



July 7, 2023

### **Next Steps for Conditional Licensure after the Social Equity Criteria Lottery**

The Department of Financial and Professional Regulation (“IDFPR”) is providing this document so that all applicants may begin to prepare for the next steps after the Social Equity Criteria Lottery (SECL) is conducted. This document is not intended to provide legal advice. All applicants are encouraged to seek their own counsel should they have more specific questions, or to consult with the Department of Commerce & Economic Opportunity’s (“DCEO”) [technical assistance resources](#).

#### **1. My application was not drawn as one of the 55 Top Participants across the 17 BLS Regions. Is there anything else I can do?**

Unfortunately, there were more applicants than licenses available in this round of licensing. If your application is not drawn as one of the 55 Top Participants, no further action is needed from you after the lottery is conducted.

However, keep in mind that IDFPR may determine that some of the original 55 Top Participants are ineligible for conditional licensure. During IDFPR’s 60-day review period, the Department will examine all of the 55 Top Participants’ submissions to ensure that they are eligible for a Conditional Adult Use Dispensing Organization License (“conditional license”) according to the criteria required in [68 IAC 1291.410\(e\)\(6\)](#).

In the event one of these original 55 Top Participants is denied a conditional license after the review period, IDFPR may offer the next applicant that was drawn in that BLS Region an opportunity to be issued a conditional license. Therefore, IDFPR encourages all applicants to pay close attention to the position that their application was drawn in the lottery in the event that they may become eligible for conditional licensure. More specific information will be shared if the Department needs to contact these applicants about their continued interest in a conditional license if such a scenario occurs.

#### **2. My application was drawn as one of the 55 Top Participants. What do I do now?**

If your application was drawn as one of the 55 Top Participants, that does not mean you are automatically the holder of a conditional license. Instead, it means your

application has the chance to prove to IDFPR that you meet the necessary licensing criteria to be issued a conditional license.

Following the lottery, DFPR will provide information directly to the Primary and Alternate contacts associated with each of the 55 Top Participants with more detailed next steps on the proof of eligibility process.

### **3. How much time do I have to prove to IDFPR that I am eligible for a conditional license?**

Per [68 IAC 1291.420\(b\)](#), Top Participants have 45 days after the day the results of the SECL are posted to submit documents demonstrating their proof of eligibility.

IDFPR then has at least 60 days to review eligibility and either affirm or deny an applicant a conditional license. During IDFPR's review period, the Department will issue deficiency notices if any documents are determined to be deficient and offer applicants a chance to correct pursuant to [68 IAC 1291.420\(d\)-\(k\)](#).

### **4. What do I need to submit to prove my application is eligible for a conditional license?**

IDFPR has previously published a [list of acceptable documents](#) that may be used to prove eligibility of the required social equity criteria , as well as a [helpful primer](#) explaining the process, and an [interactive map](#).

As always, carefully review the [administrative rules to](#) ensure your application is compliant.

Additionally, there are other statutory requirements beyond the social equity criteria in the administrative rules that all Top Participants will need to prove in order to be issued a conditional license. This includes tax compliance [[410 ILCS 705/15-40\(e\)](#) and [68 IAC 1291.95](#)], license limitation checks [[410 ILCS 705/15-36\(c\) and \(d\)](#)], and completed Principal Officer [applications](#) [[410 ILCS 705/15-50\(e\)](#)]. Principal Officers **do not** need to submit fingerprints as part of their applications at this stage. The Department will notify Principal Officers with more information about when to submit a fingerprint authorization form and receipt.

### **5. How will I submit this proof?**

IDFPR has created a Sharepoint system whereby all applicants will be able to submit their documents via an online portal. Each applicant will have their own individual application folder with a secure password that will only be accessible and visible to the applicant, IDFPR, and IDFPR's third-party scoring vendor.

More information about how to access this online portal will be shared directly with the 55 Top Participants after the lottery.

**6. Will there be deficiency periods in the 45-day submission period?**

There will not be formal deficiency periods in the 45-day submission period. However, IDFPR will make every attempt possible to provide real-time feedback to submissions which may be faulty, such as if a file is corrupted and cannot be accessed or if something visibly apparent is missing from a document, such as a signature or a page-range.

Keep in mind that IDFPR will have limited opportunities to provide this real-time feedback the closer to the end of the 45-day period, so early submission is encouraged as applicants will be able to re-upload documents and records during the entire 45-day period if needed.

IDFPR will provide formal deficiency notices in the 60-day review period, as required by [68 IAC 1291.420\(d\)-\(k\)](#).

**7. Is there a third-party vendor involved?**

Yes, IDFPR has entered a contract with RSM US LLP, a consulting firm headquartered in Chicago. RSM US is a leading provider of audit, tax and consulting services, with professionals in 82 cities across the United States. It is a licensed CPA firm and the U.S. member of RSM International, a global network of professional services firms across 120 countries.

RSM, at the direction of IDFPR, will review the submitted documents during the review period to help determine if applicants meet the required criteria. Ultimately, all licensing decisions remain with IDFPR, but RSM will help assist so as to provide as efficient, thorough, and rigorous a review process as possible.

**8. Can anyone communicate with IDFPR about a specific application?**

As a reminder, IDFPR may only communicate with the Primary or Alternate Contact associated with an application. *"In order to change its primary or alternate contact information, an applicant or a top participant must submit a request to change from the current primary or alternate contact email address the Department has on record."* [68 IAC 1291.410\(j\)](#). Such requests should be sent to [FPR.SECL@Illinois.gov](mailto:FPR.SECL@Illinois.gov).