**Section 1291.420 Conditional License Post Lottery Proof Requirements under Section 15-35.20(c) of the Act**

a) The Department will publish a list of supporting documents (e.g., mortgage statements, bank statement, government-issued identification) that an applicant must submit in order to prove it meets the criteria required in Section 1291.410(e)(6)(A) (Criteria A) and Section 1291.410(e)(6)(B) (Criteria B) to be issued a conditional license. This list shall be published on the Department’s website on the same day the Department opens the application submission window.

b) Top participants shall have 45 calendar days after the day the lottery is certified to submit all required supporting documents to the Department via FPR.CannabisAdministration@illinois.gov or via the State file share system available upon request to the same email address.

c) After a top participant has submitted its supporting documents, the Department has at least 60 calendar days to review the documentation.

d) If the Department determines that the supporting documents are insufficient, the Department shall issue a deficiency notice to that top participant. The top participant shall have 10 business days after the date that appears on the deficiency notice to submit sufficient documentation.

e) If the top participant fails to provide sufficient documents after this deficiency period, the Department shall inform a top participant of its intent to deny the issuance of a conditional license prior to any denial of a conditional license.

f) Top participants shall have 5 business days after the date that appears on the notice of intent to deny to contest the Department’s decision. Any contestation must be filed in accordance with 68 Ill. Adm. Code 1110.

g) The Department’s final order to either affirm or revoke its intent to deny constitutes a final agency decision and may be appealed under the Administrative Review Law [735 ILCS 5/3-101].

h) If the Department informs a top participant of a deficiency or of its intent to deny the issuance of a conditional license because of one of the applicant’s principal officers has violated the Act or this Part, the principal officer may resign from the top participant (or another licensee) in order for the top participant to remain eligible for a conditional license. Proof of this resignation shall be submitted to the Department on the form published on the Department's website and submitted in the manner included on that form.

i) If a principal officer of a top participant resigns after that top participant has been notified of the Department’s intent to deny, that top participant may not replace the resigned principal officer. If a principal officer of a top participant resigns after that top participant has been notified of the Department’s deficiency notice or intent to deny, and that top participant therefore becomes ineligible to meet the requirements of the Act and this Part, the Department shall deny that top participant a conditional license.

j) If the Department affirms its intent to deny, the Department shall deny issuance of a conditional license and proceed to the next to participant as described in Section 1291.420.

k) If the Department denies issuance of a conditional license to a top participant, the Department shall notify the next eligible top participant drawn by lot of its opportunity for the conditional license, in accordance with Section 1291.405(c).

l) The Department may issue conditional licenses to top participants in the order in which they are received by the Department. Nothing in this subsection (l) prevents the Department from issuing conditional licenses before all top participants have submitted all necessary documentation.

m) If a principal officer of an applicant dies after the submission of any application, and that applicant is then selected as a top participant, the top participant shall present proof of death to the Department. A deceased principal officer may be replaced only if that principal officer was necessary for the top participant to remain eligible to be issued a conditional license. If a necessary principal officer of a top participant dies prior to issuance of the conditional license, the top participant shall have 45 calendar days after the death of that principal officer to submit proof of a replacement principal officer to the Department in order to remain eligible for a conditional license.

n) *The Department shall deny* issuance of a conditional license if it *would result in a single person or entity having a direct or indirect financial interest in more than 10 Early Approval Adult Use Dispensing Organization Licenses,* conditional licenses*, or Adult Use Dispensing Organization Licenses. Any entity that is awarded a* conditional *license that results in a single person or entity having a direct or indirect financial interest in more than 10 licenses shall forfeit the most recently issued license and suffer a penalty to be determined by the Department* in accordance with section 15-145 of the Act*, unless the entity declines the license at the time it is awarded.* (Section 15-30(k) of the Act)

(Source: Added at 46 Ill. Reg. 20783, effective December 13, 2022)