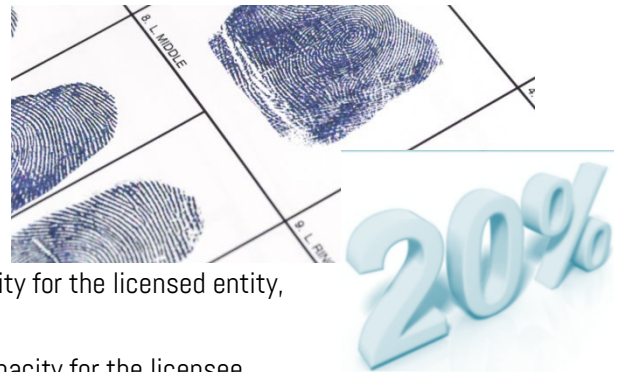


INDIVIDUALS WHO ARE REQUIRED TO HAVE BACKGROUND CHECKS For DABS LICENSING

1. Criminal history background checks are required for all individuals who:

- a) own 20% or more of the business,
- b) entity owners of multiple complex parent organizations, who own in totality, 20% or more of the licensed entity,
- c) owners who act in a supervisory or managerial capacity for the licensed entity, and
- d) employees who act in a supervisory or managerial capacity for the licensee.



2. If the owner of the licensee is an entity, such as a partnership, corporation, or limited liability company:

a. A criminal history background check is required for all:

- i. partners
- ii. managing agents
- iii. managers
- iv. officers
- v. directors or
- vi. individuals employed to act in a supervisory or managerial capacity



b. If the entity is a corporation, any **stockholder** who holds at least 20% of the total issued and outstanding stock is also required to have a background check.

c. If the entity is a limited liability company, any **member** who owns at least 20% is required to have a background check.

NOTE: If a stockholder of a corporation or a member of an LLC owns less than 20% of a DABS licensee and . . .

- They are **NOT** a partner, managing agent, manager, officer or director,

They are not required to have a background check - BUT they must be disclosed to the DABS as an owner. Ownership must equal 100%.