



Social Equity Application
Review
for
Connecticut
Adult-use Cannabis License

by
CohnReznick

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Notification Letter Sample 1	This is a one of two sample notification letters drafted for consideration by SEC. This may be used by the SEC to notify applicants of their social equity status. After the SEC has made a final determination, the SEC will send a notification to the applicant informing them of the determination. This letter is comprehensive and includes specific details regarding the documentation reviewed and conclusions made.	20-22
Notification Letter Sample 2	This is the second of two sample notification letter for consideration by SEC. This will be used by the SEC to notify applicants of their social equity status. This letter is concise and does not provide the details regarding the review for applicants who have met the qualifications. For applicants who did not meet social equity status, the determination form will be attached to this letter to provide details of their application.	23

Provisional License Application Timeline

Application Submission

Dept. of Consumer Protection

Social Equity Council & Vendor

CT SEC

DCP



Provisional License Application Timeline

Application Submission

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- ❖ Applicant submits application through the online Portal via the DCP website.

Provisional License Application Timeline

Application Submission

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DCP

- ❖ The lottery is initiated on applicable licenses and chosen licenses are sent for review.
- ❖ Non-lottery license applications go directly to review.
- ❖ DCP uploads SEC applications to Share Point for review.

SharePoint for Application Intake

The screenshot shows a SharePoint interface for a site named 'CT SEC - Client Site'. The left-hand navigation pane includes 'Home', 'Notebook', 'Program Management', 'Upload Library', 'Application List', 'Working Library', 'Pages', 'Site contents', 'Recycle bin', and 'Edit'. The 'Application List' is currently selected. The table below displays application data with columns for ID, Number, Prefix, Type, Name, Backer Numbers, Status, Business Type, Lottery Application, EJV Selected, EJV Verified, and SEA Selection. The 'Status' column contains labels like 'Application Received', 'Awaiting SEC Approval', 'Initial Review', and 'Denied'. A red box highlights the table header, and a brown box highlights the 'Denied' row. The text 'Sample Data' is written in red at the bottom of the table area.

Application ID	Application Number	Credential Prefix	Credential Type	Business Name	Related Backer Numbers	Status	Business Type	Lottery Applica...	EJV Selected	EJV Verified	SEA Selec
ACCE.000...	0000000	ACCE	Cultivator	Sample Business Name	ACBR.0000011	Application Received	LLC	No			Yes
ACDS.0000001TEST	0000001	ACDS	Delivery Service			Awaiting SEC Approval	LLP	Yes	Yes		No
ACRE.0000001TEST	0000001TEST	ACRE	Retailer			Initial Review	LLC	Yes	Yes		Yes
ACCE.0000001TEST	0000001TEST	ACCE	Cultivator			Application Received	S-Corp	Yes			Yes
ACCE.0000002TEST	0000002TEST	ACCE	Cultivator			Denied	Sole Proprietorship	No			Yes

Sample Data

Provisional License Application Timeline

Application Submission

Dept. of Consumer Protection

Social Equity Council & Vendor

CT SEC

DCP

- ❖ Application Review for Social Equity Criteria.
- ❖ Application Checklist and Income Calculation.

Provisional License Application Checklist

Entity Applicant		Reviewer Name									
Business Type		Review Date									
SE Applicant											
License Type											
Social Equity Qualificataion				Verified	Source Verification	Eligible/Ineligible	Notes				
Residency Requirement	a.	Lived in a DIA 5 of the last 10 years			[insert document(s) used to verify requirement]						
		OR									
b.	Lived in a DIA 9 of the first 18 years										
Income Requirement	a.	Household income for the most recent 3 years is less than 300% of State Median Income per year									
Ownership & Control Requirement	a.	65% Ownership Stake (non-EJV)									
	b.	50% Ownership Stake - EJV									
	c.	Revenue/Expense/Profit Allocation is in line with ownership stake									
	d.	Contribution/Distribution Schedule is in line with ownership stake (aside from provisions to pay off non SEA backers/investors)									
	e.	Liability Assumptions are equally distributed									
	f.	Operating Loss Provisions are in accordance with ownership stake									
	g.	Transfer of ownership e.g. greater of business valuation or lump sum (aside from provisions to pay off non SEA backers/investors)									

Provisional License Income Calculator

Social Equity Applicant Income Calculator

Total Household		Household Member 1	Household Member 2	Household Member 3	Household Member 4	Household Member 5	Household Member 6
2018 Total Income	\$ 100,000.00	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
2019 Total Income	\$ 230,000.00	\$ 200,000.00	\$ 30,000.00	\$ -	\$ -	\$ -	\$ -
2020 Total Income	\$ 245,000.00	\$ 225,000.00	\$ 15,000.00	\$ 5,000.00	\$ -	\$ -	\$ -

Connecticut State Median Income	\$ 78,444.00
300% of State Median Income	\$ 235,332.00

Social Equity Eligibility Status Based on Income Requirements	Ineligible
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Provisional License Application Timeline

Application Submission

Dept. of Consumer Protection

Social Equity Council & Vendor

CT SEC

DCP

- ❖ A determination memo is sent to SEC Director/Staff.
- ❖ A bi-weekly report on the reviews is sent to the SEC Director who sends to SEC.
- ❖ SEC notifies applicants of approval/denial of provisional license.

Social Equity Status Determination Memo

State of Connecticut Social Equity Adult-use Cannabis License Application Review Determination

Business/Entity Name	
Social Equity Applicant Name(s)	
License Type	
Business Type	

The Connecticut Social Equity Council (SEC) has determined that the social equity applicant's application **met/did not meet** all qualifications constituting "social equity" status defined in the State of Connecticut's Senate Bill 1201/ Public Act 21-1 "An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis" (§ 22-165). The results of this review are summarized below.

Residency Requirement: Eligible Ineligible

Check the criteria met:

<input type="checkbox"/>	Resident of a disproportionately impacted area for at least five of the ten years immediately before applying
<input type="checkbox"/>	Resident of a disproportionately impacted area for at least nine years before turning 18 years old.

Income Requirement: Eligible Ineligible

Check the criteria met:

<input type="checkbox"/>	Income was at or below 300% of the State Median Income for each of the previous three years. • Connecticut State Median Income: \$78,444.00 • 300% of State Median Income: \$235,332.00
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Ownership Requirement: Eligible Ineligible

Check the criteria met:

<input type="checkbox"/>	A business or sole proprietor that has applied for a license for a cannabis establishment and is at least 65% owned and controlled by the social equity applicant.
<input type="checkbox"/>	A business entity created by an expanding producer or converting dispensary facility and is at least 50% owned and controlled by the social equity applicant. (Equity Joint Venture)

Check the criteria met:

<input type="checkbox"/>	Revenue, expense, and profit are allocated in accordance with ownership percentage from above.
<input type="checkbox"/>	Contributions and distributions are allocated in accordance with ownership percentage above.
<input type="checkbox"/>	The assumption of liabilities is allocated in accordance with the ownership percentage above.
<input type="checkbox"/>	Operating loss responsibilities are allocated in accordance with the ownership percentage above.
<input type="checkbox"/>	Transfer of ownership does not disproportionately disadvantage the social equity applicant(s).

Additional Notes:

Bi-weekly Report to SEC Director

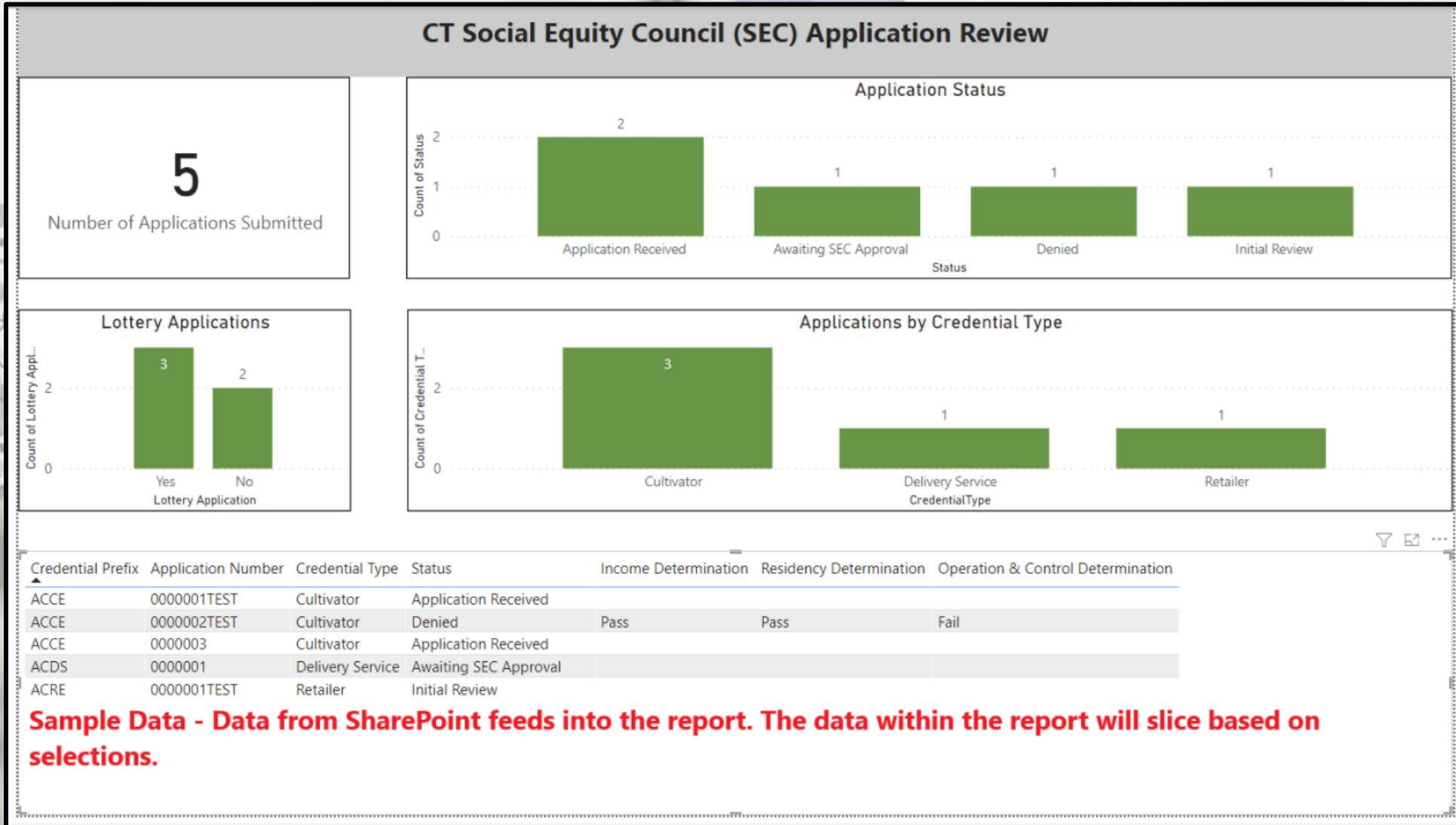
Status of Denials	
Income Issues	1
Residency Issues	3
Ownership Issues	1
Denied for 1 reason	2
Denied for 1< reason	3

Social Equity Applications

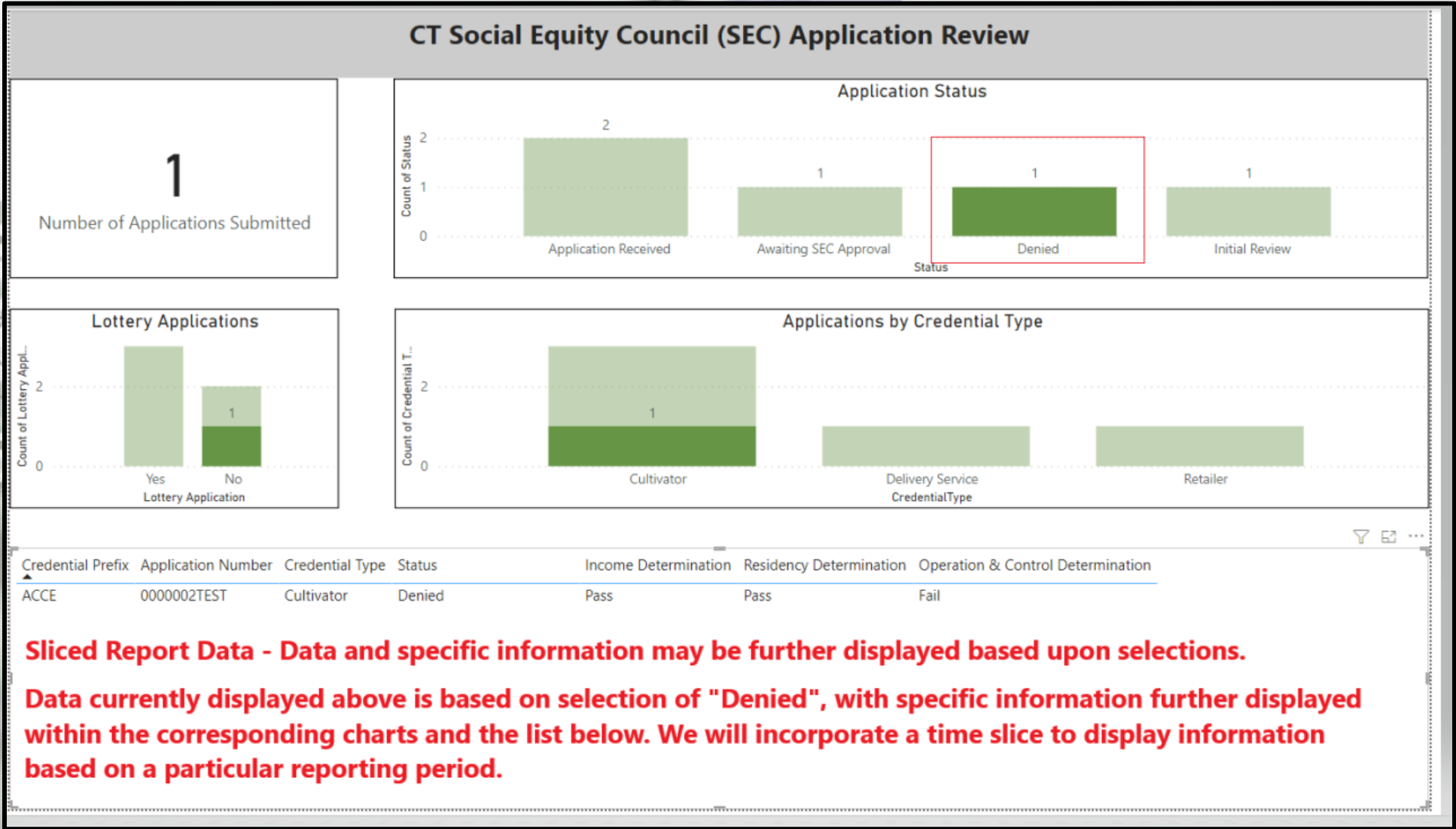
Bi-weekly Report

Application Status	Total Applications	EJV	Sec. 149 DIA	Ltr Retailer	Ltr Micro-Cultivator	Ltr Delivery	Ltr Hybrid Retailer	Ltr Food & Beverage	Ltr Product Manufacturer	Ltr Product Packager	LTR Transporter
Total Applications	16	5	4	7							
Ready for Review	7	2	2	3							
In Review	5	1	1	3							
Approved	3	2	1								
Denied	5			1							

Bi-weekly Report to SEC Director



Bi-weekly Report to SEC Director



Provisional License Application Timeline

Application Submission

Dept. of Consumer Protection

Social Equity Council & Vendor

CT SEC

DCP

- ❖ Approved applications are sent to DCP for filing.
- ❖ DCP is notified of # of denied applications in order to select additional applications from the lottery for review.

Provisional License Application Timeline

Application Submission

- ❖ Applicant submits application through the online Portal via the DCP website.

Dept. of Consumer Protection

- ❖ The lottery is initiated on respective licenses and chosen licenses are sent for review.
- ❖ Non-lottery license applications go directly to review.
- ❖ DCP uploads SEC applications to Share Point for review.

Social Equity Council & Vendor

- ❖ Application Review for Social Equity Criteria.
- ❖ Application Checklist and Income Calculation.

CT SEC

- ❖ A determination memo is sent to SEC Director/Staff.
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DCP

- ❖ Approved applications are sent to DCP for filing.
- ❖ DCP is notified of # of denied applications in order to select additional applications from the lottery for review.

Entity Applicant	
Business Type	
SE Applicant	
License Type	

Reviewer Name	
Review Date	

Social Equity Qualificataion		Verified	Source Verification	Eligibility	Notes
Residency Requirement	a.	Lived in a DIA 5 of the last 10 years	[insert document(s) used to verify requirement]		
		OR			
	b.	Lived in a DIA 9 of the first 18 years			
Income Requirement	a.	Household income for the most recent 3 years is less than 300% of State Median Income per year			
Ownership & Control Requirement	a.	65% Ownership Stake (non-EJV)			
	b.	50% Ownership Stake - EJV			
	c.	Revenue/Expense/Profit Allocation is in line with ownership stake			
	d.	Contribution/Distribution Schedule is in line with ownership stake (aside from provisions to pay off non SEA backers/investors)			
	e.	Liability Assumptions are equally distributed			
	f.	Operating Loss Provisions are in accordance with ownership stake			
	g.	Transfer of ownership e.g. greater of business valuation or lump sum (aside from provisions to pay off non SEA backers/investors)			

Social Equity Applicant Income Calculator

Total Household	Household Member 1	Household Member 2	Household Member 3	Household Member 4	Household Member 5	Household Member 6
2018 Total Income	\$ 100,000.00	\$ 100,000.00	\$ -	\$ -	\$ -	\$ -
2019 Total Income	\$ 230,000.00	\$ 200,000.00	\$ 30,000.00	\$ -	\$ -	\$ -
2020 Total Income	\$ 245,000.00	\$ 225,000.00	\$ 15,000.00	\$ 5,000.00	\$ -	\$ -

Connecticut State Median Income	\$ 78,444.00
300% of State Median Income	\$ 235,332.00

SAMPLE DATA FOR DEMONSTRATION ONLY

Social Equity Eligibility Status Based on Income Requirements	Ineligible
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**State of Connecticut
 Social Equity Adult-use Cannabis License
 Application Review Determination**

Business/Entity Name	
Social Equity Applicant Name(s)	
License Type	
Business Type	

The Connecticut Social Equity Council (SEC) has determined that the social equity applicant’s application **(met/did not meet)** all qualifications constituting “social equity” status defined in the State of Connecticut’s Senate Bill 1201/ Public Act 21-1 “An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis” (§ 22-165). The results of this review are summarized below.

Residency Requirement: Eligible Ineligible

Check the criteria met:

	Resident of a disproportionately impacted area for at least five of the ten years immediately before applying
	Resident of a disproportionately impacted area for at least nine years before turning 18 years old.

Income Requirement: Eligible Ineligible

Check the criteria met:

	Income was at or below 300% of the State Median Income for each of the previous three years. <ul style="list-style-type: none"> • Connecticut State Median Income: \$78,444.00 • 300% of State Median Income: \$235,332.00
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Ownership Requirement: Eligible Ineligible

Check the criteria met:

	A business or sole proprietor that has applied for a license for a cannabis establishment and is at least 65% owned and controlled by the social equity applicant.
	A business entity created by an expanding producer or converting dispensary facility and is at least 50% owned and controlled by the social equity applicant. (Equity Joint Venture)

Check the criteria met:

	Revenue, expense, and profit are allocated in accordance with ownership percentage from above.
	Contributions and distributions are allocated in accordance with ownership percentage above.
	The assumption of liabilities is allocated in accordance with the ownership percentage above.
	Operating loss responsibilities are allocated in accordance with the ownership percentage above.
	Transfer of ownership does not disproportionately disadvantage the social equity applicant(s).

Additional Notes:

**State of Connecticut
Social Equity Adult-use Cannabis License
Application Review Determination**

Business/Entity Name: _____

Social Equity Applicant Name(s): _____

License Type: _____

Business Type: _____

Dear **Applicant Name,**

The Connecticut Social Equity Council (SEC) has determined that your application **(met/did not meet)** all qualifications constituting “social equity” status defined in the State of Connecticut’s Senate Bill 1201/ Public Act 21-1 “An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis” (§ 22-165).

For an applicant to qualify as a social equity applicant, the applicant must provide documentation verifying the residency, income, and ownership requirements outlined by the council. The criteria for each requirement used by the SEC to make this determination can be found below:

Residency Requirement: In the guidelines outlined by the SEC, an applicant must have been a resident of a disproportionately impacted area for at least five of the ten years immediately before applying for a license or nine years before they turned 18 years old.

Findings: Based on the document(s) provided, **(identify the applicant provided documents)**, the SEC determined you **(met/did not meet)** the following social equity residency requirement:

(Choose which requirement the applicant met. If they did not meet the qualification, unhighlight both requirements)

- Resident of a disproportionately impacted area for at least five of the ten years immediately before applying
- Resident of a disproportionately impacted area for at least nine years before turning 18 years old.

Income Requirement: The SEC requires that businesses applying for social equity status had an average household income of less than 300% of the state medium income over the three tax years immediately preceding the application.

- **Connecticut State Median Income:** \$78,444.00
- **300% of State Median Income:** \$235,332.00 (\$78,444.00 x 3)

Findings: Based on the document(s) provided, **(identify the applicant provided documents)**, the SEC determined you **(met/did not meet)** the social equity income requirement.

- **2018 Annual Household Income:** (Enter the total household income for 2018 from calculator)
- **2019 Annual Household Income:** (Enter the total household income for 2019 from calculator)
- **2020 Annual Household Income:** (Enter the total household income for 2020 from calculator)

Ownership Requirement: The SEC requires that businesses applying for social equity status meet the following ownership and control criteria:

- A business or sole proprietor that has applied for a license for a cannabis establishment and is at least 65% owned and controlled by the social equity applicant.
- A business entity created by an expanding producer or converting dispensary facility and is at least 50% owned and controlled by the social equity applicant. (Partnerships or Joint Ventures)

Findings: Based on the documents provided, the SEC determined the business **(met/did not meet)** the ownership and control requirements outlined above.

(Applicant met ownership criteria – use except below and identify the ownership percentage required for the applicable business type)

The SEC determined the business or business entity is at least **(65%/50%)** owned and controlled by the social equity applicant.

(Applicant met ownership criteria, however deficiencies found in business agreements necessitate an adverse determination)

The SEC determined the business or business entity is at least **(65%/50%)** owned and controlled by the social equity applicant, however the following deficiencies were found in **(applicable agreements/supporting documentation)** resulting in the disqualification of your application for social equity status. **(Include only applicable deficiencies – add specific deficiency if not listed below)**

- Revenue/Expense/Profit Allocation isn't in line with ownership stake
- Contribution/Distribution Schedule is not in line with ownership stake
- Liability Assumptions are not equally distributed
- Operating Loss Provisions are not in accordance with ownership stake
- Improper Transfer of ownership e.g., Social Equity Applicant receiving a lump sum or payments less than the business valuation for a percentage of their ownership.

(Applicant did not meet ownership criteria – social equity applicant ownership percentage less than applicable SEC criteria (50% or 65%))

While reviewing **(applicable ownership agreements/documentation)**, the SEC determined the social equity applicant does **not** own and control at least **(65%/50%)** of the business or business entity.

(Use if applicant met all social equity requirements)

Based on the Social Equity Council's review of your application, the council has determined your application for a **(business type)** license met all social equity requirements for social equity status.

For additional details, please refer to our website at <https://portal.ct.gov/social-equity-council/>.

(Use if applicant did not meet one or more social equity requirements)

Based on the Social Equity Council's review of your application, the council has determined all social equity requirements have **not** been met and has denied social equity status for a **(business type)** license application.

Although the council has determined you did not meet the social equity requirements, if the additional amount needed for the full lottery entry fee is received **within five business days from the date of this letter**, your application will be entered into the general lottery for **(business type)** licenses.

If you would like to appeal the determination, you must submit an appeal to the Superior Court in accordance with the Uniform Administrative Procedure Act (UAPA) **within 30 days from the date of this letter**.

For additional details on how to submit an appeal, please refer to our website at <https://portal.ct.gov/social-equity-council/>.

State of Connecticut
Social Equity Adult-use Cannabis License
Application Review Determination

Business/Entity Name: _____

Social Equity Applicant Name(s): _____

License Type: _____

Dear **Applicant Name**,

For an approval

Congratulations! The Connecticut Social Equity Council (SEC) has confirmed your social equity status in connection with your adult-use cannabis license application. Please note that this notification is strictly regarding your social equity status and provides a provisional license to the above referenced business. Additional information regarding final licensure can be found at https://portal.ct.gov/cannabis?language=en_US.

For a denial

This letter is to inform you that the Connecticut Social Equity Council (SEC) has determined that you did not meet the qualifications constituting “social equity” status defined in the State of Connecticut’s Senate Bill 1201/ Public Act 21-1 “An Act Concerning Responsible and Equitable Regulation of Adult-Use Cannabis” (§ 22-165).

For an applicant to qualify for social equity status, the applicant must provide documentation verifying the residency, income, and ownership requirements outlined by the council. The following page outlines the criteria for social equity status and the details regarding your application.

[attach determination form to denial letter]

To be considered for a general license, please log into your online application and follow the prompts to submit the remaining application fee, **within five business days from the date of this letter.**

If you would like to appeal the determination, you must submit an appeal to the Superior Court in accordance with the Uniform Administrative Procedure Act (UAPA) **within 30 days from the date of this letter.**

For more information, please visit https://portal.ct.gov/cannabis?language=en_US.

Sincerely,

The Connecticut Social Equity Council