

A detailed illustration of a cannabis plant with several large, serrated green leaves and budding flower clusters, set against a dark green background. The plant is positioned on the right side of the frame, with its leaves extending towards the left.

CANNABIS: THE SET-UP & COMPLIANCE



Sivonnia DeBarros



Key facts about me:

1. Mommy of 1 and a dog.
2. Wife of a Big Kid at heart who keeps me balanced.
3. FL Born and Raised.
4. Chicago-Kent Law School Grad.
5. First Generation Lawyer and Law Business Owner.
6. Published Author





SIVONNIA DEBARROS

But Seriously:

I'm an avid Lover of Law.

An Informational, Legal,
Motivational and Empowerment
Speaker.

Transactional and Trial Lawyer.

An educational enthusiast.

Mission: To Educate Cannabis
Business Owners regarding the
necessary structures necessary for
operation and success and to avoid
violations that can cost them
peace, money and their business.

SL DEBARROS LAW FIRM, LLC: EST. 2014

- Since Our establishment, we have been teaching business owners like yourself how to create a business from incorporation to operation, to planning for serious injury or unavailability to closing.
- Since then, I have spoken at sixteen seminars on business and have hosted countless seminars and webinars regarding various legal issues dealing with business.





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2019 Presentations





The Start-Up

What Do I Need to Do!



What Type of Operation Do You Want?

Your Start-Up will be different based on what type of Cannabis Company You Want to run.

But... Here are 5 Common Things:

1. Application Fee
2. Proof of Registration
3. Proposed Operating Bylaws
4. Proposed Business Plan
5. Proposed Employment Policies
6. Name, address and DOB for each principle officer and board member (21 yrs) & verification of Background checks
7. Provide current local zoning ordinance
8. Maintenance of business records



TOP 5: Major Points for Start-UP All Cannabis Businesses

Proposed
Operating
ByLaws

Proposed
Business Plan

Proposed
Employment
Policies

Maintenance

Zoning

Proposed Operating ByLaws

Why Are these Important?

No online downloads that do not speak to your organization and members?

Considerations to be given:

- What contributions are all owners making?
- What profits and losses should be attributable?
- Do we need other investors to provide capital for operation?
- If so, what percentages are we giving? How will that impact the bottom line? Do they have power in the company?



Proposed Business Plan

Why?

The State needs to know that you are taking this seriously.

Traditionally: Businesses are not required to make business plans to be operatable.

In Cannabis: Costly and need to ensure that you understand your numbers, plans for employees, financing, etc.



Example:

If you are a **cultivation** business, your business plan would have information that clearly illustrates how you inventory, packaging and security plans would be covered.

If you are an **infusing** business, you will include plans regarding your protocols on infusing the products, packaging and delivery, to name a few.

If you are a **dispensary** organization, your business plan may include security protocol, making deliveries, front and back of store operations, and destruction of unsold cannabis, to name a few.

If you are a **transportation** company, you will want to include measure regarding security, employee supervision and proper licensing, pick-up and drop-off protocols, to name a few.



Proposed Employee Policies

It is impossible to run a million-dollar industry without employees.

With employees, come a multitude of personalities and characteristics.



Employee policies

- Employees Can make or break your company.
- They need to be properly trained. Failure to do so, can cause you high penalties.
- Establish Code of Ethics.
- Establish Guidelines for Warnings and Termination.
- Establish Employee Practices (Handbook) not just addressing employee behavior but how to report matters/document necessary protocol in the business.
- Establish Anti-Discrimination Practices.



Why?

- Poverty Mindset in a Million-Dollar Industry.
- Bare Minimum = Failure to Properly Document
- Surprise Check-Up or Employee Sues?



Zoning Ordinance

- Cannabis illegal federally.
- Business cannot be in close proximity to schools or churches.
- Need enough land space for Cultivation Centers.





Maintenance

How do you maintain
the business? Legally?



What is Maintenance?

Following the legal guidelines to ensure that your business is legally operable.

Maintaining the corporate shield, limits liability only to the assets of the company – not your personal assets.

If you fail to legally and properly maintain the shield, the “corporate veil” may be “pierced.” We call this – Piercing the Corporate Veil.



Examples of Maintenance:

1. Filing Annual Taxes
2. Filing Quarterly Taxes
3. Filing Sale tax elections
4. Keep track of corporate records
5. Having proper accounting procedures (no commingling of assets)
6. Recording Meetings and Minutes





Dangers of Failing to Maintain

- Personal Liability
- Expensive Penalties
- Garnishment by IRS for taxes
- Improper Valuation of Business if selling in the future and overpayment in sales taxes.



Compliance Rules

What do I need to do to stay Complaint?



Top 5:

Record-Keeping

Waste

Local & State

Employee

Local Zoning



Thank You!

To Schedule A Consult:

www.sldebarros.com/intake

For More on Cannabis Seminars & Courses

www.sldebarros.com/events

