 and stuff. Let me tell you about a person who has been
12 there and done that. I don't know how different we are
13 from anybody in the world that we need to be
14 fingerprinted or what have you, but I do think that
15 you're getting ready to land an aircraft carrier on the
16 river, the river being the 60 people who can have these
17 licenses and the aircraft being the people who want
18 this service. Those people who are deciding on having
19 these places security is mandatory. Okay?

20 Going in and coming out.

21 How you handle your money and how you handle
22 your product is very different. You say medical
23 marijuana. Where is the medical in this?

24 I mean I've got a prescription from my
25 doctor to go to Walgreens or wherever and get this

1 medicine for me but cannot take it to Georgia and get
2 the same medicine.

3 Is this hypocritic oath only Illinois
4 hypocritic oath or does it work throughout the United
5 States?

6 I've got a license to get it here. Can I
7 take this same certification down to Georgia or
8 someplace and get the same medicine?

9 Is this medical marijuana?

10 MR. MORGAN: We'll stop you there just so we can
11 answer the rest of the questions you've got.

12 MR. TALBERT: I'm going on. I'm sorry.

13 The first question is how medical is medical
14 marijuana?

15 Is it nationwide?

16 Is it like Bayer aspirin, for instance?

17 Can I take my certification and go to
18 California and from California can I go to some other
19 place and get the same thing?

20 MS. SHERMAN OBERDORFF: So for our program it is
21 just the state of Illinois. So your certification to
22 use medical cannabis is only valid in Illinois, and you
23 may only purchase medical cannabis from a dispensary.

24 MR. TALBERT: Okay. I understand that, but I'm
25 just listening to this young lady over here who is

1 incapacitated and who may find themselves in another
2 place would she go -- have to go through the entire
3 certification to get herself some relief?

4 MS. SHERMAN OBERDORFF: So there's different
5 requirements depending on the state that you're in. We
6 can only really speak to our requirements for the state
7 of Illinois.

8 MR. TALBERT: So Bayer aspirin here would be
9 different from Bayer aspirin in Georgia?

10 MR. MORGAN: It's not Bayer and aspirin.

11 So the requirements for medical cannabis are
12 distinguishable from the commercial drugs you're
13 referencing that would be available at Walgreens. This
14 is not a prescription from a physician.

15 MR. TALBERT: I'm sorry. I was being facetious
16 and metaphoric in a sense. But my point is this, is
17 there going to be a qualification -- a certification
18 that will expand the 50 states?

19 Eventually I think it will. Right now let
20 me say this and I'll get off --

21 MR. MORGAN: Sure.

22 MR. TALBERT: -- we are trying to operate
23 something when it comes to marijuana, and this approach
24 I think is a bit -- it's a good thing that you're
25 having this kind of conversation because you can get a

1 lot of information from the people like myself who have
2 actually been to Amsterdam and have been to all of
3 these places where none of the things that you're
4 talking about, meaning that -- I would say yes,
5 whoever intends on cultivating this you are going to
6 have a problem because there are a number of things
7 that people don't want. They're going to look under
8 the microscope at this. They're going to look for
9 bugs, they're going to look for moths, and all of the
10 diseases that can attack this plant and your whole
11 entire crop will be worthless. You'll be able to sell
12 it on the street because what they're doing right now
13 is keeping the black market growing. So I'm through.
14 I've got to leave now. I'm really mad.

15 MR. ANTHONY: Thank you for your time.

16 Alice White, Marsha Williams,
17 Ms. Dansu (phonetic), Evan Anderson (phonetic), and
18 Jonathan Worderman (phonetic).

19 MS. CIBULA: Hi. I'm Linda Cibula, L I N D A,
20 C I B U L A, and I have dispensary questions.

21 I know this doctor stuff has been kicked
22 around, but it's still not clear. If my partner is a
23 practicing doctor I understand he cannot write
24 prescriptions. Can he be a passive partner because
25 when we look at principals and he comes up with half

1 the money and I come up with half the money one thing
2 says one thing and one says another?

3 So we're looking at 1290.30. What is a
4 principal?

5 And can we list him as not a principal, but
6 as a passive partner?

7 MS. CARLSON: So I think what's most instructive
8 if you go back to the statute, the physician
9 requirements, because the four corners of this statute
10 is really what we have to use in supporting our
11 administrative roles.

12 So the physician requirements say that a
13 physician may not, and we've discussed this before,
14 serve on the board of directors or as an employee of a
15 cultivation center or a dispensing organization. So if
16 your physician would be serving on the board of
17 directors is a principal officer under our rules that
18 person cannot be employed. There is, I believe, an
19 exception if that physician is completing studies then
20 they can be independent contractor for that purpose and
21 that's identified in our rules as well. But if they're
22 participating in a day-to-day management or
23 control/ownership or they have a direct or indirect
24 financial interest in that dispensary then that's
25 prohibited.

1 MS. CIBULA: Can they do the research from our
2 patients?

3 He has nothing to do with the dispensary,
4 but if he works with -- because one of the biggest
5 things that he wanted to do was to take the research
6 and to take the data that we're going to collect and I
7 want to make sure he can do that and still own part of
8 this or does he have to step back from being an owner?

9 MS. CARLSON: Well, those are two different
10 questions. The one question is whether or not he can
11 complete some research, and it's identified in our
12 rules that there is a limited allowance for a physician
13 to complete some research provided they're an
14 independent contractor and -- but if they are an
15 investor and they're getting investment income then
16 that would make them a principal officer receiving a
17 direct financial interest and so they would not be
18 allowed.

19 MR. MORGAN: And we're going to wrap it up there.
20 We're going to take a five-minute break. We're almost
21 through those that indicated they wanted to ask
22 questions. So we'll come back and end soon after that.
23 Five-minute break for real. Hard line five minutes.

24 (A break is taken.)

25 MR. ANTHONY: We're going to get started again.

1 Is there anybody's name who I called who hasn't spoken
2 yet, otherwise I'll keep going through the list?

3 MR. MORGAN: Let's make this a ten-minute speed
4 round.

5 MR. ANTHONY: Brian Markena (phonetic), Ralph
6 Wilson, Brandon Wolf (phonetic).

7 (Brief pause.)

8 MR. MORGAN: Even better.

9 MR. ANTHONY: Henry Long, Alan Burshin (phonetic),
10 Bill Nealon (phonetic).

11 MR. BURSHIN: Hello my name is Alan Burshin, and I
12 have a couple questions. One of them is relating to
13 the application process for patients. You were
14 speaking earlier about the bona fide patient
15 interaction with a physician. For a person who hasn't
16 had insurance and they only recently had it and don't
17 have a physician at all how would that requirement
18 conflict?

19 MR. MORGAN: Just to repeat the question it was --

20 MS. SHERMAN OBERDORFF: I heard it.

21 So speaking earlier to the question when we
22 were talking about the length of time for that
23 relationship, so there isn't a set time limit so what
24 we would need you to do is that you do find a physician
25 and we really suggest people do that now even before

1 they apply that way they can start, you know,
2 establishing that relationship. They can only speak
3 with that physician about the use of medical cannabis.

4 MR. BURSHIN: In one of the articles I was reading
5 talked about they're going to look out for people who
6 are doing that cold-calling physicians to see if
7 anybody can accommodate them, so I'm wondering how a
8 person in that position will be able to call and not be
9 put on a list or something.

10 UNIDENTIFIED SPEAKER: There's thousands of
11 doctors out there.

12 MR. MORGAN: So the question I think was what will
13 the State be doing for patients that are seeking a
14 physician to certify them.

15 I think that the greater concern for the
16 Department of Public Health really has to do with the
17 physicians that are certifying patients without an
18 actual knowledge of their medical condition and
19 physical history.

20 So it's not intended to be a penalty for
21 patients that don't have a practicing physician. It is
22 intended to protect against physicians certifying
23 without intimate, personal knowledge of the patient's
24 medical condition.

25 MR. BURSHIN: I see.

1 And would it help at all if they already had
2 a medical license in a different state at a prior time?

3 MS. SHERMAN OBERDORFF: We're really for our
4 physician requirements just looking for the Illinois
5 requirement, so we won't be looking at the other
6 states.

7 MR. BURSHIN: Okay. And one more question about
8 cultivation. Is there any possibility of hemp being
9 cultivated as well just for the purposes of extracting
10 CP oils.

11 MR. WATSON: The statute only authorizes us to
12 handle medical cannabis. There was legislation about
13 industrial hemp that did not pass, so currently I would
14 say the answer would be no.

15 MR. BURSHIN: Okay. Thank you very much.

16 MR. MORGAN: Thank you.

17 MR. HANLAND: My name is Bill Handland (phonetic)
18 With RK Management, and my questions have to do with
19 cultivation.

20 In looking at the time line moving forward
21 for September 2nd or September 28th, or whatever time
22 frame, after the applications are reviewed what is your
23 time line moving forward to acceptance and licensing?

24 MR. MORGAN: So the time frame once we receive the
25 applications and for cultivation centers and

1 dispensaries we'd expect that to be September 8th
2 through September 22nd. Following that period of time
3 there will be completeness review, so we will be
4 looking for those immediate documents and things that
5 are mandatory and required. That will take at least a
6 few weeks to get through depending on the volume of the
7 application.

8 MR. HANLAND: It will be high.

9 MR. MORGAN: It might be high.

10 And then from there we're going to be
11 looking towards the merit base and scoring process.
12 That will take some time as well, and, again, depends
13 on the volume of applications we receive.

14 So we don't have a projected time frame, but
15 we will know more in the coming months as we sort of
16 work through that. All that said we still do believe
17 that we can meet our expected time frame to start and
18 have medical cannabis available to patients in early
19 2015.

20 MR. HANLAND: I think that's a little ambitious.

21 MR. MORGAN: We're very ambitious people.

22 MR. HANLAND: Well -- And it's very ambitious to
23 look at a cultivation center going up two million
24 dollars and having to have a product out there in six
25 months. So now you're growing product in the

1 wintertime, and in six months you're going to have to
2 have product out by June.

3 Say in December is when you have the
4 application will be accepted and license granted, so
5 now you have an available facility, even if it's an
6 existing facility, to support a very fragile product.
7 I would greatly recommend that you reconsider this time
8 frame because what you're doing is you're rushing a
9 product to failure.

10 You've heard several times today that this
11 is a very fragile product. Even having master growers
12 coming in and talking about coming in to a new setting
13 with product they're not very happy with the six
14 months. All right?

15 And then the investors they look at that
16 factor. They don't want to give up a half a million
17 dollars because they didn't make that time frame. So,
18 please, reevaluate that.

19 MR. ANTHONY: Thank you for your comment, sir.

20 MR. HANLAND: The other thing I would like to talk
21 about is how you get the product.

22 MR. MORGAN: Yeah. We're not going to be talking
23 about that here today. We would make it clear that the
24 applications are not defining that process. We're not
25 addressing that in our rules or application.

1 MR. HANLAND: Okay. Thank you, although it's
2 criminal.

3 MR. ANTHONY: Next we'd like to hear from Merle
4 Cooper, Brian Gorkin (phonetic), Depaul Korin
5 Bashuto (phonetic).

6 MS. COOPER: My name is Merle Cooper, M E R L E,
7 C O O P E R. That's okay. I can hold it.

8 My company is Premiere Baking Equipment, so
9 as you can imagine my first question is about edibles.
10 If I understand this correctly everything has to come
11 from the cultivation centers, all edibles, all oils,
12 nothing will be allowed to be made at the dispensary
13 level.

14 MR. MORGAN: Yes.

15 MS. COOPER: Okay. Bye. Just kidding. I have
16 another question.

17 I kind of knew that answer but just to tell
18 you that after 35 years in the baking industry a lot of
19 these edibles are going to be inedible. They may have
20 marijuana in them, but when you're talking about people
21 who have experience growing pot but they don't have
22 experience in baking it's a whole different world. So
23 that's just a little note to think about that maybe you
24 want to consider opening this up to dispensaries or to
25 other arenas that have experience in that end of the

1 industry.

2 MR. MORGAN: I would just clarify that it's not
3 mandatory for a cultivation center to be doing infused
4 products. It's up to them to make a proposal in their
5 application about their plan to do so.

6 Just like the difference between a
7 cultivator who is a master grower and somebody who has
8 a great business plan are usually two different people.
9 Same with infused products. There are going to be a
10 number of people that we expect to be part of the
11 overall application, that's your point, would have
12 experience with the infused products.

13 MS. COOPER: Okay. We'll see how that goes.

14 Okay. My other question is I understand
15 that the selection process is at a state level. What
16 happens if you get multiple applications that want to
17 go to the same city/municipality that basically are all
18 at the same level doesn't the municipality get involved
19 at all in the selection process ever?

20 MR. MORGAN: Beyond the zoning and the potential
21 for bonus points with a community support
22 demonstrations of that, no.

23 It is going to be a State function. We'll
24 review each application compared to the other
25 applications in the respective zone or -- or district

1 and it will be competitive based on that and the State
2 will be making that decision.

3 MS. COOPER: So the municipalities won't even know
4 who's chosen until after it's done?

5 MR. MORGAN: As will everybody else. That's
6 correct.

7 MS. COOPER: Okay. Thank you.

8 MR. MORGAN: Like I said, speed round.

9 MR. ANTHONY: William Bogo (phonetic), John
10 Griffith, James Hall.

11 MR. GRIFFITH: My name is John Griffith,
12 J O H N, G R I F F I T H.

13 I know we talked about this earlier. I was
14 a little confused. Can a doctor be a principal officer
15 in a dispensary?

16 MS. CARLSON: Let's go back to the definition of
17 what a physician is. A physician means a doctor of
18 medicine or a doctor of osteopathy licensed under the
19 Medical Practice Act of 1987 to practice medicine and
20 who is -- and who has a controlled substance license
21 under Article III of the Illinois Controlled Substances
22 Act. It does not include a licensed practitioner under
23 any other act, including but not limited to the
24 Illinois Dental Practice Act.

25 So a physician that you're talking about is

1 licensed under the Medical Practice Act to practice
2 medicine and if they do have a controlled substance
3 license then, no, they cannot be a principal officer in
4 a dispensary.

5 MR. GRIFFITH: Okay. Thank you.

6 Also can someone who has a caregiver license
7 in a different state can they be an employee or a
8 contracted consultant to a dispensary?

9 MS. CARLSON: We couldn't hear you. Could you say
10 that again?

11 MR. GRIFFITH: If someone has a caregiver license
12 in a different state can they be a contracted employee
13 or a consultant of a dispensary?

14 MS. CARLSON: There's no prohibition in our act or
15 our rules for that.

16 MR. GRIFFITH: Okay. Thank you.

17 MR. HALL: Hi. I'm -- Hi. I'm James Hall,
18 H A L L.

19 Just looking for some clarity on the
20 surveillance cameras that I know someone hit on it
21 earlier.

22 90 days -- Or 180 days of total storage, 90
23 days which is on-site and then an additional 90 days
24 which is off-site to whatever Cloud or company who is
25 going to keep that for their database and they'll

1 obviously charge us. I heard we're doing continuous
2 streaming of these cameras.

3 With the company that I work for in Colorado
4 the requirements are 40 days. I'm worried about the
5 storage together because it's astronomical you guys
6 asking for 180 days and on different databases, and
7 what they use on certain rooms not in use outside the
8 operational hours, which I think we go until 7:00 p.m.
9 to 9:00 p.m. on cultivation. So there's that whole
10 live streaming of rooms not in use that we're required
11 to keep on record and we have to pay for this database
12 on these cameras in the evening, but what I'm trying to
13 do is our budget that we have I'm trying to figure out
14 this budget with the motion cameras that during an
15 event or episode in each room they would turn on
16 automatically.

17 So someone made the comment earlier on the
18 board up here that said, well, if we can't see it we
19 don't know what's going on. Well, if you can't see it
20 it's because nothing else is going on in the room, but
21 that causes additional -- like here's an example,
22 32 cameras in a 2500 square foot dispensary requires
23 16 terabytes of storage.

24 Well, each terabyte for the DVR on the cheap
25 end scale is 1200 for every terabyte. We're going

1 after four dispensaries in two close spaces, as an
2 example, you're talking we need a million dollars just
3 to even set up the key card access, the cameras, the
4 databases, the storage, everything that's required
5 under this law. Colorado does 40 days, and I'm going
6 off the numbers that they go. I mean all this it
7 depends on the quality that you're using of your
8 streaming.

9 So my question is -- is with these the
10 motion or why can't we use them and everything has to
11 be streaming?

12 MR. MORGAN: So generally speaking, and this is
13 not news to anybody, it's certainly a high, high
14 priority for the State to ensure that we have the most
15 strict, continuous security at these facilities.

16 Beyond that your point was made and somebody
17 else previously asked us about the continuous
18 monitoring. We'll take that back and we'll consider
19 that relative to what you said. We're not trying to be
20 burdensome to the applicant, but we will consider the
21 question itself and try and put it in our FAQ.

22 MR. HALL: Thank you.

23 And just one quick example again is so if
24 you have four different rooms of processing in these
25 cultivation because you're manufacturing so you've got

1 an extraction room, you've got a curing room, and say
2 you have a trimmer room, well, they're not being used
3 in the evening but you have a camera shooting down the
4 hallway knowing that nobody is in those rooms those
5 cameras should be able to shut down.

6 MR. MORGAN: Well -- So again we'll consider that,
7 but your specific example it doesn't mean somebody is
8 not entering that room who's an employee when they
9 shouldn't be and we need video evidence of that. And
10 under your scenario we wouldn't have any video feed of
11 what happens after hours if there was a theft from
12 employees or from the outside.

13 So we'll consider your question, but again
14 overall our concern is we need to make sure -- as Ray
15 mentioned earlier, we need to make sure that there's
16 video in the event that something happens.

17 So thank you.

18 MR. ANTHONY: Next we'd like to hear from Brian
19 Markena, Paul Lee, and finally Larry King.

20 MR. LEE: Hi. Paul Lee, P A U L, L E E.

21 I have a question about zoning in particular
22 with the City of Chicago. In the frequently asked
23 questions off the IDFPR website it says that we can
24 theoretically submit an application without preapproval
25 for the zoning as long as we're in the application

1 process. The City of Chicago the process for it is not
2 terribly clear, but as I understand it we have to go
3 through the Zoning Board of Appeals.

4 Typically any time that I've had to deal
5 with Zoning Board of Appeals it takes five, six months.
6 In the event that we're approved for registration but
7 unable to acquire zoning approval what happens to the
8 approval that we already received?

9 MS. CARLSON: So if I understand your question
10 correctly it really goes to if you are awarded an
11 authorization and you're moving into the registration
12 phase and you -- your dispensary is ready to go and
13 your -- you know, you've done the final walk-through,
14 all your paperwork is completed, but you're still
15 waiting on the special use permit from the City of
16 Chicago what happens then?

17 MR. LEE: Yes.

18 MS. CARLSON: Well, our rule is particularly
19 silent on the time frame; that we would hope that you
20 would be up and running and you can say we will be up
21 and running in 30 days or 90 days or put a specific
22 time frame on that --

23 MR. LEE: In the event --

24 MS. CARLSON: -- that the City of Chicago will be
25 moving forward on this initiative swiftly and that that

1 won't be an issue, but we will manage that on a
2 case-by-case basis.

3 MR. LEE: Just a follow-up on that. In the event
4 we are approved -- we received the authorization for
5 registration but we are denied zoning by the Zoning
6 Board of Appeals in the city of Chicago what happens to
7 the authorization then?

8 Do we have to reapply?

9 Do we have to apply to change locations?

10 MS. CARLSON: We all understand zoning is one of
11 the primary challenges for a dispensary in the state so
12 I don't have an exact answer for that because there's
13 so many different scenarios that could be at play
14 there. We'd have to really take a look of why it was
15 denied and what we could do to, you know, move that
16 forward.

17 MR. LEE: Okay. Thank you.

18 MS. CARLSON: Let me just put one more caveat on
19 that that we hope that everybody that is applying for a
20 dispensary is doing all their due diligence on zoning
21 and moving that forward as soon as they can so these
22 are not issues and that when you do submit your
23 application you have the best -- the property in the
24 best situation zoningwise as it can be.

25 MR. HILTON: Hi. My name is Edmond

1 Hilton (phonetic), and I have two questions -- three
2 questions. The first one is on the dispensary side.

3 UNIDENTIFIED SPEAKER: Can you speak up?

4 MR. HILTON: Oh. The first one is on the
5 dispensary side.

6 Now, based on the delivery service and
7 receiving medicine is there any stipulation on whether
8 a truck has to be in an enclosed area when they
9 actually drop off the medicine to the dispensary or is
10 there no stipulation on that at all on how the
11 dispensary receives medicine based on security plans?

12 MS. CARLSON: Based on security plans, is that
13 what you said?

14 MR. HILTON: The security plan that we're creating
15 as far as like a secure environment for the delivery of
16 the medicine.

17 MS. CARLSON: So I think that's one of the things
18 that's kind of run through our discussion today is that
19 while we have quite a substantial and robust amount of
20 administrative rules here these are the minimum
21 requirements that we're looking for in dispensary
22 applicants.

23 So while we're not going to tell you that
24 you have to have a specific type of enclosure in order
25 to accept those deliveries, you as the applicant should

1 be putting forth your best plan to tell us why you as
2 an applicant are the best applicant and have the best
3 delivery process and what you're doing to ensure that
4 that cannabis that's delivered is not subject to any
5 theft, robbery, and that your -- your dispensary
6 employees are going to be safe during that transition
7 time when that delivery is being made.

8 And we understand that it's a little bit of
9 a vulnerable time when it's being taken out of a truck
10 or a car and being put into a brick and mortar building
11 so we want you to tell us why your process and plan is
12 the best.

13 MR. HILTON: Okay. And this is on the clinical
14 side of things. Has the State discussed anything with
15 regard to patient follow-up care plan, meaning we're
16 starting to get dosaging down, you know, as far as what
17 strands work better for what condition based on the
18 qualified conditions that we already have thus far?

19 MS. CARLSON: Can you rephrase your question?

20 I'm not sure I understand what you're
21 asking.

22 MR. HILTON: Does the State have any plans to
23 implement a patient follow-up care plan?

24 You know, and that's going to begin the
25 process of beginning to figure out what dosaging is

1 going to be required for the conditions as well as what
2 strands are specified for what conditions, what works
3 better, all those, you know, variables we have to take
4 into consideration for the patient at hand.

5 MS. SHERMAN OBERDORFF: So I know that one of the
6 things we're going to be doing with the patients is at
7 the dispensaries -- and I'm sure Bridget can speak a
8 little bit more to this -- when patients are going to
9 pick up their medical cannabis they will be working
10 with the dispensary agents on particular strains,
11 doses, et cetera, and then simultaneously they have a
12 relationship with their physician so they can see how
13 cannabis is working for them in treating their
14 debilitating medical condition or symptoms and also how
15 it's interacting with any other medications that they
16 may have.

17 MR. HILTON: Thank you.

18 You made a comment about the physician. You
19 said -- Can you repeat the last part?

20 MS. SHERMAN OBERDORFF: So I was talking about the
21 physicians and because those physicians will be signing
22 off they're having that bona fide patient relationship
23 of patients under their care. The physician would also
24 be responsible for overseeing these medical cannabis
25 just in terms of, you know, follow-up care, asking how

1 it's going for them, if they have any questions, that
2 type of a thing.

3 MR. HILTON: As you know and as we all know a
4 physician can't tell the patient how much to take.

5 MS. SHERMAN OBERDORFF: That's correct.

6 MR. HILTON: It's a recommendation.

7 So based on these physicians that we've
8 encountered they have no knowledge of this cannabis
9 industry, so them telling them to take a certain
10 amount, whatever is prescribed -- oil, actual plant
11 form -- it seems like it's going to be irrelevant
12 because they have no clue. Honestly, nobody has a
13 clue. So when I ask about the follow-up care plan this
14 is where we're trying to incorporate, you know, kind of
15 a sophomore program to be able to receive data from the
16 dispensaries as well as, you know, based on the
17 individual perspective.

18 MR. MORGAN: Yeah. The dispensaries themselves
19 will inevitably be doing a number of quality assurance,
20 utilization review, patient satisfaction-type
21 activities.

22 From the State's perspective we will also be
23 tracking that information based on usage, conditions,
24 where these individuals are applying. The State is
25 going to be doing a number of tracking so that we have

1 some information moving forward so that the end of the
2 pilot program shows success.

3 So we're going to move forward to the next
4 question.

5 MR. HILTON: Can I ask one more question?

6 MR. MORGAN: We'll keep going. We're almost
7 through everybody. So you get a chance.

8 MR. KING: All right. My name is Larry King from
9 The Kind & Compassionate, Long Beach, California, and I
10 have two short questions.

11 Will the dispensaries -- a single dispensary
12 be able to buy from multiple growers for different
13 strains, different products, different pricing,
14 whatever?

15 Can we shop through the growers and work
16 with multiple growers at one time?

17 MS. CARLSON: There's no restriction in the Act or
18 the rules that say that a dispensary cannot work with
19 or negotiate or deal with more than one cultivation
20 center.

21 MR. KING: So the answer is we can only deal with
22 one?

23 MR. WATSON: No. No. No. In fact there is in
24 the regulations a requirement with the cultivation
25 center can sell to any dispensary.

1 MR. KING: Okay.

2 MR. WATSON: And treat all the dispensaries the
3 same.

4 MR. KING: And as far as -- Getting back to the
5 zoning issue, do we have to have a signed lease in
6 advance of applying or will a letter of intent and
7 acknowledgment from a landlord -- a letter of intent be
8 sufficient?

9 MR. WATSON: As I said in response to a lot of
10 other questions give us the best application you can,
11 the strongest evidence you can give us that you have a
12 commitment to -- to have access to that land. And
13 certainly a statement from the owner saying, you know,
14 if you get the permit you have the option to lease
15 this.

16 Now, it could be -- I would recommend a
17 formal document if you can do that. You don't want to
18 be thrown out because the other 20 people applying have
19 all firm commitments and you've got a letter. I would
20 do the best you could.

21 MR. KING: You're saying a lease would look better
22 but it's not required?

23 MR. WATSON: Right.

24 MS. QUICK: Good afternoon. My name is Brothella
25 Quick, and I'll be quick.

1 If a patient losses his I.D. that's issued
2 can a dispensary go ahead and serve that patient based
3 on a positive I.D. or face recognition until the I.D.
4 is reissued by the state?

5 MR. MORGAN: It's going to be coming out of the
6 dispensary for every transaction to verify with the
7 State of Illinois that the patient through the tracking
8 system that we're going to have set up, which we don't
9 have set up yet, to verify that's an eligible patient
10 that has not purchased their two and a half ounces in
11 the prescribed limit. So every purchase will have to
12 be verified with the State as opposed to the dispensary
13 making their own decision based on their own internal
14 software.

15 MS. QUICK: So if the patient lost his I.D. came
16 to us and so we can't dispense until they get another
17 one issued and then how long is that going to take?

18 MS. SHERMAN OBERDORFF: So you're correct in that
19 the patient may not purchase medical cannabis without
20 their I.D. card. We haven't finalized our vendor yet
21 that we'll be using for the I.D. card itself, but we
22 are going to require a fairly quick turnaround.

23 MS. QUICK: Okay. And then regarding keeping
24 those records is it possible that we can just dump that
25 information on to a hard drive and keep it in a safe

1 location like outside of the facility?

2 MR. MORGAN: Well, it depends what information
3 you're talking about.

4 DFPR has specific requirements for retention
5 of records so it would depend on which records you're
6 talking about, and then we would have to follow what's
7 laid out for the FPR.

8 MS. QUICK: Okay. And then, finally, since this
9 is a four-year pilot program and we've already
10 exhausted a year will there be another year tacked on
11 at the end?

12 MR. MORGAN: Well, that would be up to the
13 legislature. The reason is for those of you who have
14 tracked the legislation this originally was a
15 three-year pilot program and it was extended to four
16 with the anticipation it would take a year
17 implementation. So this is a four-year pilot program.
18 We're moving forward as quickly as we can. This is a
19 function and a part of this process and we hope to get
20 this up and running so that we have as much of the
21 four-year pilot program to demonstrate success.

22 MS. QUICK: And again thank you so much. I know
23 you guys have to be exhausted.

24 MR. MORGAN: None of this is easy. Thank you.

25 MR. WOLF: How are you doing?

1 My name is Brandon Wolf.

2 There's a lot of -- You know, first off,
3 there's -- the application deadline is coming up really
4 soon but obviously there's a lot of questions still and
5 there's a lot of undetermined things about what's
6 happening. And granted if you look at it there's not
7 that many other states that even discuss this. You
8 know, there's only California, Colorado, Seattle.
9 Places like this that look after and you see what
10 they're doing and you try to critique the way that
11 they're doing it to maybe put your hands on something
12 to have more control.

13 The fact of the matter here in Chicago and
14 Illinois whether you want to legalize dispensaries or
15 whether you want to legalize cultivation the criminal
16 element is still going to happen. The only way you're
17 going to draw the patient going to a criminal element
18 and risking getting shot, risking having all this
19 happen where gangbangers have the power to even say
20 they're in control of that is by you letting them have
21 control by giving it either, A, to the companies that
22 already have it from out of state, obviously. If you
23 have your hands so hard into it that you can build it
24 all together and throw your money, 25K at a time,
25 toward an application you've been doing this somewhere

1 else. So if you want to build up in Illinois you need
2 to start cultivation here too.

3 There needs to be more -- The way of putting
4 packaging on the cultivation too you're making it
5 harder for the dispensary to go ahead and get the
6 product out there.

7 As a customer, as a patient, or whatever if
8 I'm going somewhere what's the point of me going to a
9 place?

10 And I don't know if this is a stale product.
11 I don't know if this product is what I want because the
12 dispenser already he doesn't know if I want an ounce or
13 an eighth or a half or whatever so you're putting all
14 of us into a situation then because, first off, we want
15 to limit it from the step go. You want to tell the
16 cultivator that he has to determine what the patient
17 wants. That's not his job. His job is to grow
18 something then after that his job is to send it to
19 somebody where the dude goes to them and tells them
20 what they want and that group says, okay, I have this.
21 He asks the cultivator in the beginning can I have this
22 amount of product. The cultivator cannot come to him
23 and say I can give you this, this, this, this, and
24 this, you have to start with this. At that point --
25 Sorry.

1 MR. MORGAN: It's okay. Do you want us to
2 address -- You said so far because we're going to cut
3 it off --

4 MR. WOLF: No. I mean in all honestly like
5 really?

6 You could ask me -- or answer my question
7 back, but this is more like a thought, you know.

8 MR. MORGAN: Sure. Sure. Comment.

9 MR. WOLF: All this is going on. You're going to
10 have -- You're going to have shipments. The cartel is
11 doing the same thing right now, so they obviously found
12 ways to do the secure transportation and all this other
13 stuff. If it's not going to be government backed --

14 MR. ANTHONY: About 15 seconds, sir.

15 MR. WOLF: Okay. If it's not going to be
16 government backed from somebody else to help the
17 government legally take their hands on to it then
18 you're going to lose it, and it's going to be a loss
19 after four years. You're going to look back and say
20 California did it better, these guys did it better, and
21 it didn't work here, why?

22 Instead of just taxing it a little bit we
23 tried to get it all from the get-go.

24 MR. ANTHONY: Thank you very much for your
25 comments.

1 MR. MORGAN: Thank you for that comment. We have
2 one individual who hasn't had a chance to ask a
3 question. We'll make you the last person if you want
4 to come up real quick and we'll -- oh, two people and
5 then that's it. We're cutting it off.

6 MR. WATSON: Three.

7 MR. MORGAN: Three?

8 Three people.

9 MS. SCHNIER: I have a question. Who does the
10 background check, Illinois State Police?

11 MS. SHERMAN OBERDORF: Here, I'm going to give you
12 the --

13 MR. MORGAN: Just give us one second.

14 (Brief pause.)

15 MS. SHERMAN OBERDORFF: Could you please state
16 your name as well too?

17 MS. SCHNIER: Janet Schnier, J A N E T,
18 S C H N I E R.

19 Regarding the background checks for patients
20 is the Illinois State Police going to conduct those?

21 Are -- Is it the FBI because I read on the
22 website at one time it was -- supposedly all the
23 background checks were going to be done through the
24 FBI?

25 I don't know if that was just cultivators or

1 the dispensaries or the patients, everybody.

2 MR. MORGAN: Illinois State Police will be
3 managing the background check based on the livescan
4 vendors fingerprint electronic scan. And again that's
5 based on the statute that requires background checks of
6 the patients, caregivers, agents of the cultivation
7 centers and dispensaries.

8 MS. SCHNIER: So they're not accepting the tag
9 card from like you go to the police department and get
10 a tag card made of your prints?

11 MR. MORGAN: Correct. Anybody who's interested in
12 participating should go to -- must go to a livescan
13 vendor.

14 MS. SCHNIER: And have them digitally scanned?

15 MR. MORGAN: Correct.

16 MS. SHERMAN OBERDORFF: And there's a list of
17 livescan vendors in the patient application. It takes
18 you to the link so you can find a vendor close to you.

19 MS. SCHNIER: Okay. Great. Thank you.

20 MR. CHISOLM: Hi. My name is Brain Chisolm,
21 B R I A N, C H I S O L M.

22 All of my questions are cultivation related.

23 MR. MORGAN: You mean your two questions, right?

24 MR. CHISOLM: Three, if I squeeze it.

25 MR. MORGAN: Okay.

1 MR. CHISOLM: But they're tiny.

2 My first one in the DOH it states all
3 growing needs to -- I'm sorry. I don't have the
4 specific citation -- it states that all the growing has
5 to occur inside a secure, enclosed facility. My
6 question regarding that is we were interested in trying
7 to pursue potentially open-air or greenhouse growing,
8 so my question is if we were to fortify the perimeter
9 of our property could that be considered a secure,
10 enclosed space or should we go more with an
11 interpretation of building walls, floor, ceiling?

12 MR. WATSON: In looking at the definition of
13 enclosed just in the dictionary it talks about -- in
14 Black's Law it talks more about the perimeter, I would
15 say it's a possibility that you could do that if you
16 can demonstrate that it's secure and also make sure
17 it's not visible from the street. Okay?

18 We do not want to be able to drive by and
19 see all the plants growing through the greenhouse or
20 glass, so I would say make sure it's not visible and
21 make sure it's secure and we'll consider the plan.

22 MR. CHISOLM: My second question is we are --
23 we're considering using contract security for on-site
24 security. Given that these people would have
25 potentially more access to the product than the general

1 public would they be treated as agents in that contract
2 security guards need to go through fingerprinting and
3 background checks?

4 MR. WATSON: Anybody that's going to be in the
5 facility as part of the project -- or part of the
6 process is going to have to be registered as a
7 cultivation center agent.

8 MR. CHISOLM: And my last question -- I know you
9 just stated that you're still in the process of
10 selecting a vendor for the inventory tracking. My only
11 concern we're getting so close to the application
12 deadline we might not have enough time to properly
13 implement it into our operations and security plan once
14 that is released.

15 Is there any guidance that we have or maybe
16 who you're leaning towards?

17 MR. MORGAN: No. We haven't begun that process
18 yet, and we're moving as quickly as we can. The rules
19 do require that it's a -- that your systems are
20 compatible with the State system. Obviously that's
21 independent of our vendor, but there are a number of
22 commercially available products in other states that
23 are preexisting and the vast majority of them can be
24 connected to one another. We'll provide that as
25 quickly as we can.

1 Given your question we want to make sure
2 people know what's expected of them.

3 MR. CHISOLM: Okay. Great. Thank you.

4 MR. SEEDER: Thank you. My name is Scott Seeder;
5 last name is S E E D E R.

6 Very quick question related to DFPR. I know
7 you've beaten it like a dead horse in terms of the
8 physician requirements, but there's no definition of
9 board of directors and I was wondering given all of the
10 rules and the laws is there any prohibition for a
11 physician if they otherwise meet all those requirements
12 from serving on an advisory board to assist the
13 dispensary for no compensation?

14 That was my question.

15 MS. CARLSON: For the physician requirements and
16 when the Act says they can't be on the board of
17 directors, not really the board of directors from our
18 understanding and the way that we drafted and crafted
19 these rules really means the ownership and the control
20 of that business entity and really that's why we went
21 through and defined the principal officer as to include
22 all of those things. In the actual definition of
23 principal officer includes a prospective dispensing
24 organization board member, so it is included under
25 there specifically in our definitions.

1 MR. SEEDER: So does that mean that a physician
2 could not be on an advisory board?

3 You're talking about ownership and control.

4 MS. CARLSON: Okay. So your question can a
5 physician be --

6 MR. SEEDER: Participate.

7 MS. CARLSON: -- on an advisory --

8 MR. SEEDER: An advisory board.

9 If a dispensary organization chose to create
10 on advisory board and have a physician participate in
11 an unpaid capacity.

12 MS. CARLSON: I mean if they're a board member
13 then the answer is no, but an advisory board --

14 MR. MORGAN: We'll consider it.

15 MS. CARLSON: Yeah.

16 MR. MORGAN: It definitely starts to get nuance on
17 case by case.

18 What is the advisory board, advisory boards
19 have a variety of different functions depending on what
20 you're talking about. Some are a lot more than just
21 being advisory, actually they have some sort of control
22 of the facility. So we'll try and address that in an
23 FAQ.

24 MR. SEEDER: Okay. Thank you.

25 MR. WATSON: Can I follow up?

1 MR. MORGAN: No.

2 MR. WATSON: Bob says no.

3 As far as with regard to the cultivation
4 centers, you know, we do have the bonus points for the
5 research plan, so I don't know if your advisory board
6 would be -- I don't know -- trying to help with
7 research or something like that. I don't know. Just
8 throwing it out there.

9 MR. MORGAN: Sir, go ahead. You haven't had a
10 chance to ask a question.

11 MR. WILSON: Thank you. My name is Ralph Wilson,
12 R A L P H, W I L S O N.

13 My question is across the board. They're
14 going to be quick. You talked to someone earlier about
15 a growth facility. I'm still not sure what exactly is
16 the specifications of the size of a growth facility.

17 Is it 100,000 square feet?

18 Is it 20,000 square feet?

19 How many buildings are involved?

20 MR. MORGAN: Well, there's no size requirements or
21 limitation.

22 MR. WILSON: No minimum, no maximum?

23 MR. MORGAN: Correct. In terms of the number of
24 buildings --

25 MR. WILSON: See, because the first facility I

1 want to build is going to be within the city limits,
2 but I have a farm one-quarter mile --

3 MR. MORGAN: We won't address the specific
4 facility, but we do not have any specific
5 requirements -- limitations of ceiling or floor to the
6 square footage of a cultivation center.

7 And the second part of your question --

8 MR. WILSON: I've got 45 acres that I could put
9 greenhouses on. Okay?

10 MR. MORGAN: Well, the second part of your
11 question is the number of buildings, and I think when
12 you apply to the Department of Agriculture you're going
13 to need to specify each facility --

14 MR. WILSON: Yes.

15 MR. MORGAN: -- you plan to develop.

16 MR. WILSON: Now, can all of those buildings be
17 considered one production of growth facility or is one
18 building one facility?

19 That's the confusion.

20 MR. MORGAN: Well, I think we're going to expect
21 that the applicants are going to demonstrate why having
22 two buildings on the same piece of property to make the
23 most appropriate applicant given the rules of the
24 Department of Agriculture has and they're going to have
25 to make that argument compared to other applicants that

1 may have it within one single enclosed facility.

2 So we're not going to pass judgment on
3 whether it's one building or two as long as they meet
4 the rules of the layout.

5 MR. WILSON: Yeah.

6 MR. WATSON: I think that --

7 MR. WILSON: Go ahead.

8 MR. WATSON: With regard to the size of the
9 facility in talking with various potential applicants
10 they're concerned that they don't know what the patient
11 base is going to be so --

12 MR. WILSON: Right.

13 MR. WATSON: -- they're not going to go out and
14 build the biggest facility they can, but one of the
15 points that we have in our application is that we want
16 you to demonstrate the ability to expand if there is
17 increased demand. If we find that, you know, we're not
18 supplying enough to the patients then the cultivation
19 centers that have the permits would have the
20 opportunity to expand the operation to meet demand.

21 MR. WILSON: That was what I was going to lead to,
22 if I do an initial building that meets the requirements
23 and a market demands it can I keep expanding?

24 MR. WATSON: Well, it sounds like you have enough
25 real estate that you'll have room to expand so that

1 would be the type of information we would want to see.

2 MR. MORGAN: Okay. And then last question.

3 MR. WILSON: Last question is do I need a special
4 license if I want to start a school to teach the
5 cannabis business, all aspects of it?

6 MR. MORGAN: I don't know how to answer the
7 question. It's going to depend on what you're trying
8 to do.

9 You know, off the top of my head education
10 in Illinois is licensed based on particularly what
11 you're teaching and what licenses you're trying to --
12 to apply to them. So an accredited university,
13 accredited school, a licensed school in Illinois those
14 are very specific things so it really would depend and
15 you should refer to the Board of Education and also
16 your local municipality on that.

17 MR. WILSON: Okay. Will --

18 MR. MORGAN: That was the last question. Sorry,
19 sir. That was your last question. Sorry.

20 All right. At this point I think we've all
21 put ourselves to sleep after a very long, long day. We
22 very much appreciate everyone's questions. For those
23 who have additional questions after today shoot us an
24 e-mail -- a respective e-mail at mcpp.illinois.gov.

25 Thank you so much for participating in this

1 process.

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(Town Hall Meeting concluded.)

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1 STATE OF ILLINOIS)
) SS.
2 COUNTY OF COOK)

3

4 Jennifer Vravis, being first duly sworn, on
5 oath says that she is a Registered Professional
6 Reporter doing business in the City of Chicago, County
7 of Cook and the State of Illinois;

8 That she reported in shorthand the
9 proceedings had at the foregoing Medical Cannabis Pilot
10 Program Town Hall Meeting;

11 And that the foregoing is a true and correct
12 transcript of her shorthand notes so taken as aforesaid
13 and contains all the proceedings had at the said
14 Medical Cannabis Pilot Program Town Hall Meeting.

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JENNIFER VRAVIS, RPR

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19 CSR No. 084-004556

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