



# CANNABIS QUARTERLY *with* **IDFPR**

Quarterly Newsletter

Illinois Department of Financial and Professional Regulation

**FALL 2023**

## **FY 2023 ANNUAL REPORT RELEASED**

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## INTRODUCING IDFPR'S NEW DEPUTY SECRETARY

Ericka Johnson serves as the Deputy Secretary of the Illinois Department of Financial and Professional Regulation ("IDFPR"). She is a principal advisor to the Secretary, where she assists in developing and implementing policies, goals, and strategies for the agency's four divisions.

Prior to this role, Johnson served as Deputy Director of the Division of Real Estate at IDFPR, where she managed and led multiple executive-level projects. Johnson spearheaded the creation of the Division of Real Estate's "How to Series," an interactive workshop that tours the state to teach new and diverse candidates how to enter the appraisal profession with the goal of fostering diversity and reducing barriers to licensure.

Johnson also previously served as the Chief of Real Estate Prosecutions at IDFPR, where she led a team of talented attorneys, resulting in a sharp reduction in pending license law violation cases by more than 65%.

Prior to her arrival at IDFPR in 2018, Johnson was a career litigator with over a decade and a half of experience in the courtroom, representing the People of the State of Illinois at the Cook County State's Attorney's Office.

Johnson earned her Juris Doctor from Northwestern University, Pritzker School of Law (2003) and her Bachelor of Arts in Government, with honors, from The University of Texas at Austin (2000), where she was on the trial team. Johnson is a member of the Illinois State Bar (2003) and the United States District Court, Northern District of Illinois, General Bar (2003). She is also a member of the Association of Real Estate License Law Officials ("ARELLO"), where she currently serves on the Fair Housing Committee, and is a member of the Association of Appraisal Regulatory Officials ("AARO").



# INTRODUCING IDFPR'S NEW DIRECTOR OF PROFESSIONAL REGULATION

Camile Lindsay was appointed Acting Director of the Division of Professional Regulation (DPR) for the Illinois Department of Financial and Professional Regulation effective October 16, 2023. In this role, Lindsay manages the licensing, enforcement, and oversight of more than a million professionals over 70 professions and more than 200 license types.



Before joining IDFPR, Lindsay served as First Assistant Deputy Governor for infrastructure, public safety, environment, and energy in the Pritzker Administration. Her portfolio included overseeing several Illinois state agencies, including the Department of Transportation, State Police, Department of Corrections, Emergency Management Agency, and the Capital Development Board. Prior to joining the Governor's office, Lindsay served as Chief of Staff and Chief Legal Counsel for the Illinois Department of Corrections. Earlier in her career, she worked as Supervisory Regional Counsel for the Illinois Department of Children and Family Services, Assistant Attorney General for the Illinois Attorney General's office, and Assistant State's Attorney for the Cook County State's Attorney's office.

Lindsay has also completed multiple leadership programs, including Edgar Fellows, Leadership Greater Chicago, Chicago Urban League's Impact Leadership Development Program, and the Chicago Foundation for Women Willie's Warriors program. She is currently Vice-President of the board of directors for Housing Forward, an organization dedicated to eradicating homelessness and is a member of several bar associations.

Lindsay earned her Bachelors and Masters degrees from the University of Illinois at Chicago and her Juris Doctor degree from the University of Illinois Urbana-Champaign College of Law. In 2022, Lindsay was recognized by the University of Illinois at Chicago Department of Criminology, Law, and Justice as Alumni of the Year.

# FY 2023 ANNUAL REPORT RELEASED

## 2023 ANNUAL CANNABIS REPORT

Illinois Department of Financial  
and Professional Regulation



Vaughn G. Bentley | Deputy Director of the  
Cannabis Control Section

On Friday, September 29, 2023, IDFPR submitted its Annual Cannabis Report for Fiscal Year 2023 to the General Assembly and the Governor's Office. The report summarized and expanded upon all the hard work put forth by the Cannabis Control Section and IDFPR as a whole. The full report is available here (<https://idfpr.illinois.gov/content/dam/soi/en/web/idfpr/forms/auc/fy-2023-idfpr-annual-cannabis-report.pdf>), with some of the highlights below.

Fiscal Year 2023 was a busy year for the Cannabis Control Section, and the full Report identifies some of the highlights. Since July 2022, IDFPR has issued 200 conditional dispensary licenses. In September 2022, IDFPR published the very first Cannabis Quarterly Newsletter. In November, IDFPR issued its first operational adult use dispensary license to a social equity group, which began sales that same month. Towards the end of 2022, IDFPR finalized the rules in December 2022 for the Social Equity Criteria Lottery and announced the application process. Kicking off 2023 in January, IDFPR announced record-breaking sales for 2022, totaling more than \$1.5 billion! Throughout the rest of 2023, IDFPR continued to issue operational licenses, with more than 50 having already been issued.

FY23 also saw an increase in diversity in the market, with more than 50% of the new licenses being issued to businesses majority owned by people of color. Looking towards the future, IDFPR will continue to issue licenses in the most social-equity focused cannabis law in the nation.



## IDFPR CONDUCTS SOCIAL EQUITY CRITERIA LOTTERY

After accepting applications in the spring of 2023, the Department conducted the Social Equity Criteria Lottery (“SECL”) on July 13, 2023 in Springfield. The Department’s team started early in the morning, arriving at the Willard Ice Building to meet with members of the Illinois State Lottery and independent auditors, who observed the entire process. Though largely similar to previous lottery processes and procedures, the SECL was unique in that it included almost 2,700 applications for 55 new conditional dispensary licenses throughout 17 BLS Regions across the state. The SECL application was also different than the prior application process because it was online-only, streamlined with basic information, and required only a \$250 application fee. After the 17 drawings were conducted (one for each BLS Region the Department) and auditors verified the results, which were posted that same day. The 55 applicants drawn in a position eligible for conditional licensure are referred to as Top Participants.

Now that the actual lottery itself has concluded, the Department is reviewing the submissions of the 55 Top Participants to determine eligibility. If a Top Participant demonstrates it meets all of the Cannabis Regulation and Tax Act and SECL Administrative Rules’ requirements, the Department will issue it a conditional license. A conditional license does not mean the Top Participant can open for business and begin cannabis sales to consumers, but it does mean it may proceed through the zoning and build-out process in order to be issued a fully operational “15-36” adult use dispensary license.

We are excited to work with these new potential licensees and expand the Illinois cannabis market!

# RENEWALS IN MARCH 2024



On March 31, 2024, all adult use dispensing organization licenses will expire and must be renewed before then to continue operations. Renewal applications will be online and IDFPR strongly recommends all licensees to renew as soon as possible, typically 90 days prior to the renewal deadline. IDFPR will send a notice once applications are available. The fee to renew is set by the Cannabis Regulation and Tax Act at \$60,000 per license and that fee is required to be paid in full.

IDFPR will work with licensees to ensure compliance and renewals are processed as smoothly as possible, but cooperation from licensees is key in these efforts. The earlier a problem is identified, the more likely it can be fixed prior to renewal. If a licensee is considering ceasing operations, the licensee must give IDFPR at least three months notice.

For any questions, please contact [FPR.CannabisAdministration@illinois.gov](mailto:FPR.CannabisAdministration@illinois.gov).



# TIPS FOR INSPECTIONS



The Cannabis Control Section's inspectors have been hard at work these past few months undertaking both new construction and regular inspections. During that time, our inspectors noticed some issues reoccurring at multiple dispensaries and companies. In order to help increase compliance, we want to bring your attention to the following compliances issues and how it might be fixed.

## 1. Recording Destructions in BioTrack

Our inspectors have noticed multiple dispensaries not properly recording destructions in the State traceability system, BioTrack. The rules for destruction are laid out in 68 IAC 1290.450 (<https://www.ilga.gov/commission/jcar/admincode/068/068012900G04500R.html>) and all destructions must be entered into BioTrack the same day they occur. It is not sufficient to enter them into your POS system, you must also ensure the information is entered into BioTrack.

## 2. Camera Outages

When cameras go out, the dispensary manager should make every effort to contact IDFPR immediately. When the issue is resolved, IDFPR needs to be notified using the proper form (<https://idfpr.illinois.gov/content/dam/soi/en/web/idfpr/forms/auc/IDFPR-video-surveillance-failure-report-form.pdf>). This form also lists additional documentation that must be sent following any camera outage. All dispensaries are required to have camera coverage for all areas of a dispensary as specified by the CRTA<sup>1</sup> and by 68 IAC 1290.410 (<https://www.ilga.gov/commission/jcar/admincode/068/068012900G04100R.html>). If a dispensary remains open without adequate coverage, that can result in a citation. Dispensary staff are advised to contact their assigned investigator to determine if there is adequate camera coverage to remain open.

It is important that dispensaries provide updated information regarding access to their video surveillance system.

## 3. Inventory Adjustment Forms

Inventory adjustment forms (IAR) must be filled out completely. This includes an explanation of the efforts done to determine the reason for the discrepancy. Examples include, but are not limited to, reviewing transactions, surveillance footage, and deliveries. Manifests for each item listed on the IAR must be attached. Forms that are not properly filled out will be rejected and may bring dispensaries out of compliance with their obligation to notify IDFPR of discrepancies and to properly investigate those discrepancies.

## 4. Service Professional Logs

Vendor logs must be filled out completely and must identify the dispensary name, the name of the individuals, and the date submitted. Failure to fill out this information completely may result in increased time and efforts in determining if a vendor log can be approved and, in some cases, a citation if a vendor enters a dispensary who is not approved.



# NEW UNIT ADDED TO IDFPR'S CANNABIS CONTROL SECTION



The Cannabis Audit and Finance Unit is the newest addition to the IDFPR Cannabis Control Section. Its primary purpose is to handle all transactional matters related to dispensary operations. Typically, this includes approving changes of ownership and service agreements as well as ensuring compliance with the ownership limitations and requirements contained in the Cannabis Regulation and Tax Act ("CRTA"). The unit serves as a singular place to provide an open line of communication with licensees regarding any changes or agreements they are seeking to implement. They work with its licensees to ensure that the agreements comply with the CRTA's requirements.

Another feature of this Unit is its oversight of statutorily required surety bonds, escrow accounts, and licensing fees. For new licensees, the Unit has already been in contact to each individually with required fee letters. Any questions that you may have regarding licensing fees, surety bonds, or escrow accounts should be directed to the Audit and Finance Unit at [FPR.CannabisBusiness@illinois.gov](mailto:FPR.CannabisBusiness@illinois.gov). We look forward to working with all of our licensees.

Now let's introduce you to the members of the Audit and Finance Unit, Alex Martell and Andre Davis.

## **Hello Alex! Can you start by telling us a bit about yourself and your role in IDFPR?**

To start, my name is Alex Martell and I am the new Assistant Deputy Director of Cannabis. IDFPR has been a place I have called home for several years now, starting as a clerk while in law school. It has been a privilege to be able to grow my legal career with the Department. My current role includes overseeing the newly created Cannabis Audit and Finance Unit, which includes all transactional matters related to cannabis dispensaries. My contact info is below:

Alex Martell  
[Alexander.Martell@illinois.gov](mailto:Alexander.Martell@illinois.gov)  
312-814-1951



## **What's your favorite part of your job?**

My favorite part about this job is probably the people I get to interact with. The cannabis team is relatively small in Illinois, so we all work together on many matters. I could not do this without the support that the whole team provides each other. I also really enjoy the subject matter. Corporate transactions are highly complex agreements. It is fascinating for me to review these documents and see just how many ways parties are able to accomplish a goal.

## **What's something you or someone in the Administration has accomplished in the last few months that you're proud of?**

I think the accomplishment I am most proud of being a part of has been the licensing of our 50th new social equity dispensary. This has been a long road. I have been a part of the cannabis rollout from the initial announcement through the lengthy litigation. It feels really great to see how far we have come and to see all of the new licensees opening their doors.

**When you are not at work, how do you have fun?**

When I am not at work, I try my best to get outside - whether it's for a hike and camping trip or just a walk into town. I also like tinkering in my garage or yard on various projects. Other than that, I am usually spending time with the family watching something spooky.

**Hello Andre! Can you start by telling us a bit about yourself and your role in IDFPR?**

Hello out there! My name is Andre Davis and I am the Business Analyst within the Audit and Finance Unit. First of all, I have a big family by today's standards - there are 6 of us! I've been with my partner, Mia, for 29 years and we have four kids (two girls, 30 and 26) and two boys (21 and 17). We've lived on the South side, near Sox Park, since 1996 I think.



I am the Business Analyst for Cannabis Control and in, short, my job is to interpret the business world and it's language, norms, and culture for my team. Simply, I act as a translator of sorts for our team. This is my second career - I finished my Masters in Accounting in 2019 and started working for the State in October of 2020. That's right, I was hired during the COVID-19 Pandemic.. Prior to coming to IDFPR, I managed payroll for the Illinois Department of Employment Security statewide and, before that, I worked for the Illinois Department of Commerce and Economic Opportunity as an accountant. Before working for the State of Illinois, I was a financial planner and Director in that industry for about three decades.

**What is your favorite part of the job?**

It's always fascinating to see how deals are put together, so every time we get a new case, I get a rush to see how it's going to be structured. I know... things only an accountant could get excited about, right??

**What's something you or someone in the Administration has accomplished in the last few months that you're proud of?**

I'm very proud of the fact that we are getting through our cases in a timely fashion despite the voluminous amount of paperwork that is required to get our clients licensed and up to speed on the ins and outs of the Cannabis Regulation and Tax Act (CRTA).

**When you are not at work, how do you have fun?**

I make things out of wood and recently metal. I have a new workshop that I'm building, so that I can start making furniture and of course handle a massive "honey do" list for our century old Italian townhouse.

# HISTORY OF “GREEN WEDNESDAY”

Just behind 4/20, a cannabis holiday rising to popularity is known as “Green Wednesday.” Similar to Black Friday deals after Thanksgiving at box retail stores, and Small Business Saturday to celebrate small businesses, Green Wednesday is becoming a designated day for cannabis consumers to find new products or find the best deals and discounts on their usual cannabis purchases.

Green Wednesday started after dispensaries noticed a significant increase in sales before the Thanksgiving holiday. Just like any other holiday sale, dispensaries started using the name to encourage customers into the shop to take advantage of a variety of promotions and discounts.

The uptick in sales has no specific origin, but the holiday seemed to have gained popularity for several reasons, including the desire to safely consume cannabis with friends during the long holiday weekend. One reason might also be because stores typically close on Thanksgiving through the weekend. Accordingly, customers may be more likely to purchase to ensure they have enough for the long weekend.<sup>1</sup>

Green Wednesday is not just a way for consumers to save money, but also for cannabis retailers to showcase their inventory. The influx of customers and high consumption rates has become a way for dispensaries promote new products, gain new customers, and safely and responsibly grow the cannabis industry in Illinois.

In some of the top cannabis-selling states, sales increased on Green Wednesday 48% compared to a typical Wednesday in November.<sup>2</sup> In 2022, the cannabis industry saw double-digit growth during Green Wednesday and Black Friday sales. Green Wednesday was the day with the largest sales, generating over \$116 million in sales and showing a 16% increase year-over-year.<sup>3</sup> Black Friday sales closed in on over \$115 million in sales, which showed a 14% increase year-over-year.<sup>4</sup>

Since Green Wednesday is becoming an part of the Thanksgiving holiday, the Department would like to take this opportunity to remind all dispensaries and consumers to purchase and consume cannabis safely. Happy Green Wednesday and Happy Thanksgiving!

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<sup>1</sup>Laura Wilson, What (and When) is Green Wednesday, Weedmaps, (Nov 28, 2022), <https://weedmaps.com/learn/cannabis-and-its-evolution/green-wednesday>

<sup>2</sup>Lindsey Bartlett, Cannabis Sales in the U.S. Soar on ‘Green Wednesday,’ Forbes, (Nov 30, 2020)

<sup>3</sup>Pass the pre-rolls, please: Thanksgiving holiday cannabis sales see double-digit year-over-year growth, Greenwy Magazine, (Nov 29, 2022), <https://mogreenway.com/2022/11/29/pass-the-pre-rolls-please-thanksgiving-holiday-cannabis-sales-see-double-digit-year-over-year-growth/>

<sup>4</sup>Id.

## CONTACT US

Have questions about cannabis in Illinois? Please email us using one of the addresses below:

### Adult Use Cannabis:

[FPR.AdultUseCannabis@illinois.gov](mailto:FPR.AdultUseCannabis@illinois.gov)

### Medical Cannabis:

[FPR.MedicalCannabis@illinois.gov](mailto:FPR.MedicalCannabis@illinois.gov)



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